

# Xu Qinduo: Trump-Xi Meeting - Economic War, Taiwan & Iran

Xu Qinduo is a journalist, political analyst and host of Dialogue at CGTN. Xu Qinduo discusses the significance of the meeting between Donald Trump and Xi Jinping in Beijing. Books by Prof. Glenn Diesen: <https://www.amazon.com/stores/author/B09FPQ4MDL> Follow Prof. Glenn Diesen: Substack: <https://glennDiesen.substack.com/> X/Twitter: [https://x.com/Glenn\\_Diesen](https://x.com/Glenn_Diesen) Patreon: <https://www.patreon.com/glennDiesen> Support the research by Prof. Glenn Diesen: PayPal: <https://www.paypal.com/paypalme/glennDiesen> Buy me a Coffee: [buymeacoffee.com/gdieseng](http://buymeacoffee.com/gdieseng) Go Fund Me: <https://gofund.me/09ea012f>

## #Glenn

Welcome back. Today is May 14th, 2026, and we are joined by Xu Qinduo, who is the host of Dialogue at CGTN, to discuss what is happening now at the meeting in Beijing. As we know, Donald Trump is currently meeting with Xi Jinping in Beijing. So thank you very much for coming on the program. Thank you for having me, Glenn. So again, I think most of the world now is looking at this meeting. Often there's a lot of superficial theatrics when we deal with Trump. But at the same time, there are a lot of issues that have to be solved by these two giants, the two largest powers in the world, the US and China. So what do we know so far about how this meeting has gone? And what are essentially the main objectives of each side? And is there any common meeting point?

## #Xu Qinduo

Yeah, I can share with you what happened today. I would say, in general, the atmosphere has been very positive. Mr. Trump obviously was impressed with the welcome ceremony, for example, and the reviewing of the ceremonial guards together with President Xi Jinping, the visit to the Temple of Heaven, and then the state banquet. So the two leaders spent the morning talking to each other with their own teams. And then the two of them were at the Temple of Heaven in the afternoon. And then in the evening, I think it's still ongoing. They have a state banquet hosted by President Xi. He gave a very warm speech. He talked about how China and the U.S. should be partners rather than rivals.

And President Trump also responded in his speech — a brief speech, but very warm. He talked about both Chinese people and Americans, you know, taking care of their families, working hard. They share a lot in common in terms of their values. He talked about, over the past hundreds of years, you know, almost 250 years, the engagement between the peoples of the two countries. He

mentioned the first U.S. ship arriving in China in 1784. At that time, Chinese people called them new people from a new country. And then he talked about the Chinese workers helping build the rail link between the Pacific and Atlantic Oceans across the Continental Railroad.

He talked about the establishment of Tsinghua University, one of the top universities in China. He also talked about the China-U.S. alliance during the Second World War. Also, Confucius was well respected in the U.S., etc. So, you know, both sides agreed upon a vision, which is called strategic, constructive strategic stability, that will guide the bilateral relationship for the next three years or even beyond that. So that's very impressive, I would say.

## **#Glenn**

Well, those are some good signs. However, ever since Trump's first administration, we know that China tends to have the spotlight in his administration, but also more generally within the U.S. now, given that China is seen as the main peer rival. And indeed, I saw Xi Jinping even make a reference to the need to essentially overcome what is often referred to as the Thucydides Trap — that is, that we had one hegemon before, and now it's, if not being replaced, at least no longer enjoying a hegemonic position. And often this results in conflicts between the two great powers. So given that, there will be, I guess, at least a need to harmonize relations or manage the competition. How do you see the prospect of overcoming this economic war? Because that's something that really shaped U.S.-China relations over the past decade.

## **#Xu Qinduo**

That's a good question, Glenn. You know, you mentioned the Thucydides Trap. President Xi also mentioned this phrase, but what he meant is that we should overcome this idea of the Thucydides Trap, you know, we should overcome this trap, and then we should set a new model, probably for major power-to-power relationships. I think he referred to China and the U.S., you know, both basically are peers in the sense of economy, high-tech development, innovation, or military capabilities. So right now, they are at a critical juncture, you know, how they handle each other, how they handle their relationship is not only of consequence for the two peoples, the two countries, but also for the stability of the entire world.

