

# Trump, China's Xi poised for high-stakes summit over trade war



BUENOS AIRES (Reuters) – U.S. President Donald Trump and Chinese President Xi Jinping will wrap up a global summit on Saturday with high-stakes talks expected to determine whether they can begin defusing a damaging trade war between the world's two biggest economies.

With the United States and China locked in growing disputes over commerce and security that have raised questions about the future of their relationship, Trump and Xi are due to sit down for dinner at the end of a two-day gathering of world leaders in Buenos Aires.

The first day of the G20 summit offered glimmers of hope for progress between Washington and Beijing despite Trump's earlier threat of new tariffs, which would increase tensions already weighing on global financial markets.

But on the eve of what is seen as the most important meeting of U.S. and Chinese leaders in years, both sides said differences remained, and the outcome of the talks were uncertain.

This year's summit has proved to be a major test for the Group of 20 industrialized nations, whose leaders first met in 2008 to help rescue the global economy from the worst financial crisis in seven decades.

With a rise in nationalist sentiment in many countries, the G20, which accounts for two-thirds of the global population, faces doubts over its ability to deal with trade tensions and other geopolitical differences among.

G20 nations were still struggling to agree on the wording for the summit's communique on major issues including trade, migration and climate change, which in past years have been worked out well in advance.

Looming large at the summit is the trade fight between the United States and China, which have imposed tariffs on hundreds of billions of dollars on each other's imports after Trump began an effort to correct what he views as China's unfair commercial practices.

With the trade war weighing on the global economy, world financial markets are hanging on every development and will be watching closely to see if any compromise can be struck between Trump and Xi. The meeting will also be a test of the personal chemistry between the two leaders, which Trump has hailed as a warm friendship.

Another big unknown, however, may be Trump's personal unpredictability and his penchant for injecting drama into his appearances on the world stage.

## **TRUMP: A DEAL 'WOULD BE GOOD'**

Trump was typically coy on Friday even as he noted some positive signs.

"We're working very hard. If we could make a deal that would be good. I think they want to. I think we'd like to. We'll see," he said, speaking during a meeting with Japanese Prime Minister Shinzo Abe.

A Chinese foreign ministry official in Buenos Aires said there were signs of increasing consensus ahead of the discussions but that differences persisted.

Beijing hopes to persuade Trump to abandon plans to hike tariffs on \$200 billion of Chinese goods to 25 percent in January, from 10 percent at present. Trump has threatened to go ahead with that and possibly add tariffs on \$267 billion of imports if there is no progress in the talks.

Trump has long railed against China's trade surplus with the United States and Washington accuses Beijing of not playing fairly on trade. China calls the United States protectionist and has resisted what it views as attempts to intimidate it.

The two countries are also at odds militarily over China's extensive claims in the South China Sea and U.S. warship movements through the highly sensitive Taiwan Strait.

Xi and leaders from the BRICS group of leading emerging economies – Brazil, Russia, India, China and South Africa – called in a statement on Friday for open international trade and a strengthening of the World Trade Organization (WTO).

Trump cited Russia's seizure of Ukrainian ships last week as the reason he canceled a planned bilateral meeting with Russian President Vladimir Putin.

Chinese President Xi Jinping arrives for the G20 leaders summit in Buenos Aires, Argentina November 30, 2018.

REUTERS/Luisa Gonzalez

The presence of Crown Prince Mohammed bin Salman at the summit also raised an awkward dilemma for leaders, and Saudi Arabia's de facto leader cut a lonely figure standing at the edge of the G20 family photo on Friday.

Prince Mohammed arrived under swirling controversy over the murder of Saudi journalist Jamal Khashoggi in the Saudi consulate in Istanbul on Oct. 2. Saudi Arabia has said the prince had no prior knowledge of the murder.

Human Rights Watch asked Argentine prosecutors to investigate him for human rights abuses.

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