

## U.S.-China Trade Negotiators Continue Stockholm Talks to Avert Tariff Crisis

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Top-level delegations from the United States and China continued their talks in Stockholm on Tuesday, aiming to ease tensions and prevent another escalation in the ongoing trade dispute. The meetings mark a critical point in negotiations, as both countries face a looming deadline that could trigger renewed tariffs and disrupt global commerce.

Officials gathered for the second consecutive day at Rosenbad, the Swedish prime minister's office, where U.S. Treasury Secretary Scott Bessent and Chinese Vice Premier He Lifeng led the discussions. The talks are focused on extending the tariff truce reached in mid-May, which temporarily paused the exchange of punitive economic measures between the world's two largest economies.

Although immediate breakthroughs appear unlikely, negotiators may agree to a 90-day extension of the current trade pause. Such a move would offer both sides more time to resolve deeper economic disagreements, including longstanding concerns about technology exports, intellectual property, and China's state-controlled industrial policies. The United States has urged China to move away from its export-heavy growth model and strengthen domestic consumption, a shift U.S. policymakers have advocated for years.

The timing of the talks is crucial. China faces an August 12 deadline to finalize a durable agreement, or face the reimplementation of high U.S. tariffs that could approach embargo levels. These tariffs would not only increase pressure on Chinese exports but could also strain global supply chains, particularly in the automotive, electronics, and defense sectors that depend on rare earth minerals and magnet components sourced from China.

The meetings in Sweden follow recent trade agreements President Donald Trump signed with the European Union and Japan, reinforcing Washington's broader strategy of bilateral deals that prioritize American industries. While speculation grew over the possibility of a future meeting between President Donald Trump and Chinese President Xi Jinping, Trump publicly denied any active effort to arrange one, stating on the social media platform Truth Social that he would only consider a visit to China upon a formal invitation from President Xi.

Adding complexity to the negotiations, bipartisan lawmakers in Washington are preparing legislation targeting Beijing over its domestic policies and its stance on Taiwan. According to Reuters, Taiwan's President Lai Ching-te reportedly postponed a planned visit to the United States to avoid disrupting the fragile momentum of the trade talks. Beijing considers Taiwan part of its sovereign territory, while Washington continues to express support for Taipei.

Previous trade discussions in Geneva and London centered on scaling back retaliatory tariffs and reopening the flow of critical exports, including Nvidia's H20 artificial intelligence (AI) chips and other high-tech. Financial Times reported that the United States has

temporarily paused certain technology export restrictions to support ongoing dialogue with China.

Economists note that the U.S.-China negotiations are inherently more complicated than other recent trade deals due to the scale of bilateral trade and the geopolitical stakes involved. China's dominance in rare earth element markets, which play a vital role in both civilian and defense manufacturing, gives it leverage. Meanwhile, Washington remains firm on rebalancing trade terms to protect American economic interests.

While a long-term resolution remains distant, the continuation of formal talks in Stockholm suggests both sides recognize the costs of renewed economic conflict and the broader implications for global stability.