



A SUPPLY CHAIN FEDERATION REPORT

# TRADE & TARIFFS

SPECIAL US-CHINA UPDATE

MAY 27, 2026

This report covers President Trump's visit to Beijing to meet with President Xi Jinping and other China-related updates and developments.

This information is not intended as legal, market, or regulatory advice. · Cover photo: Ali Mkumbwa / Unsplash

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# IN BRIEF

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On May 14, President Trump met with Chinese President Xi Jinping in Beijing, becoming the first US President to visit China since 2017. The two leaders claimed progress in stabilizing US-China relations, but their messages were out of synch on a few key issues. For example, while President Trump touted major victories for sales of US goods to China on his way back to the US, China characterized the commitments as preliminary.

In addition, the White House's readout of the visit omitted any mention of Taiwan, while Beijing made Taiwan the centerpiece of its public statements. Xi warned Trump that US intervention in Taiwan would trigger conflict between the world's two largest economies; Trump told reporters on the return flight that he made no commitments to Xi and remained undecided on a pending \$14 billion US arms sale to Taipei.

# KEY DATES

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## JUNE

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- 1** USMCA Joint Review pre-meeting recommendation deadline. Parties wishing to make a recommendation for the Free Trade Commission to act must do so at least one month before the Joint Review meeting.
- 30** Commerce Secretary's report on copper markets due.

## JULY

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- 1** USMCA Joint Review (six-year check-in/renewal decision). Free Trade Commission meeting to review the agreement and decide whether to extend it for another 16 years or proceed with annual reviews.
- 4** Deadline for Brussels to implement trade deal commitments.
- 5** Sec. 301 List 1 continuation request window closes (review of the July 6, 2018 China action).
- 24** Sec. 122 10% tariff expires (by statute).
- 31** Pharma Sec. 232 tariffs take effect (Annex III: 17 companies).

## AUGUST

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- 22** Sec. 301 List 2 continuation request window closes (review of the August 23, 2018 China action).

## SEPTEMBER

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- 24** Proposed date for President Xi Jinping's White House visit.

**29** Pharma Sec. 232 tariffs take effect (all other companies).

## **NOVEMBER**

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**3** US midterm elections.

**10** Sec. 301 maritime/port fees suspension expires.

**10** US-China tariff truce expires; reciprocal tariffs on China revert from 47% to 57% effective rate; and Sec. 301 tariff exclusions expire.

## **DECEMBER**

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**31** African Growth and Opportunity Act (AGOA) expires absent reauthorization.



Photo: ABC News

## CHINA SUMMIT

President Trump and Chinese President Xi Jinping opened a two-day summit on May 14 in Beijing that featured military honors, flag-waving children, and a gift of rose seeds, but produced very little in the way of deliverables. Aboard Air Force One returning to the US on Friday, Trump told reporters the talks produced “fantastic trade deals,” though no official announcements were made. The visit was Trump’s second in-person meeting with Xi since the trade truce reached at APEC in Busan in October 2025.

Trump traveled with a delegation of approximately 30 US executives [including](#) Tesla’s Elon Musk, Apple’s Tim Cook, Boeing’s Kelly Ortberg, BlackRock’s Larry Fink, Goldman Sachs’s David Solomon, Blackstone’s Stephen Schwarzman, Citigroup’s Jane Fraser, and Meta’s Dina Powell McCormick; Nvidia CEO Jensen Huang, initially excluded from the official list, joined Air Force One during an Alaska refueling stop. Trump was also accompanied by key members of his Cabinet, including Secretary Bessent, Defense Secretary Hegseth, USTR Greer, and Secretary of State Marco Rubio. Rubio’s attendance was noteworthy, as he has been banned from entering China since 2020 due to his criticism of the country’s human rights abuses.

The two governments issued sharply divergent readouts. The White House [statement](#), posted on its X account, characterized the meeting as “good” and emphasized expanded economic cooperation, market access for US businesses, increased Chinese agricultural purchases, action on fentanyl precursors, and the Strait of Hormuz; it did not mention Taiwan. China’s Ministry of Foreign Affairs [led](#) with Taiwan as the most important issue in China-US relations and described an agreed “constructive China-US relationship of strategic stability” as the framework for the next three years and beyond. The mismatch let Beijing set the public narrative on Taiwan while leaving Washington to point to commercial deliverables.

