

# The U.S.-Israel-Iran War, the Trump-Xi Summit, and Shifting Dynamics in U.S.-China Relations

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## **Abstract**

This paper examines how the U.S.-Israel-Iran War and the May 2026 Trump-Xi summit have affected U.S.-China relations. It argues that the war has not turned the two powers into partners, nor does it simply benefit China by distracting the United States. Instead, it changes the bargaining environment. The conflict exposes China's dependence on Gulf energy and the Strait of Hormuz, while also demonstrating U.S. military capabilities and the burdens of U.S. global leadership. Iranian oil sanctions, maritime security, Taiwan, technology, rare earths, and trade mechanisms have become more tightly linked. The summit's formula of a "constructive China-U.S. relationship of strategic stability" is therefore best understood as conditional and transactional, not as strategic trust. The new Boards of Trade and Investment may manage limited economic issues, but they do not resolve deeper conflicts. The result is competitive crisis management: sharper rivalry combined with selective coordination when disorder becomes too costly.

**Keywords:** U.S.-China Relations, Iran War, Strategic Stability, Strait of Hormuz, Competitive Crisis Management

## **I. Introduction**

The U.S.-Israel-Iran War is first and foremost a Middle Eastern war. It grows out of the long conflict between Iran, Israel, and the United States over nuclear capabilities, missile arsenals, regional influence, and the security order in the Gulf. Yet it is no longer only a regional issue. It has become a pressure test for U.S.-China relations because it not only affects energy markets and shipping routes as well as



**Figure 1. The U.S.-Israel-Iran War in the Gulf**

Source: SpecialEurasia, “US-Israel War Against Iran: A 10-Day Intelligence Brief,” March 10, 2026, *SpecialEurasia*, <<https://www.specialeurasia.com/2026/03/10/us-israel-war-iran-10-days/>>.

sanctions enforcement, but also military deployments and diplomatic narratives. The ongoing war was also on the agenda at the high-level talks between Donald Trump and Xi Jinping in mid-May 2026.

This paper asks one fundamental question: how will the war and the Trump-Xi summit (re)adjust relations between the United States and China? The answer is certainly not simple. The war will not suddenly turn the two major powers into partners. It will not simply make China the winner primarily because Washington is now somehow distracted. Rather, the war effectively changes the issues, pressures, and bargaining positions within that relationship. It raises the urgent issue of energy security and forces both the U.S. and the People’s Republic of China (PRC) to rethink the Strait of Hormuz as a shared vulnerability rather than only a regional waterway.



**Figure 2. The U.S. and Chinese Leaders in Beijing During the May 2026 Summit**

Source: The White House, “President Donald J. Trump visits Zhongnanhai and Departs China,” May 15, 2026, *The White House*, <<https://www.whitehouse.gov/gallery/president-donald-j-trump-visits-zhongnanhai-and-departs-china-may-15th-2026/>>.

The timing does matter. Trump visited China from May 13 to 15, 2026, when the Iran war was already shaping the talks. The White House later stated that Trump and Xi agreed to build a constructive relationship of strategic stability on the basis of fairness and reciprocity. It also connected the understanding to Iran, the reopening of the Strait of Hormuz, North Korea, rare earths, agricultural purchases, Boeing aircraft, and new trade and investment mechanisms.<sup>1</sup>

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1. The White House, “Fact Sheet: President Donald J. Trump Secures Historic Deals with China, Delivering for American Workers, Farmers, and Industry,” May 17, 2026, *The White House*, <<https://www.whitehouse.gov/fact-sheets/2026/05/fact-sheet-president-donald-j-trump-secures-historic-deals-with-china-delivering-for-american-workers-farmers-and-industry/>>.

Yet, in essence, that formula warrants skepticism. In principle, Beijing's Foreign Ministry defined constructive strategic stability as the "four stabilities," that is, "positive stability with cooperation as the mainstay, healthy stability with competition within proper limits, constant stability with manageable differences, and lasting stability with expectable peace."<sup>2</sup> (合作為主的積極穩定，競爭有度的良性穩定，分歧可控的常態穩定，和平可期的持久穩定). That definition presents the phrase as more than a practical crisis-management tool. In reality, it is a Chinese political framing that requests the U.S. to accept a more stable great-power relationship under conditions that are more favorable to Beijing's view of its core interests and development rights.

Thus, the war and the summit have produced a mixed adjustment in U.S.-China relations. On the one hand, they sharpen existed rivalry over sanctions, Iranian oil, maritime security, Taiwan, and high-technology industry as well as AI. On the other hand, they create a limited need for future communication largely because neither side wants a total breakdown of energy flows through the Strait of Hormuz. The result is not deep cooperation, let alone a newly established strategic partnership. It is arguably "competitive crisis management," risk management within rivalry, which is combined with transactional bargaining when the costs of disorder become too high to bear.

