



Trump sows uncertainty - and Xi Jinping sees an opportunity



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Reporting dent Donald Trump meets with China's President Xi Jinping. They are both wearing suits, and standing very close to one another. Behind them, the flags of their countries and a white sign saying

If China is angry at the United States for imposing an extra 10% tariff on all Chinese goods, it is doing a good job of hiding it.

Both Canada and Mexico vowed to retaliate and Canadian Prime Minister Justin Trudeau said his country "will not back down" as he announced a 25% levy on more than \$100bn (£81bn) of American goods.

US President Donald Trump then agreed to temporarily pause tariffs on goods imported from both countries after reaching separate agreements with them. The tariffs on China, however, are slated to go into effect on Tuesday.

So far Beijing has held its fire.

In 2018, when Trump launched the first of many rounds of tariffs targeting Chinese imports, Beijing declared that it was "not afraid of a trade war". This time, it urged the US to talk and "meet China halfway". And reports suggest a call between Trump and Xi Jinping could take place this week.

This isn't to say that the announcement will not sting. It will, especially because the 10% levy adds to a slew of tariffs he imposed in his first term on tens of billions of dollars of goods.

And the Chinese government's muted response is partly because it doesn't want to worry its population, when many are already concerned about the sluggish economy.

But that economy is not as reliant on the US as it was back then. Beijing has strengthened its trade agreements across Africa, South America and South East Asia. It is now the largest trading partner of more than 120 countries.

The additional 10% may not offer the leverage that Trump wants, says Chong Ja Ian from Carnegie China.

"China will think that it can probably endure 10% - hence, I think Beijing is playing it cool. Because if it's not that big a deal, there's no reason to pick a fight with the Trump administration unless there's a real benefit to Beijing." President Xi Jinping may also have another reason: he may see an opportunity here.

Trump is sowing division in his own backyard, threatening to hit even the European Union (EU) with tariffs - all in his first month in office. His actions may have other US allies wondering what is in store for them.

In contrast, China will want to appear a calm, stable and perhaps more attractive global trade partner.

"Trump's America-first policy will bring challenges and threats to almost all countries in the world," says Yun Sun, director of the China programme at the Stimson Centre.

"From the perspective of US-China strategic competition, a deterioration of US leadership and credibility will benefit China. it is unlikely to turn well for China on the bilateral level, but Beijing surely will try to make lemonade..." As a leader of the world's second-largest economy, Xi has made no secret of his ambition for China to lead an alternative world order.

Since the end of the Covid pandemic, he has travelled extensively, and he has supported major international institutions such as the World Bank and agreements such as the Paris climate accords.

Chinese state media has portrayed this as embracing countries across the world and deepening diplomatic ties.