I think President Xi mentioned that there's something beyond this bilateral relationship. So, of course, when it comes to the relationship itself, you mentioned trade, for example — that's a very important part of this relationship. And it used to be the ballast, we call it, which is a stabilizer of this relationship, because there's so much investment from the U.S. in China, so much export from China to the U.S. Somehow, it brings the two peoples, the two nations together. And, you know, at the peak time, I would say every 15 minutes there was a plane taking off or basically, you know, landing in either China or the United States.

So the two countries used to be, you know, very closely connected. But of course, we know what happened later on. And right now, again, it is at another, you know, challenging time. Like, looking ahead, what kind of relationship do we want to have after this — the fight, the trade war, the tech war, you know, the tariff war? Do we want to continue? Is that in our interests? Is there any possibility of a new model of living together, of coexisting peacefully for the benefit of the two countries? So that's why at the very beginning, Xi Jinping mentioned, like, oh, okay, we should help each other succeed to overcome this mentality.

We call it like a zero-sum mentality. I think on his way to China, U.S. Secretary of State Marco Rubio, remember he talked about, oh, China is rising, China is continuing to grow, but the Chinese rising cannot be achieved at the expense of the U.S. So it's a bit unclear how to handle that. What is the expense of the U.S.? But obviously, as you said, I think there's still this mentality. There's still this questioning or this unclear state of what we are going to do to achieve that kind of ideal state, maybe in both states globally. Help each other succeed — and it's quite ideal, but probably the right way to do, the right way to go.

## **#Glenn**

Yeah, that's what I want to ask. What specific issues have to be resolved? Because I know initially the objective was to roll back the technological development of China and stop its economic rise. But as we saw, when the U.S. put all these tariffs on China, China was able to push back essentially with threats against the rare earths and others. So essentially the U.S. had to back down and not go after China. But if this is not just a temporary pause and there's a genuine interest in resolving the economic war with China, what is it that actually has to be fixed? Is it the tariffs? Is it the limitations on exports of chips to China? Is it China's openness to export rare earths? I mean, what is it that each side wants from the other? Because I've seen the U.S., for example, wants the Chinese to buy more U.S. energy and agriculture. This seems to fit a pattern around the world, actually, to reorganize the energy trade. So what do you think has to be resolved in terms of specifics?

## **#Xu Qinduo**

I think right now you mentioned a couple of them. They are talking about building a border for trade and also a border for investment between the two countries. So this is kind of like institutionalizing the dialogues, the communications between the two sides to deal with individual issues. But at the same time, of course, you can say it is good for them to talk to each other on regular terms, rather than having a dialogue that's kind of being isolated, a full and isolated case. So that's helpful. But at the same time, I think from the Chinese point of view, it's like, you know, we have gone through this trade war and the U.S. suffers, and the U.S. is not really winning.

The Chinese side, of course, suffers because we used to export a lot to the U.S., but now we have to export to other places in the world. But China is not losing its exports. Chinese exports continue to

grow. That means the U.S. effort through tariffs to stop Chinese exports is not working or has failed. And also, they are trying to be pragmatic, I think. They are talking about having this border of trade, meaning that we can do more trade as long as they are not sensitive, you know, if it's not high-tech, for example, advanced chips. So, you know, like a Chinese purchase of U.S. oil, Chinese purchase of U.S. agricultural products, soybeans, beef, or Boeing airplanes, the Americans would be more than happy to sell them to the Chinese side.

So I think for the Chinese side, they are also kind of warming to such an idea. Yes, we can do more where we can trade, we can talk more where we think it's sensitive technology, a sensitive area, it's probably related to our national security. At the same time, the idea of constructive or strategic stability, the Chinese idea is like it should focus on cooperation. The theme should be cooperation and competition should be limited. And then we should also communicate with each other in different areas — military areas, trade, tech, et cetera. It's not limited only to trade, for example. So I think that might work out.

