

SINO-US SUMMIT



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Substantial ballast

The stock of China-US cooperation accumulated over many years remains substantial, deeply rooted and resilient

In discussing today's relations between China and the United States, an important reality should not be overlooked: The stock of bilateral cooperation accumulated over many years remains substantial, deeply rooted and resilient. This is reflected in economic

and trade exchanges, sub-national engagement, corporate presence and global governance collaboration. These longstanding economic ties serve as a key pillar of the bilateral relationship. The weight of China-US economic ties is evident in their sheer scale and deep integration. The economic relationship is mutually beneficial and win-win in nature, just as President Xi Jinping pointed out when holding talks with US President Donald Trump in Beijing on Thursday.

According to China's General Administration of Customs, the country's total imports and exports with the US reached 4.01 trillion yuan (\$590.5 billion) in 2025, accounting for 8.8 percent of its total foreign trade value. Based on US statistics, in the first 10 months of 2025, the US' total imports and exports with China stood at \$373.64 billion, representing 7.8 percent of the US' total foreign trade value. China counts as the US' third-largest partner for both exports and imports, while the US is China's top goods export market and its third-largest import source.

Early 2026 has evidenced some changes in China's trade structure. China's General Administration of Customs data released in May showed that in the January-April period, China-US trade totaled 1.25 trillion yuan, a 12.9 percent drop year-on-year, while China's trade with the Association of Southeast Asian Nations, the European Union and members of the Regional Comprehensive Economic Partnership grew over that period. This suggests that China is diversifying its trade ties and building a more balanced mix of partners, which will boost its resilience to external shocks.

But China's diversifying market



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footprint does not mean its cooperation with the US is becoming less important. Beijing has consistently called for stable and mutually beneficial economic exchanges. Even under maximum external pressure and high tariff rates, two-way trade held above the trillion-yuan mark — a sign of the deep complementarity between the two economies. Their economic ties — spanning consumer markets, manufacturing systems, supply chains and the industrial division of labor — are not easily replaceable in the short term.

Over the longer term, China-US economic and trade relations have

transcended simple commodity transactions. US companies remain deeply embedded in China's market, while key segments of Chinese supply chains have forged long-term synergies with the US market. This decades-old cooperation network has become an integral part of the economic fabric of both countries.

Despite periodic fluctuations in China-US relations, local exchanges and business cooperation have remained resilient, acting as a stabilizing force in the relationship. As of August 2025, China and the US had established 288 pairs of sister provinces/states and sister cities,

covering large populations and economically vibrant regions in both countries. In April this year, Shenzhen's Nanshan district and Tacoma, Washington, held their first in-person exchange event since establishing a friendly city partnership. Participants in the Ping-Pong Diplomacy 55 years ago took up their bats once again. Chinese Ambassador to the US Xie Feng said on social media platform that 55 years later, the friendship continues to thrive, and grow across generations.

The corporate side tells a similar story. According to the US-China Business Council's 2025 Member

Survey, almost all the surveyed companies recognize that they cannot remain globally competitive without their China operations.

In April this year, the US-China Business Council led its largest and most broadly representative delegation to visit Guangzhou and Shenzhen, with dozens of companies making up the delegation.

Meanwhile, the 2026 Special Report on the State of Business in South China, released by the American Chamber of Commerce in South China, also revealed that 95 percent of participating companies report a commitment to maintaining their operations in China.

Beneath the surface, this reflects the logic of market dynamics and the pragmatic choices of enterprises. China's vast market, complete industrial system, mature supply chains and continuous opening-up have long held strong appeal for multinationals. The brand influence, local partnership networks and industrial footprint many US companies have built here are pivotal cooperative assets in bilateral relations.

The existing stock of bilateral cooperation also manifests in the two sides' governance capacity, industrial strengths and technological edge. As the world's two largest economies, the two nations have major influence over global issues spanning climate change, artificial intelligence, public health and financial stability. Few of these challenges can be addressed by either side alone. Maintaining sound bilateral coordination will add greater certainty to the global landscape.

The energy sector best exemplifies this dynamic. Though the US is now refocusing on fossil fuels, energy independence and a revival of traditional manufacturing, it retains clear strengths in energy

technology, green finance, grid modernization and energy storage. AI advances are also driving up US power demand.

China, for its part, is in a critical energy transition phase during the 15th Five-Year Plan (2026-30) period. It has formed a complete industry chain and secured economies of scale across photovoltaics, power batteries, electric vehicles and the wider green supply chain. Should both sides maintain long-term cooperation in specific areas such as energy storage, power grids, energy efficiency and green investment, their respective strengths can fuel the global green transition.

The same holds true in the AI domain. Both China and the US stand as key players in global tech innovation, boasting strong research capabilities, enormous markets and abundant application scenarios. Challenges brought by this technology — including energy consumption, data security, technology misuse and standards alignment — have gone beyond any single country's capacity to address. Maintaining necessary communication amid competition and exploring cooperation on technological security, risk prevention and regulatory coordination serve both sides' interests and help mitigate risks in global tech governance.

Global governance is evolving into a far more complex era. The more complicated global challenges become, the more major powers should step up to shoulder responsibilities; the further technological influences extend, the more imperative it is for leading innovators to enhance coordination.

China and the US each boast comparative advantages. By leveraging their respective endowments to scale up cooperation, the two can deliver tangible global public goods and unlock new space for bilateral collaboration.

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Shared safety responsibility

Sino-US cooperation is crucial for developing the practical guardrails that are imperative in a world in which AI races and risks are increasingly intertwined

As the development of artificial intelligence reshapes industries, intensifies corporate competition and creates shared risks, building guardrails and setting credible rules and public-safety foundations for technological

development are global responsibilities shared by China and the United States.