Concrete deliverables landed below pre-summit expectations, with Boeing securing a [commitment](#) for the purchase of 200 aircraft against industry speculation of 500. Trump has indicated that China could add another 550 aircraft contingent on Boeing’s performance. China agreed to reopen its market to US beef, and Trump also pressed Xi on Visa’s entry to China’s payments market.

The two leaders did not discuss extending the October trade truce, leaving the November 10 expiration in place. If the deal is not extended, the effective US tariff rate on Chinese goods will rise from the current 47%

back to 57%. At a banquet at the end of the trip, President Trump [invited](#) President Xi and his wife for a White House visit on September 24.

## IRAN

The Iran-China dynamic remained adversarial in the run-up. Ahead of the Summit, Treasury Secretary Bessent [urged](#) China to step up diplomatic pressure on Iran to reopen the Strait of Hormuz, noting that China buys 90% of Iran's energy and pressing Beijing to stop blocking UN initiatives. The weekend before, China's Ministry of Commerce ordered Chinese companies not to comply with US sanctions against five independent refiners (including the newly designated Hengli Petrochemical), invoking for the first time a law allowing Beijing to retaliate against foreign sanctions enforcement. Speaking to Bloomberg from Beijing on May 15, USTR Greer [characterized](#) Chinese officials as "very pragmatic" on Iran. Trump told reporters after the summit that he did not ask Xi for any favors on Iran but believed Xi would lean on Tehran to reopen the Strait.

## BOARDS OF TRADE AND INVESTMENT

Both governments confirmed the establishment of a Board of Trade and a Board of Investment under what Chinese Foreign Minister Wang Yi described as a "reciprocal tariff reduction framework." Secretary Bessent [said](#) the Board of Investment would address "nonsensitive areas" and pushed back on speculation of a trillion-dollar Chinese investment. The initial framework envisions \$30 billion-for-\$30 billion in barrier reductions on non-sensitive goods, with specific products to be negotiated in subsequent meetings.

Separately, Greer [said](#) that China had committed to double-digit billions per year in agricultural purchases over three years across "soybeans and everything else." China renewed meatpacker permits for US beef, initially clearing 600 plants before walking the figure back to 200. US lawmakers, automotive, steel, and technology groups have warned against any Chinese investment opening in the US vehicle sector.

## AI SAFETY PROTOCOL

On May 14, Bessent [announced](#) that the US and China would establish a protocol on AI safety to keep "nonstate actors" from obtaining frontier AI models, framing the dialogue as a function of US technological leadership and indicating it would be a non-binding best-practices regime rather than a treaty. Trump confirmed that he and Xi had [discussed](#) AI cooperation, nodding affirmatively when asked whether the risks included biological, nuclear, and cyber categories. The track sits alongside established US-UK and US-EU AI safety cooperation frameworks; whether the protocol translates into a formal joint statement with concrete categories will be a near-term marker to watch.

## TAIWAN

Taiwan emerged as the sharpest point of public friction. Xi pressed Trump on whether the US would defend the island in a conflict; Trump declined to engage and told reporters, "I don't talk about that." The White House readout omitted mention of Taiwan entirely, while Beijing's statements led with China's position. Secretary of State Marco Rubio said in a post-summit [interview](#) that US policy on Taiwan is unchanged, that Beijing "always raises" the issue, and that US arms sales "did not feature prominently" in the discussion. Rubio added that Chinese use of force against Taiwan would be "a terrible mistake." Trump told reporters on the return flight that he had made no commitments and would decide soon on the pending \$14 billion US arms sale to Taipei.

## SEC. 301 REVIEWS

Trump and Xi did not discuss extending the existing “trade truce” that reduced reciprocal tariffs on Chinese goods to a 47% effective rate. Absent extension, the truce expires on November 10, 2026, and the rate would revert to 57%, along with the expiration of Sec. 301 product exclusions. On May 6, USTR formally commenced the second statutory four-year review of the Sec. 301 actions against China’s technology transfer, intellectual property, and innovation practices, with continuation request windows running from May 7 through July 5 for List 1, and from June 24 through August 22 for List 2.

