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Weekly China Report

Trump–Xi Meet In South Korea,
Agree To Trade & Economic Deal

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Weekly Developments

Trump and Xi Meet in South Korea, Agree to Trade & Economic Deal

On Thursday, President Donald Trump and Chinese President Xi Jinping met in South Korea during the Asia Pacific Economic Cooperation (APEC) summit for a highly-anticipated bilateral meeting on U.S.-China trade and economic relations. The 2 leaders had arrived with a “*very substantial framework*” in place, according to Treasury Secretary Scott Bessent, from earlier trade negotiations with top delegates. Over a week ago, Treasury Secretary Scott Bessent and United States Trade Representative (USTR) Jamieson Greer met with Chinese Vice Premier He Lifeng and his delegation in Kuala Lumpur, Malaysia on the sidelines of the Association of Southeast Asian Nations (ASEAN) summit where both sides had agreed upon a framework ahead of the Thursday Trump-Xi meeting in South Korea.

Per a White House [fact sheet](#), the trade and economic deal reached between the U.S. and China at the Trump-Xi meeting is as follows:

CHINESE ACTIONS:

- China will suspend the global implementation of the expansive new export controls on rare earths and related measures that it announced on October 9, 2025.
- China will issue general licenses valid for exports of rare earths, gallium, germanium, antimony, and graphite for the benefit of U.S. end users and their suppliers around the world. The general license means the de facto removal of controls China imposed in April 2025 and October 2022.
- China will take significant measures to end the flow of fentanyl to the United States. Specifically, China will stop the shipment of certain designated chemicals to North America and strictly control exports of certain other chemicals to all destinations in the world.
- China will suspend all of the retaliatory tariffs that it has announced since March 4, 2025. This includes tariffs on a vast swath of U.S. agricultural

products: chicken, wheat, corn, cotton, sorghum, soybeans, pork, beef, aquatic products, fruits, vegetables, and dairy products.

- China will suspend or remove all of the retaliatory non-tariff countermeasures taken against the United States since March 4, 2025, including China's listing of certain American companies on its end user and unreliable entity lists.
- China will purchase at least 12 million metric tons (MMT) of U.S. soybeans during the last two months of 2025 and also purchase at least 25 MMT of U.S. soybeans in each of 2026, 2027, and 2028. Additionally, China will resume purchases of U.S. sorghum and hardwood logs.
- China will take appropriate measures to ensure the resumption of trade from Nexperia's facilities in China, allowing production of critical legacy chips to flow to the rest of the world.
- China will remove measures it took in retaliation for the U.S.'s announcement of a Section 301 investigation on China's Targeting the Maritime, Logistics, and Shipbuilding Sectors for Dominance, and remove sanctions imposed on various shipping entities. [This includes the port fees, which the U.S. is putting on pause for 1 year.]
- China will further extend the expiration of its market-based tariff exclusion process for imports from the United States and exclusions will remain valid until December 31, 2026.
- China will terminate its various investigations targeting U.S. companies in the semiconductor supply chain, including its antitrust, anti-monopoly, and anti-dumping investigations.

AMERICAN ACTIONS:

- The United States will lower the tariffs on Chinese imports imposed to curb fentanyl flows by removing 10 percentage points of the cumulative rate, effective November 10, 2025, and will maintain its suspension of heightened reciprocal tariffs on Chinese imports until November 10, 2026. (The current 10% reciprocal tariff will remain in effect during this suspension period.) [The average U.S. tariff rate on Chinese goods will be at 47%.]
- The United States will further extend the expiration of certain Section 301 tariff exclusions, currently due to expire on November 29, 2025, until

November 10, 2026.

- The United States will suspend for one year, starting on November 10, 2025, the implementation of the interim final rule titled *Expansion of End-User Controls to Cover Affiliates of Certain Listed Entities*. [This rule mandated that all subsidiaries with 50% or more ownership by a restricted entity be added to the Commerce Department’s sanctioned “*Entity List*.”]
- The United States will suspend for one year, starting on November 10, 2025, implementation of the responsive actions taken pursuant to the Section 301 investigation on China’s Targeting the Maritime, Logistics, and Shipbuilding Sectors for Dominance. In the meantime, the United States will negotiate with China pursuant to Section 301 while continuing its historic cooperation with the Republic of Korea and Japan on revitalizing American shipbuilding. [This includes the retaliatory port fees, which China is also suspending.]