If that works out, that means gradually they would build this kind of confidence. And also, the U.S. would have a reliance on the Chinese market because they sell a lot to the Chinese market. Similarly, the Chinese side would rely on the U.S. import or export of agricultural products or airplanes. So my idea is that mutual trade itself is mutually beneficial. Trade itself is not anything wrong. If you trade, nobody suffers from doing trade. It's like between us, Glenn, you know, I buy something from you. Yes, I suffer from a deficit, but I bought something, right? And there's no loss at all. So imbalance itself is kind of not the real issue.

It's about a long-term challenge of the economic structure, or the U.S. position being the supplier of the major reserve currency, the U.S. dollar. So that's why you can print U.S. dollars. Of course, usually you are having a deficit in terms of trade, but gradually, hopefully, I mean, more and more people will come to this understanding, and then we can continue to do trade while at the same time gradually focusing on expanding the trade into different areas between the two countries. And then we can build on that momentum to increase our understanding. And then we become less sensitive in terms of, you know, what they call a quote-unquote "China threat" or threat to national security. And that's, you know, to a high degree, a lot of that comes from this ideological idea or this kind of lack of trust, I would say.

## **#Glenn**

Yeah, well, the spectacular rise of China has put the world in a very unique situation. That is, to have suddenly China come almost out of nowhere in 40 years and become the leading economy. It does put a shock to the system, and I guess that can stir up some unhealthy stereotypes and demonization, vilification of China. But in international trade, though, we often see that great powers, they're not only looking for positive-sum gain where both sides gain. They're also often concerned about the balance of dependence. That is, great powers would like others to be dependent on them, but they want to reduce dependence on others.

And it's this asymmetrical interdependence where they often see they get both economic power and political influence. But if we focus on specifics of energy, it looks like the United States has a very specific energy plan that, at least it seems, has some objectives to reduce the exports of key energy exporters—so Venezuela, Russia, Iran. And often they seem to try to replace this with U.S. supplies. So if you look at the case in Europe, after the destruction of Nord Stream, likely by the Americans, we see that the U.S. now apparently is pushing to take over the energy infrastructure.

That is, they should manage the gas exports themselves—the transit from Russia to Europe—but also in trade. They want to buy cheap energy from Russia, and they want to sell their own expensive energy to Europe. So it looks like the U.S. is trying to set up a new system, to make itself more central in the energy trade. How do you see this with China, though? Is this a vulnerability if China makes itself too dependent on U.S. energy, or has China already diversified sufficiently to avoid any vulnerability in terms of excessive dependence?

## **#Xu Qinduo**

Mm-hmm. Well, I think, yes, there is concern on the Chinese side about over-relying on the U.S. for oil exports, for example, LNG—liquefied natural gas—from the U.S. If you buy too much from the U.S., gradually you form this kind of reliance on the U.S. market. And then, as you said, big powers have this sense of insecurity, especially if there's a lack of trust. Especially in this situation, if you watch the U.S. media, read the U.S. media, it's wall-to-wall negative coverage about China. This whole public sentiment is strongly against China, and of course you have this worry about whether that reliance on the U.S. is sustainable. And that's why I think China overall has diversified away from the U.S. to a large extent in terms of exports.

And they have been successful in doing so, increasing the volume of exports to the ASEAN countries, Southeast Asia, African countries, Latin American countries, Europeans, very successfully. And secondly, I would say Chinese diversification in terms of energy. China, I think, is being very cautious in avoiding reliance on a single source. If you look at the sources of their imports of oil and gas, you know, the reliance on a single source usually is not over 20%. They import oil from Russia, gas from Russia, from Iran, from Saudi Arabia, from Brazil, from Ghana. So it's multiple sources, I would say. At the same time, China is rapidly developing renewable energy. We know China is in the leading position in terms of EVs, solar panels, and wind turbines, et cetera.