## II. China's Energy Vulnerability

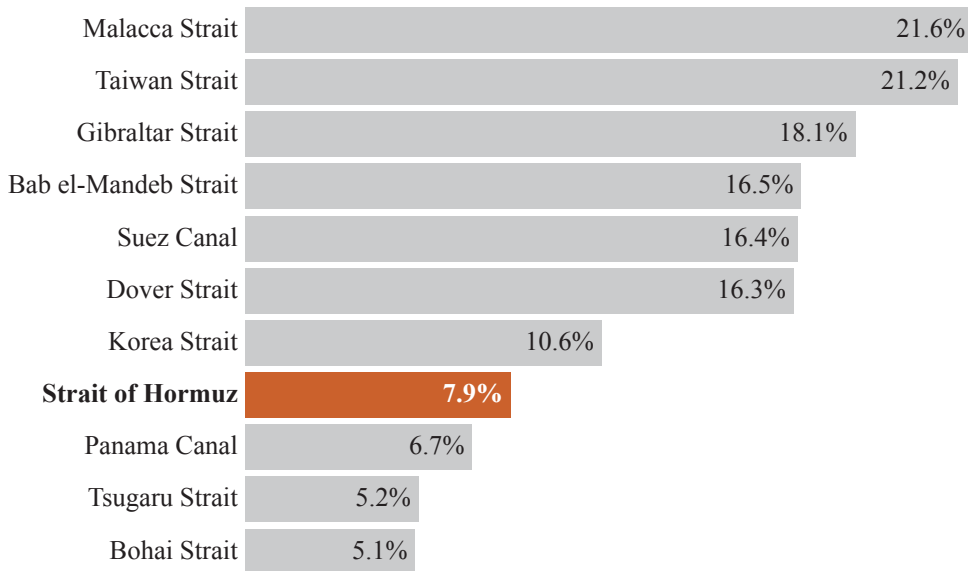
The first effect of the war is that it exposes China's energy vulnerability. China is one of the world's largest importers of crude oil and liquefied natural gas (LNG). Its home factories, transport system, domestic economies, and household prices are affected by the stability or instability of global energy markets. In addition to the Gulf states, the U.S., and the rest of the world, the Strait of Hormuz is also a strategic chokepoint for China. According to the Washington, D.C.-based Center for Strategic and International Studies (CSIS), it estimated that about 50 percent of China's foreign

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2 Ministry of Foreign Affairs of the PRC, "Foreign Ministry Spokesperson Guo Jiakun's Regular Press Conference on May 14, 2026," May 14, 2026, *Ministry of Foreign Affairs of the PRC*, <[https://www.fmprc.gov.cn/mfa\\_eng/xw/fyrbt/202605/t20260514\\_11910614.html](https://www.fmprc.gov.cn/mfa_eng/xw/fyrbt/202605/t20260514_11910614.html)>.

crude oil imports passed through the strait in 2025. When domestic crude production is included, around 36 percent of China’s total crude supply was related to that route in 2024.<sup>3</sup> Figures 3 and 4 below illustrate these estimates.

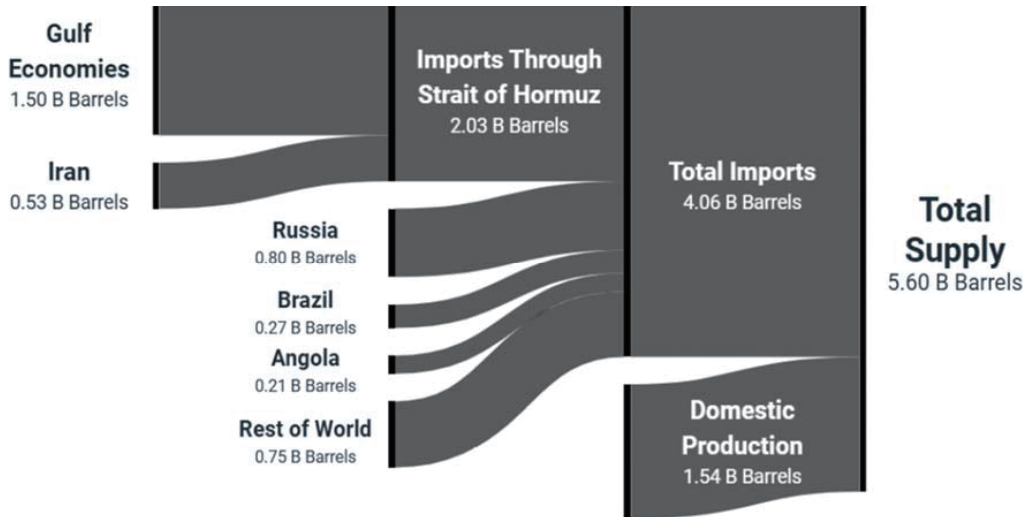
This matters for U.S.-China relations because Beijing simply cannot treat the war as a distant conflict. China is now criticizing Washington and Tel Aviv for using military force and presenting itself as a defender of peace, sovereignty, and negotiation. Nonetheless, a prolonged Gulf crisis would hurt the PRC as well, particularly at a time when Beijing is experiencing a severe consumption slowdown and domestic demand contraction. If the Strait of Hormuz remains closed, or partially