[End Quote]

Moreover, President Trump also said he would be interested in potentially removing the fentanyl tariffs if China is successful in stopping the flow of illicit drug precursor chemicals to the United States. In addition to boosting Chinese purchases of U.S. soybeans, President Trump wrote on Truth Social following his meeting with President Xi that China had agreed to begin the process to purchase American energy. Trump [wrote](#), “*In fact, a very large scale transaction may take place concerning the purchase of Oil and Gas from the Great State of Alaska. Chris Wright, Doug Burgum, and our respective Energy teams will be meeting to see if such an Energy Deal can be worked out.*”

Notably, President Trump told reporters that he plans to visit Beijing in April of 2026 to meet again with President Xi, who has also agreed to visit Washington, D.C. or Palm Beach, Florida at a subsequent date.

While there appears to be little color on the TikTok transaction from the Trump–Xi meeting, Secretary Bessent told *Fox News* that he expects the terms to be agreed upon in the coming weeks. Bessent said, “*In Kuala Lumpur, we finalized the TikTok agreement in terms of getting Chinese approval, and I would expect that would go forward in the coming weeks and months, and we’ll finally see a resolution to that.*”

Secretary of War/Defense Pete Hegseth [wrote on X](#) on Saturday that he had an “*equally positive meeting*” in Malaysia with his Chinese counterpart, China’s Minister of National Defense Admiral Dong Jun. Hegseth announced that he and his counterpart had agreed to open military-to-military communication channels, writing, “*Admiral Dong and I also agreed that we should set up military-to-military channels to deconflict and deescalate any problems that arise.*” In his X message, Hegseth also noted that he and President Trump believe the “*relationship between the United States and China has never been better.*”

The Trump Administration is entering into a period of de-escalation and closer alignment with China following months of tit-for-tat tariffs and export controls between the 2 countries. While the issue of rare earths appears to be mitigated for the time being, as well as other concerns including soybean purchases and port fees, there is still uncertainty over whether both sides will uphold this deal. Despite this, the general consensus posits that the Trump Administration is ready to positively engage with China while also protecting American interests and national security through a heightened domestic industrial base and trade agreements with allied nations. This includes critical minerals deals to ensure a secure supply of rare earths, as evidenced by recent agreements with Australia, Japan, Thailand, and Malaysia.

Nvidia Calls for Blackwell Chips to be Sold to China After Trump-Xi Meeting

Nvidia CEO Jensen Huang told reporters last week that he hopes the Trump Administration would carve out export controls to allow the semiconductor manufacturer to sell its Blackwell artificial intelligence (AI) chips to China. The issue was anticipated to be discussed at the meeting between Presidents Trump and Xi, as President Trump had earlier signaled that he may approve a less advanced version of the Blackwell for Chinese markets. While Xi and Trump did

discuss semiconductor policy, President Trump indicated that they did not negotiate access to Nvidia's Blackwell semiconductor explicitly. While calling for Chinese market access, Huang criticized the notion that Chinese firms cannot produce a semiconductor chip with the same capabilities as the Blackwell, saying, *"It is foolish to underestimate the might of China and the incredible competitive spirit of Huawei. This is a company with extraordinary technology."*

The House Select Committee on the Chinese Communist Party (CCP) [posted](#) to X after the President's comments, outlining that Chairman John Moolenaar (R-MI) continues his opposition to allowing China to obtain the advanced American chips. The Committee wrote in the post, *"Providing China with access to these chips would be akin to giving Iran weapons grade uranium."*

FCC Tightens Rules over Chinese Parts in Telecom Devices

On Tuesday, the Federal Communications Commission (FCC) unanimously voted to deny any new approvals for products that contain parts manufactured by Chinese companies deemed a threat to national security. The firms blocked from having parts in approved equipment are from the FCC's *"Covered List,"* which includes Chinese companies such as Huawei, China Telecom, and ZTE. FCC Chairman Brendan Carr said, *"These present loopholes that bad actors could use to threaten the security of our networks,"* referring to the use of parts made by designated Chinese companies. The Commission's vote also allows the FCC to ban previously approved equipment that uses components by prohibited firms in certain cases. This vote comes as the FCC works to remove Chinese companies from American telecommunications markets. Last month, Chairman Carr announced that the agency had removed banned Chinese electronics from online retailers, and that the Commission is beginning to remove Chinese telecommunications carrier HTK from operating in the United States.

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