

FDD Media Call: Previewing the Trump-Xi Summit

May 7, 2026

Featuring Craig Singleton, Elaine K. Dezenski, and RADM (Ret.) Mark Montgomery

Moderated by Joe Dougherty

DOUGHERTY: Good afternoon, everyone. My name is Joe Dougherty, Senior Director of Communications at the Foundation for Defense of Democracies, a nonpartisan research institute focused on national security and foreign policy. Thank you for joining us today, as FDD Experts preview next week's scheduled summit featuring US President Donald Trump and Chinese President Xi Jinping. We have three outstanding FDD experts for you today to provide important analysis. Craig Singleton is an FDD Senior Fellow and Senior Director of FDD's China Program. He previously spent more than a decade serving in a series of sensitive national security roles with the US government, where he primarily focused on China and North Korea.

Elaine Dezenski is Senior Director and head of FDD's Center on Economic and Financial Power. Elaine is an expert on economic statecraft, supply chain resilience, anti-corruption, and national security. She has held political and career positions at DHS and TSA's Aviation Security Advisory Committee. She also served on the Chairman's Council on China Competition at the Export-Import Bank of the United States and held senior positions at the World Economic Forum and Interpol.

Rear Admiral (retired) Mark Montgomery is an FDD Senior Fellow and Senior Director of FDD's Center on Cyber and Technology Innovation. Mark served more than three decades in the US Navy, held senior leadership roles in Congress, and is a recognized expert on cyber and technology policy. He formerly served as Director of Operations at US Pacific Command, commander of Carrier Strike Group 5 aboard the USS George Washington in Japan, and Deputy Director for Plans, Policy and Strategy at US European Command. And Mark is checking in with us today from Ukraine.

All three experts have recently issued research that is directly tied to today's call, so they might be bringing that up today. Some quick housekeeping before we get underway. Today's conversation is on the record. We will have a video of today's call soon after it ends and we'll share the transcript within 24 hours. We'll have a Q&A period after the opening remarks from each of our experts. You can use the chat feature or the raise hand feature to ask your questions. Got a lot to get going and to discuss, so we'll get started right away with Craig, followed by Elaine and then by Mark. Craig, the floor is yours.

SINGLETON: Thanks, Joe. And thanks everyone for dialing in. I know it's a busy news day. The upcoming summit will offer the optics of stability, but beneath the stagecraft, this is stalemate with a stage. Next week's leader level meeting is best understood, in my view, as a continuation of last fall's tactical trade truce, not evidence of a broader detente. Neither side is looking to concede much and neither side can really get what it wants from the other. Today's structural contest, which I've described, I think as mutually assured disruption, is really centered around dependencies.

Washington wants to reduce reliance on China, but US companies still depend on Chinese supply chains, minerals, batteries, pharmaceuticals, and industrial inputs. Beijing meanwhile wants to preserve an export-driven growth model and maintain the leverage that comes from US dependence on Chinese production. That means China has every incentive to slow, complicate, and raise the costs of US re-shoring. That tension is now playing out through compartmentalized competition. Both sides are protecting the trade and tariff lanes while continuing to apply lots of pressure almost everywhere else.

From the US side, that has included a historic Taiwanese arms package in late 2025, recently announced sanctions on Chinese entities tied to Iranian oil purchases, sustained semiconductor controls, new supply chain measures targeting Chinese drones and routers, and even the arrest and extradition last week of a top Ministry of State Security-linked hacker to the United States. In terms of deliverables from the summit, I would really keep expectations very modest. I think that deliverables are likely to be narrow because the disputes are structural.



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The most likely outcomes are the kinds of things Trump can package as tangible wins: soybean and other agricultural purchases, Boeing orders, the establishment of a board of trade mechanism, and possibly a battery-related announcement. There will almost certainly be discussion of artificial intelligence, guardrails, and technology too, but past US-China technology dialogues have produced more process than progress, and underlying competition over compute and chips is not going away. In strategic terms, these are really small potatoes.

They may help both sides declare the summit successful, but they are not going to resolve the underlying competition over technology, Taiwan, and the threat posed by China's mineral dominance. So expect announcements, I think, on beans, Boeings, and a board of trade, but certainly not a breakthrough.