**Figure 3. Share of Global Maritime Trade Transiting Key Chokepoints**

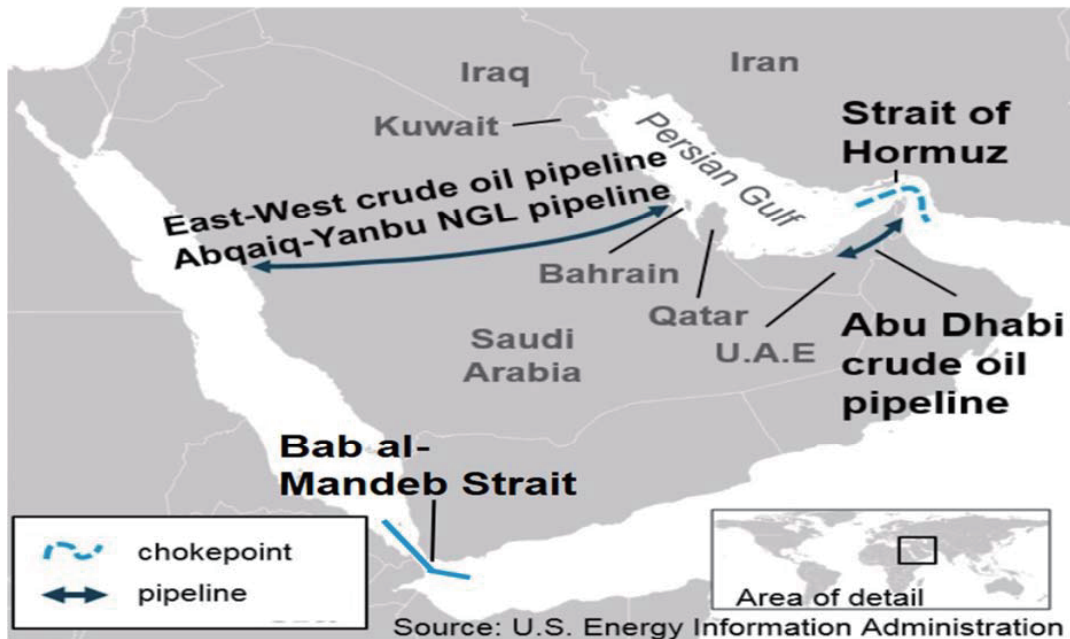
Source: Matthew P. Funaiole, Harrison Prétat, Aidan Powers-Riggs, & Jasper Verschuur, “The Strait of Hormuz in 8 Charts.”

3. Bonny Lin, Brian Hart, Leon Li, Truly Tinsley, & Linda Yang, “How Is the Iran War Impacting China’s Economy?” April 30, 2026, *ChinaPower Project*, CSIS, <<https://chinapower.csis.org/china-economic-impacts-iran-war/>>; Matthew P. Funaiole, Harrison Prétat, Aidan Powers-Riggs, & Jasper Verschuur, “The Strait of Hormuz in 8 Charts,” April 22, 2026, CSIS, <<https://www.csis.org/analysis/strait-hormuz-8-charts>>.



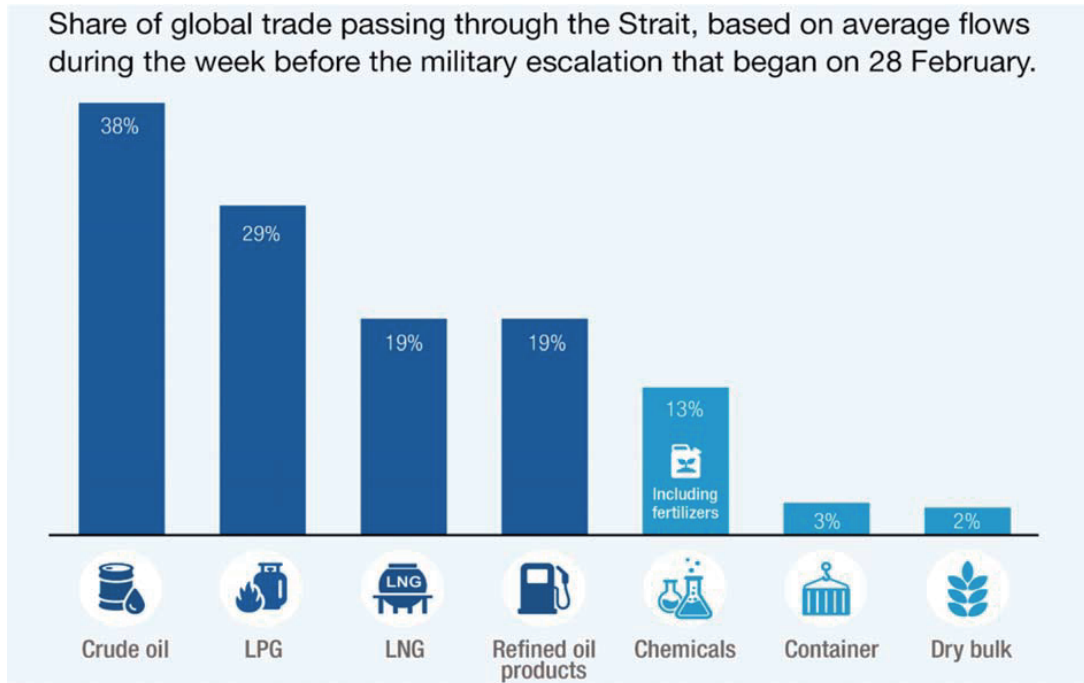
**Figure 4. Sources of China’s Crude Oil Supply**