China is also investing heavily in nuclear power plants. The projects, I think, are under construction. The total number of them is almost the combined number of the rest of the world. And also, China is rich in coal. So China has the technology to transform coal into gas, a rather mature technology. So in a crisis, in the worst scenario, China can rely on coal to provide electricity, for example. Yes, there is a climate concern, but we are talking about a survival problem. So that's the worst scenario. So in that sense, I would say China has been fully aware of its energy security issue. It's not only about whether you have enough supply, because China used to be called the factory of the world. It

consumes a lot of power. At the same time, it's about security—whether you have enough access to the resources for energy around the world.

So I think, you know, from the Chinese point of view, yes, the U.S. control of Venezuela, for example, their energy resources, probably the U.S., some people would say that's a U.S. attempt to control Iran, to control their oil and gas. Of course, it's not a successful attempt. And their warming up to Russia, for example, has also their own considerations. So, so far, I think, you know, China, indeed, what we are seeing is like a revolutionary trend. The transformation is about EVs, including the trucks. They are having these electric trucks, which are cost-effective compared with diesel-based trucks. So that's the strong incentive there is for the consumers to go electric right now. So hopefully, as time goes on, I mean, China does not see, China will not see a threat from the U.S. control, a growing control of energy around the world.

## **#Glenn**

Well, if we shift towards security, though, we know that a key issue is, of course, Taiwan. That is, Taiwan is considered by the U.S. to be an important part of this dual island chain to contain China. And, of course, since the U.S. and China restored relations in the 70s, it was founded on the One China policy, in which the U.S. recognized that Taiwan is a part of China. However, we've seen over the decades now that the U.S. has been pursuing this incrementalism, chipping a little bit away at China's sovereignty.

And I often remind people that President Carter, in his days, defined the One China policy as limiting U.S. ties to Taiwan as being organized around cultural ties and economic ties — so no political or military. But as we've seen, something I think has been intensifying over the years is, of course, moving into political and military ties as well, and also not so subtly backing secessionist movements. So how central do you think the Taiwan issue has been in these talks? And I guess the same question — do you think there's a possibility for a common meeting point, something at least to reduce the tensions, or do you think each side is locked in its own positions?

## **#Xu Qinduo**

In his discussion with President Trump, Xi Jinping mentioned the Taiwan question, as expected. He said this is the most important issue between China and the U.S. He talked about how, if mishandled, the entire China-U.S. relationship could be put in jeopardy. So, in my impression, this is probably the strongest rhetoric used by the Chinese top leader in an exchange with his counterpart from the U.S. I think this is the warning. The Chinese side is basically increasing the volume and the severity to help the Americans understand that, you know, this is what we used to say — this is the reddest of the red lines on the Chinese side. He mentioned that this separatist activity is a danger to peace and stability in the region.

So Americans should be aware of that. Their arms sales will embolden those secessionists, especially those in power, and that will create this security risk or danger to peace and stability in the region. The U.S., you know, in the past years, in particular, in the past like eight or nine years, you know, the One China principle has been hollowed out, in a sense, by the American administration. You mentioned, you know, no more ties beyond economic, trade, and cultural relationships. But what we are seeing is there are even a small group of American soldiers based in Taiwan. They are proposing this largest package of weapons sales to Taiwan, the increasing arms sales to Taiwan.

If you look at one of the three communiqués which serve as the foundation of the China-U.S. relationship, the one signed in 1982, it says basically the U.S. will reduce arms sales to Taiwan until it becomes zero. Instead, they are not keeping their promise. They are increasing arms sales to Taiwan. How can you say sending more weapons to a certain region is a gesture of peace, is a gesture of contribution to peace? No. If Washington really cares about peace and stability in this region, they would make it clear to the separatists in Taiwan that they oppose Taiwan independence. And they can go further and express such as, you know, we support the Chinese efforts for a peaceful reunification of Taiwan.