Before I hand the mic over to Elaine, I want to talk a little bit about how I think China is viewing the summit through engagements with Chinese interlocutors and perhaps a little bit about a win and what that looks like for Xi Jinping. I think for Xi, a win is continued stability without surrender.

He wants the summit to validate China's superpower status, preserve the tariff predictability, and to reaffirm that Washington has to deal with Beijing on Beijing's terms. But most importantly, Beijing likely sees the summit as a way to buy time. Time matters because Xi views the United States as a long-term strategic risk. China's strategy will be to continue hedging against perceived US instability by doubling down on self-reliance, hardening its supply chains, strengthening its industrial capacity, and shrinking Washington's ability to constrain Chinese decisions in a crisis.

In plain terms, China wants to reduce Washington's ability to pressure Beijing while maintaining Beijing's ability to pressure Washington. That's why China's pre-summit supply chain moves matter. Beijing has been signaling that firms moving production out of China or helping the United States reshore critical supply chains could face higher costs, regulatory scrutiny, and market access risks. That is not just defensive. It's a warning. It's a warning that China intends to defend the dependencies it's built, and that is why Xi, in my view, doesn't need a breakthrough from this summit.

He just needs breathing room. With that, I'll hand the mic over to Elaine and looking forward to your questions at the end.

DEZENSKI: Great. Thanks, Craig, and great observations. So I think my top line is pretty similar. I would consider the summit not as a resolution, but more of a temperature check on the relationship. I want to start with the economic leverage that both sides are bringing to the table. And in some ways, I think both sides are probably in a weaker position than they might've expected at this point. So Trump is entering into this period, probably having expected stronger leverage via control of not only Venezuelan oil supplies, but also at this point, Iranian oil.

And that hand, of course, has been complicated by the ongoing conflict. His tariff power has also been constrained by the Supreme Court's IEEPA ruling. On the other side of this, Xi may have expected stronger economic fundamentals going into the summit, and those may not have materialized as he had hoped. So I want to dig into the economic situation in China in just a minute, but I think this is the core of the challenge between these two countries. China's primary weapon, as Craig has mentioned, is its monopoly control over a very small but significant basket of critical minerals, rare earth components, and products.

The US has a primary weapon in its ability to cut off or constrain trade flow via tariffs, sanctions, sector-specific regulations, dollar-denominated financial infrastructure, and other aspects that China relies on and remains pretty deeply dependent. So as we see, as Craig said, this top line conversation around aspects of the trade relationship that are not actually fundamental below the waterline, there's a lot going on here, and both sides are trying to figure out how to reduce those dependencies.

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Let me go into China's economic vulnerabilities for just a minute or two. It's worth noting that China's headline GDP growth of 5% is increasingly inconsistent with the underlying data. And it's very interesting if you look at the components of GDP in China, consumption, investment in net exports, all three are underperforming. So it's actually difficult to reconcile how that 5% number is really validated. One area that may be making up for this is inventories. So this is a direct reflection of China's export growth model. They are pumping exports out at a rate that is significant.

Maybe not as many are coming to the US, but they're certainly flooding other markets. If there's nowhere to put those exports, they go into inventories that drives GDP level. So that's something that we'll want to continue to look at. And as I think we all know, there's a real legitimacy question tied into the regime when it comes to keeping the manufacturing component of the economy intact. Growth and full employment are not just economic metrics, they're really regime stability metrics. So those are the kinds of things that we want to watch in terms of what the impact is from both US sanctions and other tools and other deflationary mechanisms that might be put on the Chinese economy.

I want to move now to another angle, which is Iran. From where I see this headed, the Iran conflict is quietly changing China's strategic calculus. Thus far, China has weathered the economic disruption of the Iran conflict reasonably well, in part because they're drawing on substantial oil and gas reserves that they have built up. However, these reserves were widely understood to have been set aside for potential Taiwan contingencies. So the fact that they have to draw them down now raises some questions about how prepared they might be for Taiwan scenarios.