Source: Bonny Lin, Brian Hart, Leon Li, Truly Tinsley, & Linda Yang, “How Is the Iran War Impacting China’s Economy?”



**Figure 5. The Strait of Hormuz: Geography and Alternative Routes**

Source: U.S. Energy Information Administration, “Amid regional conflict, the Strait of Hormuz remains critical oil chokepoint,” June 16, 2025, *EIA*, <<https://www.eia.gov/todayinenergy/detail.php?id=65504>>.



**Figure 6. Share of Global Trade Passing Through the Strait of Hormuz**

Source: UN Trade and Development, “Strait of Hormuz disruptions: Implications for global trade and development,” March 10, 2026, *UN Trade and Development*, <<https://unctad.org/publication/strait-hormuz-disruptions-implications-global-trade-and-development>>.

blocked, or subjected to taxation on shipping, China, together with many other countries, would face higher oil prices and insurance fees, with shipping schedules likely disrupted. Finally, this creates greater uncertainty and higher costs for industrial production, placing a heavy burden on consumers’ daily necessities. In this regard, the war therefore makes China less a remote observer than a directly exposed stakeholder.

This gives Washington a diplomatic opening. The United States may contend that if Beijing wants stable oil prices and open sea lanes, it should exert its influence over Tehran. But China seems to be reluctant to appear as if it is helping Washington manage a war that Beijing believes should not have started. Post-summit reporting captured this tension. Trump said Xi agreed Iran had to reopen the Strait, yet there was no clear sign that China would pressure Tehran. In this sense, the United States and China could overlap on the outcome they wanted, but they also disagree on

responsibility, method, and political meaning.<sup>4</sup>

Furthermore, the oil market debate reinforces the same point. Analysts warn that a longer disruption of the Strait of Hormuz would hurt China with high crude prices as well as supply-chain pressure on materials used in electric vehicles, batteries, and energy-transition industries. That means the war touches not only China's traditional energy security, but also sectors that are equally significant to its industrial strategy.<sup>5</sup>

For Beijing, the longer-term lesson from this war is the need for diversification. China could place greater emphasis on Russian oil, Central Asian pipelines, overland routes, strategic petroleum reserves, alternative corridors through Myanmar or Pakistan, and non-dollar or renminbi-based energy transactions.<sup>6</sup> These diversification efforts could reduce risk, but they cannot essentially remove vulnerability quickly. That is because pipelines cannot replace all maritime flows, and reserves only buy time. Gulf energy thus remains important. The war reminds China that even a big power remains dependent on international routes that it does not fully control.

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4. Trevor Hunnicutt & Jana Choukeir, "Trump Says Xi Agrees Iran Must Open Strait, But No Sign China Will Weigh In," May 16, 2026, *Reuters*, <<https://www.reuters.com/world/china/trump-says-xi-agrees-iran-must-open-strait-china-says-war-shouldnt-have-started-2026-05-16/>>.
  5. Clyde Russell, "Stressed Crude Oil Market Looks to Xi-Trump Summit for Iran Help," May 14, 2026, *Reuters*, <<https://www.reuters.com/commentary/reuters-open-interest/stressed-crude-oil-market-looks-xi-trump-summit-iran-help-2026-05-14/>>.
  6. U.S. Energy Information Administration, "Amid Regional Conflict, the Strait of Hormuz Remains Critical Oil Chokepoint," June 16, 2025, *EIA*, <<https://www.eia.gov/todayinenergy/detail.php?id=65504>>; Chen Aizhu, "China's Crude Oil Imports from Top Supplier Russia Reach New High in 2024," January 20, 2025, *Reuters*, <<https://www.reuters.com/markets/commodities/chinas-crude-oil-imports-top-supplier-russia-reach-new-high-2024-2025-01-20/>>; Emily Chow, "China's CNOOC, French Energy Firm Engie Complete Yuan-Settled LNG Trade," October 18, 2023, *Reuters*, <<https://www.reuters.com/markets/commodities/chinas-cnooc-french-energy-firm-engie-complete-yuan-settled-lng-trade-2023-10-18/>>.