In parallel, USTR’s Sec. 301 investigation into excess industrial capacity, which targets 16 trading partners including China, the EU, Japan, South Korea, Mexico, and Vietnam, concluded a four-day public hearing on May 8. Greer has stated he wants both the excess-capacity probe and a parallel forced-labor probe completed by July when the Sec. 122 10% temporary tariff is scheduled to expire. The Center for a New American Security testified that China’s excess capacity is categorically different from other countries and warrants coordinated allied response; the American Soybean Association urged caution, warning that new duties could derail negotiations and trigger Chinese retaliation against US soybeans.

## CONGRESSIONAL REACTIONS

Reactions split along partisan and committee-jurisdiction lines. Senate Majority Leader John Thune (R-SD) emphasized that Trump should not concede on Taiwan independence. Senate Armed Services Chairman Roger Wicker (R-MS) used a committee hearing to warn that Beijing is “engaged in an unprecedented nuclear expansion under Xi Jinping” and building a force well beyond minimum deterrence. House Oversight Chairman James Comer (R-KY-01) warned in a pre-summit interview that China could face additional tariffs if the summit produced no concrete deliverables. Ro Khanna, Ranking Member of the Select Committee on the CCP, released a pre-summit statement with Reps. Haley Stevens (D-MI-11) and Jill Tokuda (D-HI-02) criticizing the Administration’s lack of public consultation on a potential US-China deal and reaffirming Congress’s oversight role.



Photo: Voice of San Diego

## USMCA

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Even as US-China economic and geopolitical issues have dominated the agenda, the official window for renewal — or more likely a renegotiation — of USMCA is right around the corner. As such, key constituencies that are seeking modifications to the existing agreement are weighing in. For example, on May 12, Rep. Austin Scott (R-GA-08) [led](#) a bipartisan letter from 79 House Members to USTR Greer pressing for trade actions on Mexican specialty crop imports as part of the July 1 USMCA Joint Review. The letter argues that Mexican production held to lower standards is flooding US markets and undercutting domestic fruit, vegetable, and tree nut growers. Endorsing organizations include the American Farm Bureau Federation and state farm bureaus across the Southeast and Mid-Atlantic.

The letter signals continued congressional pressure on the Administration to use the USMCA review to tighten Mexico-specific trade measures, separate from any concessions extracted through the China track. Meanwhile, organizations such as the Business Roundtable and the US Chamber of Commerce are expected to continue to press for preserving the agreement and keeping the trilateral agreement at the core of economic relations among the US, Canada, and Mexico.

## TARIFF REFUNDS

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US Customs and Border Patrol (CBP) continued working to provide refunds, issuing more than \$35.5 billion to importers who successfully filed for tariff refunds after the Supreme Court struck down IEEPA tariffs in February. CBP Commissioner Rodney Scott [reported](#) at a closed court hearing on May 12 that through the Consolidated Administration and Processing of Entries (CAPE) portal, launched on April 20, CBP has validated approximately 87,000 of the 126,000 declarations received so far against the total of \$166 billion in overturned duties. More than 8.3 million accepted entries have been reprocessed to remove IEEPA duties, and the first refund payments to importers began in early May. CBP is required to file its next status update with Judge Richard Eaton of the US Court of International Trade on May 26.

# ALTERNATIVE TARIFF AUTHORITIES

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On May 12, the US Court of Appeals for the Federal Circuit [paused](#) a lower court ruling against the Administration's 10% global tariff imposed under Sec. 122 of the Trade Act of 1974. This administrative stay restores the collection of the tariff against three plaintiffs (two businesses and Washington state, which qualified as an importer through the University of Washington) that had won a reprieve the week prior at the US Court of International Trade. The plaintiffs have seven days to oppose a longer pause. The tariff was imposed in February 2026 in the wake of the Supreme Court's IEEPA decision and will expire on July 24 absent congressional action.

On May 10, President Trump used Truth Social to publicly [rebuke](#) Justices Amy Coney Barrett and Neil Gorsuch for voting to overturn the IEEPA tariffs. The post sharpens the political posture around the pivot to alternative tariff authorities (primarily Sec. 122, 232, and 301) the Administration plans to use to replace the IEEPA tariffs.



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