

ECONOMY

From Singapore to Brussels, world leaders eye Trump-Xi summit from afar

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KEY POINTS Trump and Xi are set to enter talks with a sprawling agenda spanning trade, Taiwan, the Iran war and more.

The summit outcome could have major ramifications for global trade, geopolitics, and the rules-based order, analysts say.

Any cooperation between the U.S. and China on reopening the Strait of Hormuz could offer near-term relief in oil prices, and on the energy crunch overall.

SINGAPORE – When U.S. President Donald Trump and China’s Xi Jinping meet in Beijing on Thursday, they and their teams will seal outcomes on potentially a huge range of issues.

The agenda spans trade, technology, rare earth export controls, Taiwan, the Iran war, and artificial intelligence. China's decision to suspend exports of [a wide range of rare earths](#) and related magnets, and its [ban on semiconductors](#) from Nexperia China, upended [supply chains central to global automakers](#), with political and economic consequences across Europe, Japan, and South Korea.

“Virtually everyone has a stake in the outcome of this meeting,” said Chad Bown, a senior fellow at the Peterson Institute for International Economics.

That also means other world leaders and interested parties will likely be paying close attention — even if they won't be in the room when decisions are made that might have far-reaching consequences for them.

Leading up to the summit, both sides have been ratcheting up pressure, with Washington accusing Beijing of running [“industrial-scale” campaigns](#) to steal American AI technology, and China ordering companies [not to comply with U.S. sanctions](#) on Iranian oil as well as [hosting Iran's foreign minister](#) for a visit. The future trajectory of the relationship — whether toward cooperation or confrontation — will have massive consequences for the global economy.

“The entire world will be hoping that the two leaders can reach agreement on at least a

subset of issues ... and find ways to prevent any further escalation of tensions on the remaining ones,” Eswar Prasad, professor of economics at Cornell University, told CNBC. The outcome could have major ramifications for global trade, geopolitics and “the very survival of the rules-based order.”

A contentious summit that deepens tensions could prolong economic and geopolitical volatility, crippling global trade and growth, Prasad added.

The meeting, originally scheduled for March, was delayed after Washington became embroiled in its war against Iran, which has triggered the world’s most severe energy shock in history. Trump has signaled his intention for Xi to visit Washington later this year, which would mark the Chinese leader’s first trip to Washington in 10 years.

The whole week may be eventful. Top officials including Chinese Vice Premier He Lifeng and U.S. Treasury Secretary Scott Bessent will meet in [South Korea on Wednesday to discuss economic and trade issues](#), before the Beijing summit.

They might seek to ensure recent escalations — including U.S. sanctions on Chinese refiners buying Iranian crude and Beijing’s [unprecedented countermeasures](#) — don’t derail a truce reached in South Korea last year, said Gabriel Wildau, managing director at

political risk advisory Teneo.

Here are some of the issues at stake for various countries and regions:

Taiwan tensions

Both the U.S. and China have said Taiwan will sit atop the agenda.

Beijing has reportedly pressed the Trump administration to scale back its security commitments and revise U.S. official policy toward the island. China claims the democratically governed island as its own territory — a claim that Taiwan’s current ruling Democratic Progressive Party (DPP) rejects — and has long criticized U.S. arms sales to Taipei.

This comes after Xi welcomed Cheng Li-wun, chairwoman of Taiwan’s biggest opposition party, the Kuomintang (KMT), [in Beijing last month](#), telling her that China will never tolerate independence for Taiwan. That visit later [drew criticism](#) from Taiwanese President Lai Ching-te, who warned that “compromising with authoritarian regimes only sacrifices sovereignty and democracy.”

Any rhetorical softening from Trump, even ambiguous, would be “the most destabilizing outcome” of the summit, said Bonnie Glaser, managing director of the Indo-Pacific program at the German Marshall Fund of the United States.

“A tacit or explicit bargain in which Washington appears to concede a sphere of influence to Beijing over Taiwan” in exchange for concessions elsewhere could embolden China to take more assertive steps to erode Taiwan’s autonomy, Glaser said.

In a call with U.S. Secretary of State Marco Rubio on April 30, China’s top diplomat Wang Yi described Taiwan as [“the biggest point of risk”](#) in the bilateral relationship, urging Washington to “keep its promise and make the right choices to open up new space for China-U.S. cooperation.”

“Both countries understand that it is in neither one of our interests to see [anything destabilizing](#) happen in that part of the world,” he said.

Southeast Asia’s delicate balance

Southeast Asian governments will be watching closely for any dramatic shift in U.S. tariffs on Chinese goods relative to those on their own exports, said Stephen Olson, senior visiting fellow at ISEAS-Yusof Ishak Institute.

“If tariff levels on Chinese exports drop, the business rationale for moving production from China to countries like Vietnam will also drop,” he said.

The Strait of Hormuz is also a major issue for the region. Southeast Asian nations, heavily reliant on Gulf oil, have borne the brunt of the energy shock triggered by the Middle East

conflict. Singapore officials have repeatedly warned of the economic toll, while [calling for free passage through](#) the Strait.

Should Trump and Xi reach an agreement on a joint effort to reopen the strait, that could offer near-term relief to the energy crunch — though some analysts say such an outcome [remains a long shot](#).

Japan and EU: potential losses

Success for the summit may actually mean setbacks for Brussels and Tokyo.

A potential energy deal in which Beijing agrees to purchase more U.S. oil and natural gas could push global commodity prices higher, said Matt Gertken, chief strategist at BCA Research. Also, any progress on trade — including Chinese commitments to direct investment into the U.S. economy — could displace Japanese and European market share, he added.

Russia waits

The summit will also be tracked closely in Moscow, where support from China has become increasingly important. The last [in-person Trump-Xi meeting](#), in October, prompted Russian officials to [move quickly to reaffirm](#) Moscow's alliance with Beijing.

“Russia would be nervous about an overall improvement in U.S.-China relations,” said Dennis Wilder, a former U.S. intelligence

official and professor at Georgetown University. It's possible that one outcome of the summit would be a reduction in China's support for Russia's war effort in Ukraine, Wilder said.

Russian President Vladimir Putin is expected to visit Beijing next week, just days after Trump's departure.

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