### III. U.S. Military Power

The second effect concerns U.S. military power. The war demonstrates that the United States has capabilities in the Middle East that China does not yet possess. Washington, on the one hand, can deploy naval forces, coordinate with Israel and Gulf partners, provide air and missile defense, protect shipping routes, conduct long-range strikes, and combine sanctions with military pressure. China, on the other hand, can buy oil, invest in infrastructure, and issue political statements, but it cannot, however, serve as the main hard-security provider in the Gulf.

This matters because it limits the claim that China can simply replace the United States in the Middle East. Admittedly, Beijing's influence has grown, but it has grown in a different form. China *per se* is an energy buyer, a commercial partner, a



**Figure 7. The Nimitz-Class Aircraft Carrier USS George H.W. Bush Patrols the Arabian Sea**

Source: U.S. Central Command Public Affairs, "USS George H.W. Bush patrols the Arabian Sea," May 3, 2026, *DVIDS*, <<https://www.dvidshub.net/image/9663058/uss-george-hw-bush-patrols-arabian-se>>.

diplomatic balancer, and a possible actor in future reconstruction. It is not yet a power that Gulf states could rely upon for missile interception, naval escort, integrated air defense, or emergency military support. The UK-based Chatham House argues that China is unlikely to displace the United States as the Gulf's security guarantor, even if it may shape parts of a new regional order after the war.<sup>7</sup>

Additionally, the war is a learning opportunity for China. Chinese analysts will study U.S. and Israeli operations carefully, mostly including intelligence systems, missile defense, logistics, command structures, cyber operations, and the vulnerabilities of Iranian systems. The lesson is not only about how the United States fights, but also how U.S. partners fight with American intelligence, weapons, coordination, and political support. Such lessons will be seriously studied by Taiwan and other Indo-Pacific countries, particularly from the angle of deterrence capabilities.<sup>8</sup>

Yet American power is not cost-free. If the war becomes protracted, Washington will have to spend more resources like naval assets, air-defense systems, precision weapons, together with political and diplomatic capital. It would need, for example, to balance the Middle East with Europe, the Indo-Pacific, trade disputes, and domestic inflation. Beijing may draw two inspiring lessons: the United States can still project force in ways China cannot easily match, but its global leadership produces burdens that can create overstretch.

This double lesson is central to the adjustment in U.S.-China relations. The war may reinforce deterrence by showing that the United States can still act decisively and sustain complex operations far from home. But it may also encourage China to test

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7. Ahmed Aboudouh, "China Will Benefit from the Iran War, Regardless of Any Deal between Trump and Tehran," May 6, 2026, *Chatham House*, <<https://www.chathamhouse.org/2026/05/china-will-benefit-iran-war-regardless-any-deal-between-trump-and-tehran>>.

8. Jonathan A. Czin, Ryan Hass, Mara Karlin, & Suzanne Maloney, *Brookings Institution*, "Beijing's Playbook for the US-Iran War," May 8, 2026, *Brookings*, <<https://www.brookings.edu/articles/beijings-playbook-for-the-us-iran-war/>>.

whether Washington's attention is stretched. This creates no winners, only a situation where both sides are more cautious and watchful.

#### IV. Narrative Competition and the Global South

The third effect is narrative competition. Although China may not be able to provide hard security in the Gulf, it could nonetheless use the war to strengthen its diplomatic messaging, especially in the Global South. Beijing will likely to present the war and conflict as another example of U.S. military intervention, double standards, and hegemonic behavior. It could argue that Washington speaks of rules while using force to better serve its national interests. It could also emphasize the



**Figure 8. Wang Yi Chairs Talks between Saudi Arabia and Iran in Beijing**

Source: Ministry of Foreign Affairs of the PRC, "Wang Yi Chairs Closing Meeting of Talks between Saudi Arabia and Iran in Beijing," March 10, 2023, *Ministry of Foreign Affairs of the PRC*, <[https://www.fmprc.gov.cn/eng/gjhdq\\_665435/2675\\_665437/2878\\_663746/2880\\_663750/202303/t20230312\\_11039412.html](https://www.fmprc.gov.cn/eng/gjhdq_665435/2675_665437/2878_663746/2880_663750/202303/t20230312_11039412.html)>.

humanitarian costs, regional instability, and higher energy prices as consequences of U.S.-led Gulf crisis management.

