

# U.S. and China Resume High-Stakes Trade Talks in Stockholm Amid Complex Global Landscape

July 29, 2025



High-level delegations from the United States and China are currently engaged in crucial trade discussions in Stockholm, aiming to navigate long-standing economic disputes and de-escalate tensions between the world's two largest economies. These two-day talks, held at Rosenbad, the Swedish Prime Minister's office, represent the latest effort to temper an ongoing trade conflict that has significantly impacted global markets and supply chains.

The U.S. delegation, led by **Treasury Secretary Scott Bessent**, and the Chinese contingent, led by **Vice Premier He Lifeng**, commenced their detailed sessions on Monday. Sources indicate the initial round of discussions extended beyond five hours, though no official statements have been released by either side.

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## Potential Tariff Truce Extension and Market Stability

While an immediate breakthrough is not anticipated, officials close to the negotiations suggest a potential agreement to extend the current tariff truce for an additional 90 days. Such an extension would defer the **August 12 deadline**, when significant tariffs are slated to reinstate without a resolution. Securing a durable agreement is considered paramount to preventing renewed disruptions to global supply chains, particularly concerning high-tech components and rare earth minerals.

The outcome of these Stockholm discussions may also influence the likelihood of a future meeting between U.S. President Donald Trump and Chinese President Xi Jinping. However, President Trump took to

his Truth Social platform on Tuesday to dismiss reports of actively seeking such a meeting, stating, “This is not correct, I am not SEEKING anything! I may go to China, but it would only be at the invitation of President Xi, which has been extended. Otherwise, no interest!”

These talks follow a series of recent U.S. trade agreements, including a substantial pact with the European Union on Sunday to implement a 15% tariff on most EU exports to the U.S., and a similar accord with Japan. The Financial Times also reported that the U.S. has temporarily paused certain tech export restrictions to China, including those on AI chips like Nvidia’s H20, in an effort to maintain the momentum of trade negotiations.

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## **Navigating Diplomatic Friction and Geopolitical Sensitivities**

Despite the economic dialogue, diplomatic friction persists, particularly concerning human rights and Taiwan. In Washington, bipartisan groups of U.S. senators are reportedly preparing new legislation addressing China’s treatment of ethnic minorities and political dissidents, as well as its stance on Taiwan. These legislative efforts could introduce complexities into the Stockholm negotiations.

Adding to the sensitive environment, Taiwanese President Lai Ching-te is reportedly postponing a planned visit to the U.S. amidst concerns it could provoke Beijing and potentially derail the ongoing trade talks. China asserts sovereignty over Taiwan and strongly opposes any official U.S. engagement with Taipei.

This current round of discussions builds upon previous meetings in Geneva and London, which focused on de-escalating reciprocal tariffs and restoring trade flows impacted by export bans and sanctions. Washington has consistently criticized China’s export-driven, state-led economic model, while Beijing contends that U.S. national security curbs constitute a form of economic containment.

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## **Looking Ahead: Complexities and Continued Dialogue**

Treasury Secretary Bessent has indicated openness to a truce extension but has underscored the importance of China shifting towards increased domestic consumption, a longstanding objective of U.S. policy.

Analysts caution that negotiations with China are considerably more intricate than recent U.S. trade agreements with the EU and Japan. China’s significant dominance in the global rare earths market, essential for critical industries from defense to automotive, remains a powerful leverage point.

While the definitive outcome of the Stockholm talks remains uncertain, both the U.S. and China appear committed to maintaining open diplomatic channels in their ongoing efforts to manage the complex economic and geopolitical landscape.