



U.S.-China in 2025: Cutting Through Uncertainty

By Susan Thornton¹

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The United States and China are the two most significant actors in the international system in 2025. Although other actors maintain agency and influence, the course of the U.S.-China relationship will shape the experience of future generations across the globe in a myriad of ways. U.S. and Chinese non-governmental experts met in early May under the auspices of the National Committee on American Foreign Policy in New York to discuss the strategic direction of U.S.-China relations. Participants from both sides posited actions to build more constructive relations, mitigate the current zero-sum competition, and avert deepening adversity to reduce the likelihood of crisis. For global players, the ongoing tit-for-tat escalation in U.S.-China relations produces weekly shocks and mounting uncertainty, with negative consequences for stability and prosperity far beyond the bilateral fallout. Restoring some degree of strategic direction and predictability to the U.S.-China relationship is urgent, not just for these two countries, but for the world.

Participants in the NCAFP's recent dialogue agreed that, in the current U.S.-China relationship, top leaders and their personalities, ambitions, and preferences figure disproportionately in the conduct of relations. President Trump's conviction that China has been taking advantage of American largesse in the trade relationship and President Xi's dedication to achieving China's timely rejuvenation put the two leading powers on a collision course. The international community is alarmed to witness the two most capable powers locked in an insular confrontation/inward-looking duel during a time when the world's urgent challenges and opportunities derive from globalization and technological change.

Nevertheless, participants generally acknowledged that these two leaders would have an outsized influence in shaping the new global order in the coming decades. Their

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preponderance was cause for concern as neither seems to possess a clear vision for a future world order based on an understanding of the contributions and responsibilities to be borne by great powers. The U.S. is pulling back from such a vision but has put forward no clear alternative. Participants deemed it likely that the U.S. would take a considerable amount of time to put forward any new proposals regarding the global order, as it deals with its domestic polarization and malfunctioning democratic institutions.

For its part, China is interested in global economic leadership but is reluctant to involve itself as a mediator of conflict and continues to have territorial disputes with neighbors. Participants discussed whether China would move proactively to propose changes to the global order or step into the vacuum created by the U.S. withdrawal and take on the mantle of global leadership. While China will continue to push to expand its influence, particularly through economic and diplomatic overtures to the “Global South,” none of the dialogue participants expected China to aggressively seek to fill the vacuum of U.S. retrenchment. Chinese participants anticipated that Beijing would continue to highlight U.S. withdrawals from global commitments and reductions in development assistance to underscore U.S. inconsistency and disregard for smaller, poorer states. Participants noted that such criticism from China is not new but has been made more credible by narratives already circulating in target locales about U.S. unreliability.

Participants expressed concern over the paucity of U.S.-China official communication channels. Ambassadors of both countries have been isolated in their respective capitals with little access to leading officials. Although it is still early in the second Trump administration, high-level bilateral interactions have been difficult to schedule amid mistrust on both sides. Donald Trump and Xi Jinping know each other, and the post-2017 record of U.S.-China strategic competition shows that without regular leader-level communication, tensions quickly deteriorate into hostility. The record also shows that amid continual escalatory measures of economic warfare and strategic rivalry, it will be very difficult for the two leaders to regularly engage in such communication. President Trump has demonstrated a willingness to cut through mistrust in reaching out to foreign leaders in the past, and he is uniquely able to connect with China’s leaders without a loss in political capital. Chinese officials are reluctant to subject their leader to the vagaries of phone communication, however. American participants believed that U.S. leaders should, as a rule, be confident enough to talk with China’s leaders when needed and that Beijing should be confident enough to pick up the phone. Leader-to-leader contact is currently the key guardrail in U.S.-China relations.

President Trump’s team is not experienced in negotiations with China, meaning the negotiations will be protracted as they learn the “intricacies” of various complicated trade and supply chain issues with China. This is evident from the recent bilateral trade

drama over critical minerals and rare earth magnets. Dramatic tariff deadlines that are continually postponed by 90 days will be non-conducive to progress and needlessly disruptive to business and the broader economy. Trump holds some leverage over China on trade, although not as much as he claims, and it is steadily diminishing with the scattershot nature of his approach. If the endgame becomes clear, and there is adequate time and restraint in terms of punitive measures punctuating negotiations, then a deal can be reached. But if the goalposts are constantly moving and the administration's objectives remain unclear, confrontation will escalate.

Both U.S. and Chinese experts agreed that the need for increased clarity and certainty about goals, intentions, and red lines between the two powers to avoid conflict should be a mutual priority. In this regard, the two sides should focus on managing the Cross-Taiwan Strait situation carefully, clarify the aims and boundaries of the current economic war, and maintain discussions on military and security understandings and restraints. The absence of a China policy in the Trump administration is a particular defect. If a crisis is to be avoided, there is a need for a clearer articulation of U.S. policy and intentions toward China from the U.S. top leadership. Currently, continual mixed messages are only deepening mistrust despite an acknowledgment from Chinese interlocutors that the Chinese government is likely over-interpreting such messages.

In general, participants agreed that both countries should be more confident and proactive in their dealings with each other and the world. Many current policies in both capitals incur costs without regard to whether they provide any benefit, resulting in a lose-lose competition. In this regard, the contact and rapport between U.S. and Chinese societies must be maintained and even enhanced. Currently, both countries are imposing obstacles to people-to-people exchange, and exchanges among young people are being especially truncated. This tendency toward mutual bilateral isolation is self-defeating. In a rapidly globalizing world, no single nation-state can navigate 21st-century challenges alone. The U.S. and China must engage each other and work with others to meet them effectively.

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