That would be even better. I think by doing that, they will be able to rein in the separatist activities in Taiwan, which are a source of threat to stability in this region. So that will also help the bilateral relationship a great deal because, you know, basically you are taking out this constant irritant in the bilateral relationship. So they can focus on what they can cooperate on with each other. They can focus on their common interests beyond this bilateral relationship, such as AI governance or the crisis in the Strait of Hormuz or in Ukraine. So that is the general idea. But I want to add more to that.

If you look at this change of, let's say, military or defense capability between the mainland and Taiwan, obviously the mainland side is way ahead of Taiwan. However, whatever amount of arms purchased by the Taiwan authorities, they will not be a match for the Chinese mainland. So that's basically pointless, the purchase of arms from the U.S. Of course, for those separatists, that's a way of being loyal to Washington. So the military-industrial complex in Washington can benefit, can profit from this kind of situation. And also, if you look at, you know, some military experts have, you know, this kind of a board game.

And the conclusion is, even with U.S. participation or intervention in the worst scenario, the U.S. will not win the war against China. So I think that's the reality, an increasingly true reality. And also, if you look at the U.S., if they are not able to defeat Iran, what makes them believe they can defeat China in a place, in a region where China enjoys home advantage? So I think if they are realistic, they should give up this idea of supporting the separatists in Taiwan by arming them to the teeth. Somehow that will slow down Chinese growth. Somehow it will sabotage the Chinese modernization drive. No, that will only bring about a disaster nobody likes to see, in particular countries in this region.

## **#Glenn**

Well, sometimes I wonder if the US, in its relationship with China, you know, if the conflict over Taiwan is emerging as the US being a status quo power or revisionist, because I think both could be true. That is, if the US is a status quo power, you can argue that China and the US are trying to deter two different things. That is, the US is trying to deter China from taking back Taiwan by force, so this is why they send weapons, while China wants to deter the US from backing secessionism. And as you suggested, one could argue that a status quo conflict might emerge because if the US hands weapons to Taiwanese authorities to deter taking it back by military force, it can embolden them to push towards secessionism, which then would actually trigger the use of force on the side of the mainland. So that would be the status quo scenario.

But if the U.S. is a revisionist, then sending all these weapons has an explicit purpose, that is to actually push for secession. That is the goal, simply because time is not on America's side. As you said, every day that passes, China grows stronger in relative power, not just vis-à-vis Taiwan, but also with the United States. In other words, if you want to weaken China, break apart Taiwan from the mainland, then it's better to do it today than wait 10 years. So they essentially have this incentive to escalate now, I think, which is why I'm curious, where do you think the U.S. is going? Especially, you know, as I listen to these warm words by President Trump in Beijing today, I can't help but think about, well, wonder if it's genuine diplomacy or not. Because what we saw with Iran was they were saying the same things, like, oh, we're getting along well with the Iranians.

We're close to a deal. And they said this twice while launching a surprise attack. And even now that they're negotiating... They initially agreed on this 10-point plan with the Iranians, and now they just abandoned it altogether. So often one is not sure how genuine it is. And one can also extend the same to Russia. That is, they had the spirit of Alaska. They had some agreements. Nothing has happened. The Russians more or less reached a conclusion that they're not negotiating in good faith. They're still sending money, sending weapons. The CIA is still there picking targets. They're killing Russians every day, and there's nothing moving forward. So I was wondering, how do you see this, I guess, the intentions of the United States? Are they a revisionist hostile power, or is this a status quo power which is simply locked in an unfavorable mutual deterrent?

## **#Xu Qinduo**

Well, there's, you know, I think from some of the conservative institutes in Washington, like the Hudson Institute, you know, there are scholars calling for the Iran war as it's all about China. So it's simply, you know, Iran is one of the goalposts to the final victory, to the final realization of defeating China by Washington. That could be true. I think for the Chinese side, there was not much discussion about that. But I think, you know, for decision makers, probably you need to prepare for

the worst, right? What if that's true? That's Washington's true face — that is, to defeat China, to slow down China. Well, that's already a public statement by the previous Secretary of Commerce. We know that under the Biden administration — to slow down Chinese innovation.