In today's AI landscape, the US still holds a comparative advantage in multiple fields. That advantage is reflected not only in the continued release of frontier models by companies such as OpenAI, Google, Anthropic and Meta, but also in advanced GPUs, cloud platforms, foundational software, model-evaluation systems, standards bodies, alliance networks and the ability to export a global technology stack. Stanford University's 2026 AI Index Report shows that in 2025, US institutions produced 59 notable AI models, compared with 35 from China. The US remains the leading force in frontier model innovation, computing ecosystems and platform capacity, and it is increasingly converting these technological edges into rule-shaping power.

China, however, boasts its own advantages instead of playing catch-up. China possesses a vast domestic market, rich industrial applications, a complete manufacturing base, strong engineering and deployment capacity, a fast-growing open-source ecosystem and significant room for digital cooperation with other Global South countries. The Stanford report shows that China ranks first worldwide in AI paper output, citations and granted patents, reflecting deep research accumulation and a sustained innovation base. In

recent years, China has advanced its "AI Plus" initiative, accelerating AI adoption in manufacturing, healthcare, education, transportation and urban governance, while expanding access through open-source models and low-cost deployment. China's strength does not lie in a single frontier breakthrough; it lies in application, implementation, cost efficiency and the ability to translate technology into industrial capacity.

This is why China-US AI relations cannot be reduced to a simple choice between cooperation and confrontation. The US is unlikely to loosen its grip on key technology chains, frontier model ecosystems or international rule-setting power. China, for its part, will not accept being folded passively into risk-assessment, technology-review or compliance frameworks defined unilaterally by the US. Acknowledging competition is not a rejection of cooperation. It is the necessary starting point for any serious cooperative governance effort.

AI needs governance guardrails because its pervasive reach magnifies the costs of competition. Even when traditional technologies have strategic significance, their impact often remains concentrated in specific sectors or dimensions of national power. Once AI is widely deployed, however, it will be embedded in products, services, manufacturing processes, infrastructure and daily life. In this context, without a basic framework of trust between China and the US, trade in AI-enabled products, technological cooperation and industrial ties could all be consumed by security concerns, while the lack of trust would directly impede industrial cooperation and the functioning of global markets.

AI also creates threats that neither country can manage alone. In a recent column, Thomas Friedman

argued that the new common threat facing the US and China is not another state, but the risk created by "the malign uses of artificial intelligence". Agentic AI, automated hacking tools and deepfake systems could give "small, malign actors" destructive capabilities once available only to states. They could launch cyberattacks, spread false information, manipulate public perception and disrupt critical infrastructure at far lower cost. Autonomous weapons, unmanned systems and automated military decision-making could also heighten the risk of miscalculation, loss of control and crisis escalation. These dangers do not respect geopolitical blocs. Both countries are potential targets.

Compounding these risks is a serious governance lag. Model capabilities, agentic behavior, autonomous decision-making, content generation and algorithmic integration are advancing faster than rules can be written. Many risks will not be visible at the moment of invention; they will emerge only through deployment at scale and cross-border diffusion. That is the deeper paradox of China-US AI competition: the harder each side tries to secure itself through technological advantage, the more insecurity both may create if there is a lack of shared guardrails.

Guardrails mean creating mechanisms — risk alerts, incident reporting, interoperable technical standards, crisis communication and boundaries around high-risk uses — to prevent AI competition from sliding into miscalculation, loss of control or systemic risk. Such guardrails should rest on three principles: reciprocity, boundaries and openness.

First, cooperation should be reciprocal. Washington and Beijing can exchange views on risk classifi-

cation, safety-incident reporting, model-evaluation methods, red-teaming, deepfake detection and content provenance. These are areas with clear public-safety implications and some room for technical consensus. AI governance cannot become a process in which one side writes the standards and the other submit to inspection. China can support interoperable evaluation formats, shared risk terminology and exchanges on testing methods. It cannot accept one country's unilateral testing results as the equivalent of international compliance standards, nor should safety evaluation become a pretext for intrusive audits of model weights, training data or core engineering parameters.

Second, cooperation should also have boundaries. The purpose of guardrails is to prevent risks from spiraling out of control, not to create new technology barriers. The two countries can discuss high-risk issues such as cyberattacks, AI-enabled fraud, loss of control in autonomous systems, critical-infrastructure protection and AI-related red lines in nuclear command. They can also explore mechanisms for incident reporting, crisis communication and early warning. But AI security should not become an all-purpose justification for securitizing civilian AI, open-source models, cloud services, scientific exchange or talent mobility. If governance is over-securitized, the space for cooperation will shrink and global AI development will become artificially fragmented.

Third, governance can remain open. Global AI governance cannot become a closed club of a few technological powers. The United Nations, the International Telecommunication Union, the International Organization for Standardization, BRICS, the Shanghai Cooperation Organiza-



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tion and some Global South platforms all have roles to play. Countries in the Global South should not be mere rule-takers; they should be participants in, and beneficiaries of, AI governance. The US, China and other major AI-capable actors should work together to help developing countries close the gaps in computing power, data, talent and infrastructure. Through open-source tools, low-cost deployment, training programs, compliance templates and applications that serve basic development needs, they can help ensure that AI truly serves development and creates replicable public goods in areas such as agriculture, healthcare, education, disaster warning and edge AI.

In the age of AI, China and the US cannot return to a world without competition, nor can they accept competition without guardrails. Both countries can build a consensus on the basis of reciprocity, prevent risks from spiraling out of control within clear boundaries, and expand cooperation through open governance, thereby providing a more stable and secure foundation for global AI development.

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