This deliberative narrative has several layers and three main parts. The first part portrays the United States as a disruptor of regional order. From Beijing's view, Washington too often uses military power to solve problems that should first be handled through diplomacy, negotiation, and regional dialogue. China could thereby argue that U.S. actions have made the Middle East more unstable, increased the risk of a wider war, and raised the cost of energy and shipping for many countries. In this framing, the United States is not only a security provider, but also a source of disorder and instability.

The second part presents China as a supporter of dialogue, restraint, sovereignty, and opposition to unilateral sanctions. Beijing could say that conflicts should be solved through political talks rather than military strikes. It could also stress that every country's sovereignty should be respected, and that sanctions imposed by one country should not become a tool to punish other states or companies. This would allow China to present itself as a more careful and less interventionist power, even if its own position is also shaped by energy interests and relations with Iran and the Gulf states.

The third part links the war to a wider critique of Western dominance. China could use the war to tell countries in the Global South that the current international order is still largely shaped by Western powers, Western rules, and Western military decisions. Many developing countries do not want to be pressured into choosing completely between the United States and China. Rather, they want more room to protect their own interests. As a result, Beijing could appeal to this sentiment by underlining that the world should become more multipolar, and that non-Western countries should have a stronger voice in global affairs.

In other words, these messages may resonate with some audiences. Many states are skeptical of U.S. military interventions, even when they do not want to align with China. Beijing could utilize that skepticism to exhibit itself as a more restrained and less interventionist actor. Non-Western media, for instance, have also noted that China

could gain diplomatic space by highlighting its contrast with the United States while maintaining relations with Iran, the Gulf states, Israel, and the West.<sup>9</sup>

However, China's narrative still has clear limits. Beijing cannot claim complete neutrality while it continues to buy Iranian oil and maintain a strategic partnership with Tehran. These ties demonstrate that China also has its own interests in the conflict. At the same time, China cannot move too close to Iran, as this could hurt its relations with Saudi Arabia, the United Arab Emirates, Qatar, and other Gulf partners. These states are also important for China's energy security and economic interests. China must also protect its ties with Israel, Europe, and other major energy exporters. Therefore, Beijing must speak carefully and act even more skillfully. It can criticize U.S. military action and call for peace, but it does not want to take on the heavy security role that the United States still plays in the region. Consequently, Beijing's position remains a balancing act: strong in rhetoric, careful in action, supportive of Iran politically, but unwilling to assume the security burdens.

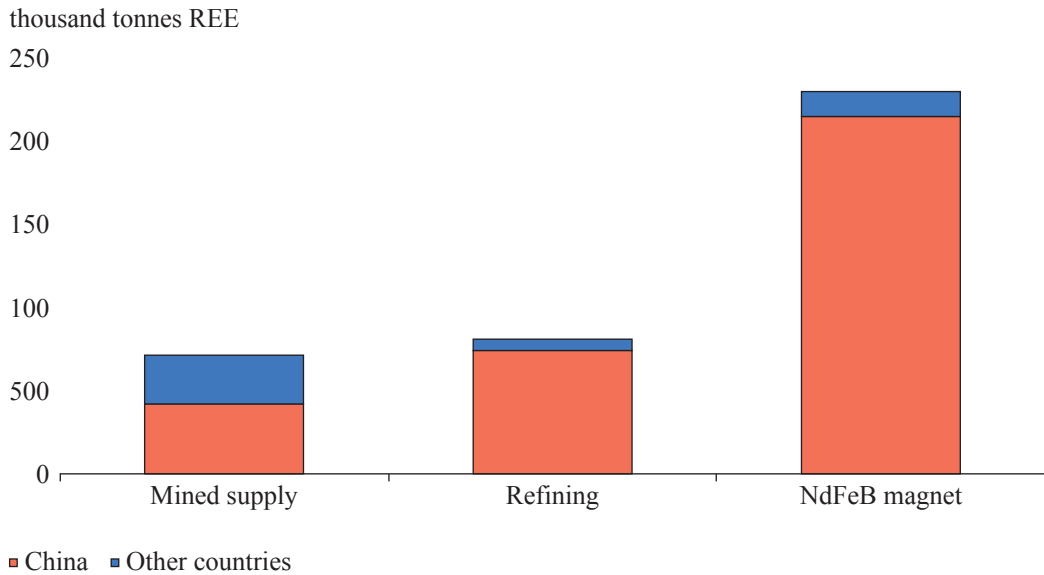
This creates a distinct Chinese role: active in discourse, cautious in strategy. Beijing could gain a narrative advantage without taking major military risks. It can speak loudly about peace, sovereignty, and opposition to U.S. intervention, but it does not need to send troops or protect ships in the Gulf. This makes China look responsible in diplomatic language while avoiding the heavy costs of military involvement. Yet, this advantage also reveals the limits of China's global role. The Iran war shows that China can contest the legitimacy of U.S. leadership without replacing the security functions that leadership performs.