You know, in public remarks, she talked about Europeans needing to work with the U.S. against Chinese innovation. But, you know, I think China is in a position that will, if forced, retaliate, resort to countermeasures that can also do harm to Washington if they don't play fair — just like what happened with the 145% tariffs on the Chinese side. China resorted to rare earths against the Americans. I know inside Washington there's a debate about whether Washington will be capable, will be able to produce or manufacture its own rare earths within one or two years so they can get rid of the reliance on Chinese technology, rare earths, so they can be more self-reliant, so they can somehow impose probably more restrictions or more tariffs on the Chinese side.

I think the Chinese side is fully aware of that, and I think they know better about the processing of rare earths — from exploration to processing to the manufactured product, the whole process. It takes probably more than one year, or even more than two years. And also, I would say China has this position — you can call that a position of strength. China's manufacturing capability, for example, is probably the largest in the world. It is even larger, much larger than the U.S. It amounts to the combined manufacturing output of the U.S., Japan, and Germany.

If you look at history in a warring situation, you don't find a manufacturing giant that can produce weaponry and ammunition endlessly. And in that situation, if you challenge such a country, usually you are in a weaker position and you will be on the losing end. So I think for the Chinese side, they are really focusing on a defense strategy. They are not trying to offend the Americans or attack the Americans, because for the Chinese, there's no idea of replacing the U.S. to be the prime power or to be the global hegemony, to achieve global dominance. No, this is not the Chinese strategic goal.

If you look at the Chinese strategic goal, it's very clear. It's a five-year plan. It's a long-term plan. It's about the revitalization of the Chinese nation. Basically, they want to build a nation that is better than yesterday, or better tomorrow than today. That's the Chinese goal. So they are focusing on defense. If you have a strong defense and you have the resources, you have the power to defeat the attacker, defeat the party that initiated the war, then probably you will be in a safer position. I think generally that's the philosophy I would use to describe the Chinese idea in terms of its geopolitical situation with the U.S.

## **#Glenn**

Yeah, well, you mentioned Iran, and again, I've heard the same from many Americans, that a key target in this blockade on Iranian ports is China, as it is overwhelmingly the main export destination for Iranian oil. And Scott Besant also made a comment toward this end, arguing that China shouldn't, you know, buy the Iranian oil. But this must have also been a key focus of discussions between Xi Jinping and Donald Trump, that, you know, this massive war now going on in the Middle

East. And one of the, I guess, key focuses in trying to resolve the Iran war is the Strait of Hormuz. Of course, it didn't go as expected for the Americans.

I think when the meeting was initially set up with Xi Jinping, the idea was that Donald Trump would show up in Beijing having just defeated Iran, and he would come from a position of strength and be able to, well, not dictate terms, but at least have some benefit in negotiations. But instead, we see the U.S. is more or less trapped. There's no pathway to victory, and also you can't leave, because in the Strait of Hormuz, you know, the Iranians can decouple the U.S. from the region if they hold on to it. So how central has this issue been in the discussions between the two leaders?

## **#Xu Qinduo**

Their discussion certainly covers the topic of the Iranian crisis, let's say. I think before the trip takes place, there's media coverage in Washington claiming that Trump should apply pressure on the Chinese side so they can pressure the Iranians to give up their demand, to give up their efforts to close the Strait of Hormuz. In person, I would say that's the wrong approach. You know, some people would say you should come to China to ask for help if you are sincere in addressing this crisis, because China has nothing to do with this crisis in the first place. It's a war launched by Washington and by the Israelis without UN authorization, without a proper explanation, without legitimacy. It's an illegal war. It's an unprovoked war against Iran.

