

Xi-Trump Meeting: Key Takeaways and What It Means for India

October 31, 2025 • vajiramandravi.com



Xi-Trump Meeting Latest News

- At the **Asia-Pacific Economic Cooperation (APEC)** summit in South Korea, US President Donald Trump and Chinese President Xi Jinping met for the first time since Trump's return to office.
- Trump announced that **China agreed to maintain global exports of rare earth minerals under a one-year deal**, calling it a "worldwide solution." He said this would remove supply worries for industries dependent on these materials.
- Additionally, the **US will reduce tariffs on China**—cutting the penalty on fentanyl-related trade from 20% to 10%, bringing the overall tariff rate down from 57% to 47%.

Key Highlights of the Xi-Trump Meeting

- The meeting was its carefully managed optics. Unlike his usual confrontational style, President Trump adopted a polite and diplomatic tone, showing awareness of China's global influence.

- Interestingly, China did not immediately release an official account of the meeting, highlighting its cautious approach.

Trump's Recognition of China's Power

- Trump referred to the meeting as **"G-2"**, equating the US-China relationship to elite global groupings like the G-7 and G-20.
- This was seen as a symbolic recognition of China's global power, something no previous US president had done publicly — a clear diplomatic win for Beijing.

Controlled Diplomacy Over Confrontation

- Both leaders showed mutual deference and restraint, a departure from Trump's usual brashness.
- Their conduct reflected a shared understanding of the delicate balance between the world's two largest economies and the global impact of their relationship.

Deal on Rare Earth Exports

- The key takeaway from the Trump-Xi meeting was about **rare earth exports**.
- President **Trump announced** that China had agreed to **continue exporting rare earth minerals** for one year — a relief for global industries that depend on them.
- In return for China's cooperation, Trump cut tariffs on Chinese goods by 10%, lowering total US tariffs from 57% to 47%.
- This move was meant to ease pressure on Chinese businesses and encourage Beijing to compromise.
- While the agreement eased tensions, it only postponed the core issue — China still dominates the rare earth supply chain.
- The deal gives the US and its allies more time to diversify sources and reduce dependency on China.

Implication for India in the G-2 world

- In his first term (2017), Trump took a hard stance on China, calling it a strategic rival, strengthening alliances, and supporting frameworks like the Quad and Indo-Pacific strategy, where India played a central role.
- Now, in his second term, Trump's approach is commercial, focusing on trade deals and domestic investments, even pressuring allies like Japan and South Korea to invest heavily in the US.
- After the meeting, US President left behind a sense of uncertainty about America's future with China — the world's two largest powers.
- Calling his meeting with Xi Jinping a **"G-2" summit**, Trump sparked concern among allies that the US is leaning toward a China-first, business-focused policy.

Implications for India and the Region

- For India, the message was clear: **the US focus remains on managing China**.

- The question now is whether Trump prefers working with allies like India, Japan, and Australia (under the Quad) or handling China alone.
- For India and other Asian nations, this marks a new phase in US-China relations — a mix of competition and cooperation.

Trade Disadvantage for India

- After Trump reduced tariffs on China to 47%, **India now has the highest tariff rate at 50%, putting it at a trade disadvantage.**
- This makes a US-India trade deal more urgent, especially since Trump said one could be finalized en route to South Korea.
- Until then, a US rival (China) enjoys better trade terms than a US partner (India).

India's Strategic Path Forward

- As Trump's trade-driven strategy reshapes the region, India must rethink its assumptions about both American intent and Chinese ambition, while identifying space for its own strategic autonomy.
- For India, the challenge is to navigate this shifting US-China balance with agility.
- Delhi must:
 - Engage the US where interests align,
 - Explore economic opportunities with China where possible, and
 - Deepen partnerships with Asia and Europe to strengthen its independent position.

Source: **TH** | **IE** | **IE**

Source: <https://vajiramandravi.com/current-affairs/xi-trump-meeting-key-takeaways-and-what-it-means-for-india/>

© Vajiram & Ravi. For personal use only.