## V. Shifts in U.S.-China Relations

It is important to clearly define what adjustment means. This paper argues that the war does not fundamentally change the basic and underlying structure of U.S.-

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9. Erin Hale, "How China Is Gaining from Iran War by Showing It Is Different from US," April 22, 2026, *Al Jazeera*, <<https://www.aljazeera.com/news/2026/4/22/how-china-is-gaining-from-iran-war-by-showing-it-is-different-from-us>>.



**Figure 9. China's Share in Rare Earth Magnet Production, 2024**

Source: IEA, "China's share in rare earth magnet production, 2024," October 6, 2025, *IEA*, <<https://www.iea.org/data-and-statistics/charts/china-s-share-in-rare-earth-magnet-production-2024>>.

China rivalry. The two powers remain locked in competition over technology, supply chains, military influence, global rules, political legitimacy, as well as Taiwan's status. Adjustment primarily means something more specific: the priorities of issues changes, the bargaining context changes, and each side begins to read the other through a new crisis. Iran becomes a filter through which Washington and Beijing assess strength, weakness, and reliability.

For Washington, China is both a complication and a possible channel. It is a complication because Chinese purchases of Iranian oil weaken U.S. sanctions, while Chinese firms and shipping networks can help Iran survive external pressure. But China is also a possible channel because it has ties with Tehran and shares an economic interest in keeping the Strait of Hormuz open. This produces a paradoxical American approach: pressure Chinese actors over sanctions while also asking Beijing to behave as a responsible stakeholder in energy security. In this sense, Washington cannot treat China only as an opponent. It may still need Chinese influence, even if that influence is limited and uncertain.

For Beijing, the United States is both a strategic threat and a supplier of order. It is a threat chiefly because U.S. military action can destabilize the Gulf, raise energy prices, and expand sanctions pressure on Chinese interests. Nevertheless, the United States remains a supplier of order because its naval and military presence helps keep sea lanes open. This creates a Chinese dilemma. Whereas Beijing wants to weaken the legitimacy of U.S. power, it still benefits from the security functions that the U.S. power provides. Thus, China may criticize American dominance, but it also knows that a sudden collapse of U.S.-led security in the Gulf would not better serve Chinese interests — at least for the time being.

The result is a more transactional and issue-linked relationship. Iran, energy, sanctions, rare earths, AI chips, aircraft purchases, agricultural trade, and investment mechanisms can all appear in the same diplomatic space. They are not the same issue, but they actually influence the same bargaining environment. This is why the war does not merely distract the United States from China. It enters the U.S.-China relationship and changes how both sides define leverage, risk, and responsibility. In this new setting, each side may use one issue to gain room on another issue. By the same token, energy security, trade concessions, technology controls, and regional crises can become connected, even when they are not openly described as bargains.

This adjustment also affects Taiwan indirectly. Beijing may use U.S. involvement in the Middle East to test whether Washington's attention is divided, while Washington may use visible military resolve to reassure partners and preserve deterrence. Neither side is likely to treat Taiwan as absent from the summit framework. If strategic stability means different things to each side, then Taiwan will remain the issue most likely to expose those differences. For China, strategic stability may mean reducing U.S. support for Taiwan and limiting American military pressure. However, for the United States and its partners, stability means preserving deterrence and preventing coercion. Arguably, this gap will continue to shape the most sensitive part of U.S.-China relations.

## VI. The Limits of Constructive Strategic Stability

The post-summit formula deserves separate assessment. China treated a “constructive China-U.S. relationship of strategic stability” as a new positioning of bilateral relations and an alternative to the language of “strategic competition.” For Beijing, the phrase suggests that the United States should accept China’s rise, respect Chinese core interests, limit competition, and avoid actions that China defines as “destabilizing.” In this regard, the formula is not neutral at all. It effectively gives Beijing a vocabulary for criticizing U.S. export controls, sanctions enforcement, support for Taiwan, and military deployments.

The U.S. formulation was different. Despite the fact that Washington generally accepted the broad phrase, it attached the term to fairness, reciprocity, and measurable deliverables. The White House presented the U.S.-China Board of Trade and the U.S.-China Board of Investment as the cornerstone of the agreement, alongside purchases, rare-earth concerns, investment discussions, and Iran/Hormuz items. This shows that the U.S. version of stability is not a full embrace of Beijing’s great-power narrative. Instead, it is a transactional mechanism designed to manage specific disputes and produce visible results.<sup>10</sup>

Xi’s use of the “Thucydides Trap” frame reinforces the political meaning of the Chinese approach. The question is not merely whether great powers can avoid war. It is also who defines the cause of danger. If the danger is mostly framed as the U.S.’ failure to accommodate China’s rise, then U.S. resistance to Chinese preferences could be portrayed as destabilizing. That is why the concept of strategic stability should be further analyzed rather than entirely accepted at face value. It could function as a diplomatic language of restraint, but also as a demand that Washington adjust to China’s preferred order.<sup>11</sup>

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10. The White House, “Fact Sheet: President Donald J. Trump Secures Historic Deals with China, Delivering for American Workers, Farmers, and Industry.”