So in that sense, I would just say the Chinese side probably would ask the Americans, or urge the Americans, to finish their business as soon as possible, because the crisis, the energy shortage, is causing big troubles for countries, in particular in Asia, and also threatens global economic growth. So that's the U.S. mess, the mess created by the U.S. They should solve that problem as soon as possible. Instead of receiving pressure from Washington, Beijing should apply more pressure on Washington. With that said, I would say China and the U.S., they do share some common interests in this situation, basically the opening of the Strait of Hormuz, because it's not a matter simply between Iran and Washington, obviously.

For example, Gulf nations — their exports of oil and gas and other products — they rely on this waterway heavily. China, you know, purchases, imports, I think 40–50 percent of its energy from this region, also relies heavily on this international waterway. So I think the Iranians, of course, understand this. So Washington probably will have to restrain their demands and also respect the fact that it's them that launched the war, and they are failing to achieve their goal, any goal at all. So they have to accept this reality. And the Chinese side should help them probably to have a better understanding of the situation and be ready to restrain their demands, be ready to make compromises with the Iranians.

And so we can have a proper deal that will be implemented faithfully and that will provide a long-term solution, long-term stability for this region, and a long-term stable relationship probably between the U.S. and Iran. But so far, we haven't seen the U.S. side, you know, being earnest, not

to mention being faithful in resolving that problem. Some U.S. media said that, you know, Trump himself said, I don't need help from the presidency. But they did talk about this topic. So far, we don't have enough details about how they manage this topic. But I guess we are aware of where they are in terms of their position, in terms of the differences in how to approach this topic.

## **#Glenn**

Well, I saw a common statement that both China and the United States agreed, for example, Iran shouldn't have nuclear weapons. And this seems somewhat uncontroversial because the Iranians also say they're not going to get nuclear weapons. Exactly. Where it could be a tension, though, is that, again, the common stance on the Strait of Hormuz is that the Iranians should not have essentially this tollbooth. I was wondering how that fits in, if that puts China in a clash with the Iranians, because from the Iranian perspective they can't go back to the old status quo where they live under perpetual crippling sanctions and perpetual threats from the US and Israel.

So from the Iranian perspective, given that there's no diplomatic path, there's no deal the Americans will follow from their view, which essentially removes this threat. They see it as controlling the threat removes kind of the ticket, that is, they get the reparations from the attack. Also, they can organize the toll, if you will, or fee based on who is threatening Iran. If they put sanctions on Iran, it's a higher fee. If they're threatening Iran by, for example, hosting U.S. bases, there can be a fee. If they trade their oil in U.S. dollars, there can be a fee. So they have all these ways they can essentially, I guess, shore up their own security and create incentives for putting an end to all these sanctions and the military threats. I was wondering, do you see any tensions there coming between China and Iran due to the stance?

## **#Xu Qinduo**

No, I don't see tensions coming between China and Iran. I think, you know, for China, for example, there are at least three oil tankers already navigating through the Strait of Hormuz without much disruption, I would say. Given this stable, consistent, and strong relationship between Beijing and Tehran, obviously, for example, 90% of the Iranian export of oil goes to China. So there's no point, probably, in asking for a toll for any oil tankers if the destination is China. So they can also, if they are sophisticated enough, say, oh, the Chinese oil tankers are exempt from paying a fee, and that will reduce any source of tensions between China and Tehran, or potential tensions anyway.

So the Chinese side, you know, yes, the Chinese side would love to see the reopening of the Strait of Hormuz or a return to the previous status quo. But I think people are also realistic. People understand why Iran is doing this, because they have been under crippling sanctions for decades. And they need development. They need breathing room. And this is, you know, what they can do to protect themselves, to defend themselves. I think the Chinese side fully understands that. So if we end up in some form of control by the Iranian side, I wouldn't be surprised. And the Chinese side wouldn't oppose that kind of situation either.

Because, you know, if the U.S. refused to make a compromise, refused to lift the sanctions, for example, refused to allow basically Iran to conduct normal business with other countries, I mean, probably that's the right response or approach from the Iranians against Washington. And Washington has to understand that, you know, you cannot somehow impose your will on other countries, in particular countries like Iran and China. They have a long history. They are a civilization. And to somehow accept your unilateral sanctions, your unilateral moves. And I don't think that it will go far if the U.S. continues to follow that kind of practice. So it's really about the acceptance from the rest of the world of some form of Iranian control, even some form of collecting tolls when crossing the Strait of Hormuz.

What we are seeing is that, you know, many of the oil tankers, they don't see a problem. It's like paying probably more insurance fees going through the Strait of Hormuz. Now, I think it's really about the U.S. They have to find a face-saving approach to solve this dilemma, this problem. So they are imposing their own blockade against the Iranian blockade. Now the stalemate will continue. It's about how long the U.S. will tolerate it. In particular, how long U.S. consumers will tolerate the inflationary pressure, which is rising. If you look at the latest figures, when people go to the pump station, you know, they will not be happy with that. Yeah.

## **#Glenn**

Well, just my last question, I guess, is what are your thoughts on the overall outcome? Again, we don't know it yet, but do you assume there will be a great grand bargain in terms of China and the U.S. essentially resetting relations, or do you think there are going to be minor tweaks to attempt to resolve, for example, trade disputes? I mean, how significant do you think this is in terms of these kinds of international diplomatic meetings?

## **#Xu Qinduo**

Well, I think so far we would say it's a significant encounter between the two sides, not only between the two leaders. If you look at the pictures or the video clips of the two sides, for example, their top executives mingling with each other, talking to each other, I think that will increase the understanding of each other, create probably cooperation or opportunities for them to have more engagement. This kind of engagement has been absent for like nine years or even longer. So we do need probably this kind of close engagement, face-to-face engagement, you know, that will help broaden the mindset, you know, to be more open-minded, to have a better understanding of each other or each other's concerns, to build trust, you know, based on individuals, individual top executives, individual officials.

You know, for some of the U.S. officials, they are here for the first time. Marco Rubio, right? Pete Hegseth, you know, Stephen Miller. I think this is the first time for them to be in China, to see a different culture, different peoples, different system, an equally working country, equally innovative,

industrious, increasingly on par with the U.S., comprehensively. So people, I think we do need this kind of engagement. And if you look at the 26th, this is the first such large-scale engagement with each other. Trump has issued his invitation to President Xi Jinping to visit the U.S. in late September.

And then they have two other opportunities to meet each other on the sidelines of the APEC summit in Shenzhen and the G20 summit in the U.S. So, you know, if you take this kind of intense, frequent engagement with each other into consideration, I would call 2026 probably a milestone year for China-U.S. relations after so many years of clueless confrontation or conflicts. And now, probably after trying all the wrong approaches, they have found the right approach, which is to have constructive strategic stability with a focus on cooperation with limited competition. For example, they will do something that will basically help or benefit both sides instead of this zero-sum mentality. As time goes on, maybe that's a new beginning for this type of major power relationship. If that's the case, that would be a blessing for the two countries. Also, it would be a blessing probably for the entire world.

## **#Glenn**

Yeah, no, I agree that sometimes diplomacy in itself is quite an achievement. And especially from where I'm sitting in Europe, where this diplomacy has been to a large extent vilified and even criminalized. I'm thinking of, you know, European leaders boycotting diplomacy with the Russians for years now. But I think that in itself can be seen as a big plus, to have the leader of China and the United States actually meeting there in Beijing. And, you know, it's a required step to at least manage the competition and ideally push peace forward. So, yeah, overall, good signs, I guess, from that perspective alone. Yeah. Anyway, I want to thank you so much for taking the time. I know I've been on your program many times in China, so I appreciate you coming online.

## **#Glenn**

It's good to have this rather friction of ideas, to share our observations and analysis of what's going on, in particular between these two largest economies.

## **#Xu Qinduo**

Well, thanks again.

## **#Xu Qinduo**

Thank you, Glenn.