11. Michael Froman, “Beyond Taiwan, a ‘Decent Peace’ at the Trump-Xi Summit,” May 15, 2026, *Council on Foreign Relations*, <<https://www.cfr.org/articles/beyond-taiwan-a-decent-peace-at-the-trump-xi-summit>>.

This point is very important because past Chinese formulas such as mutual respect, peaceful coexistence, and win-win cooperation were rarely adopted by U.S. officials as the central language of policy. The new phrase is more flexible in the sense that the United States can define it through fairness and reciprocity. Yet that flexibility also reveals the gap between the two sides. On the one hand, Beijing hopes for a political framework that disciplines U.S. pressure. On the other hand, Washington claims a practical framework that could help manage disputes without conceding strategic competition.

Another problem is that both sides can use the same phrase for different purposes. For Beijing, strategic stability could mean that Washington should reduce pressure on China and avoid actions that affect China's core interests. For Washington, however, strategic stability can mean that Beijing should accept clear rules, reduce risks, and make concrete economic commitments. This difference makes the phrase useful but also unstable. It gives both governments polite language for talks, but it does not remove their critical distrust. In practice, the phrase may help them keep communication open during a crisis, but it will not stop competition over Taiwan, technology, sanctions, and regional influence. Therefore, the value of the formula lies less in building friendship but more in preventing rivalry from becoming completely uncontrolled and unmanaged.

The implementation gap is therefore large. *Reuters* described the summit as producing stability and stalemate, with modest outcomes and no public Chinese commitment to help Washington end the Iran war.<sup>12</sup> This description precisely fits in the core argument of this paper. The summit created a symbolic ceiling against uncontrolled escalation, but it did not essentially make a substantive partnership. Strategic stability in practice could only mean "selective" coordination when the costs of disorder are too high to bear. It does not, however, signify "strategic trust" between the two powers at all.

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12 Michael Martina, David Brunnstrom, David Lawder, & Mei Mei Chu, "Trump Returns from China with Stability and a Stalemate," May 16, 2026, *Reuters*, <<https://www.reuters.com/world/china/trump-returns-china-with-stability-stalemate-2026-05-16/>>.

## VII. Conclusion

The U.S.-Israel-Iran War changes U.S.-China relations, but not in one direction. It does not simply benefit China by distracting the United States, nor does it simply help Washington by displaying American military might. It does both at the same time. The war demonstrates U.S. military superiority while exposing the burdens of U.S. global leadership. It gives China diplomatic space while exposing Beijing's energy dependence and limited security capacity. Eventually, it turns Iran, the Strait of Hormuz, sanctions, and energy into more visible items in the bilateral bargaining agenda.

For the United States, the war is regarded as a test of power and attention. Washington can still deploy forces, protect partners, enforce sanctions, and shape maritime security in ways Beijing cannot. But if the war or conflict becomes longer, costly, and politically divisive, China would likely use it to argue that the United States is overextended. For China, the war creates opportunity and exposure at the same time. Beijing can criticize U.S. intervention, but it cannot fully support Iran without damaging Gulf ties or increasing its own energy risk.

The Trump-Xi summit made this managed rivalry more explicit. The phrase "constructive China-U.S. relationship of strategic stability" was basically accepted by Washington, but only as a conditional and instrumental framework. The Boards of Trade and Investment shows that the U.S. version of stability is transactional and institutionally narrow. The summit linked trade, AI, rare earths, sanctions, energy, Taiwan, North Korea, and the Middle East crisis, showing how complicated the bilateral agenda has already become.

Ultimately, the war and the summit push U.S.-China relations towards sharper competition with selective crisis management. The two powers may keep competing over military influence, sanctions, energy routes, global narratives, Taiwan, technology, and regional order. Still, they might maintain communication channels largely because both remain vulnerable to energy disruptions and market instability. In essence, this is not strategic friendship. It is, instead, a complicated rivalry in which Washington and Beijing must manage the same crisis while competing over its meaning, responsibility, and outcome.

Looking ahead, this form of adjustment is likely to continue. Future crises in the Gulf, the Taiwan Strait, the South China Sea, and/or over global technology markets could be handled in a similar way. Washington and Beijing will criticize each other publicly, but they may still need limited talks when costs become too high. This means U.S.-China relations will not move smoothly towards cooperation, but neither side can ignore the practical need for crisis management. The Iran war is therefore not an exception. It is a sign of how future crises may enter the wider U.S.-China rivalry.