Mark will probably go into that in a lot more detail. We also know that China buys 90% of Iran's exported oil, making it the primary financial lifeline to Tehran's weapons program. They're funding the IRGC, they're funding the ballistic missile program and the proxy network. And Treasury Secretary Bessent has stated very clearly that without Chinese buyers, that revenue dries up. So China's public posture on Iran sanctions is really a study in ambiguity. Beijing publicly invoked its anti-foreign sanctions law for the first time, very recently, ordering Chinese firms to defy US sanctions on five Iranian oil refineries.

But alongside that, they were also quietly telling their largest banks to suspend new loans to those same companies. So this is also a very interesting development, public defiance for domestic audiences, private restraint that signals room for a deal. So it's a two-track posture, and we'll see where all of this goes and how China either continues to encourage Iran on the Strait of Hormuz or not. I guess we'll see where that goes.

One thing that may come up in the conversation is fentanyl. We've seen Beijing's playbook clearly here. We're not making as much progress on that as we need to. It's been, in my view, more performative. And there's some things that are actually really concerning about fentanyl trade and where it's going. And I think the most challenging is that about 97% of Chinese precursor chemical manufacturers are now accepting cryptocurrency as payment, meaning Bitcoin and Stablecoin are now the primary payment rails connecting Chinese chemical suppliers to cartel fentanyl networks, those money laundering networks, which are in the US and elsewhere. And so, that's going to create a significant problem for trying to get at these payments through regulated financial institutions. So we still have an uphill battle when it comes to fentanyl and how we're going to address that. So I think I'll stop there and hand it over to Monty. Thanks.

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MONTGOMERY: Hey, thanks, Elaine. Thanks, Craig. Thanks, Joe. I guess it must be the water here in Kharkiv, but I'm slightly more cynical than Craig and Elaine, and I hope I'm wrong. I do worry a lot, and maybe it's good to be a little cynical about this, but I worry a lot about the security risk in this conference, in this summit. And I worry about any discussion at Taiwan. I do think President Xi probably more so than in Seoul is willing and desiring to put Taiwan on the agenda. And I think he could easily condition broader relationship with the US on movement on Taiwan, in other words, things like trade or rare earths or even Iran could be leveraged against it. We won't know until it happens, and the thing that worries me is that I think President Trump is ripe to move. I think he has said things about arms sales recently. I mean, it's been averred to that he mentioned arms sales before they happened to the Chinese, which we don't do. In fact, that's vaguely, that's at least a kissing cousin to one of the six assurances that we won't coordinate them with the Chinese, and I think talking with them could be seen as that. So if I was a Taiwanese, I'd be a little worried.

Look, I think there's two avenues where Taiwan could get involved, and they're bad and worse. And then I'm not sure this is going to happen, but I worry. The bad one is that there is some kind of an acknowledgement, it may not be public, of restraint in arms sales or in the speed of arms deliveries. The irony, of course, would be President Trump can't help but beat Taiwan up to get to 3.5% and 5%. And you don't have to be a mathematician to understand that to get to 3.5% and 5% of GDP on defense spending, they've got to buy from someone, and there's only one country in the world selling them weapons and that's us. So slowing it down or not delivering and continuing to backlog ... Our backlog now, because of that great arms sale that Craig mentioned, is well past 20 billion. And we deliver, by the way, an average of 4.6 or 4.7 billion a year over the last 10 years. So we got a five-year backlog. So that's the bad one.

The worst one is if somehow there's some shift in our declaratory policy, some shift in the language from something like the US doesn't support Taiwan, it doesn't support Taiwan independence, to something like the US opposes Taiwan independence, and the president needs to stay away from that. China would immediately weaponize that and just conduct a massive ... They would say it's a US acknowledgement of their position, and they would conduct a massive lawfare campaign that would undermine the societal resilience of Taiwan.

So I don't think those will happen, but I think they're in play, and that worries me. And they're in play, it's crazy that they're in play, because more so than ever, it's got to be evident to the president and his economic team that Taiwan is the model ally for the United States. United States finally defined what a model ally was in the last National Defense Strategy. He talked about Israel's model ally. I agree, Israel's a model ally. Taiwan, it's a vibrant democracy in Asia. We do have a trade deficit with Taiwan of \$75 to \$100 billion a year, but as the president might say, it's a big, beautiful trade deficit. It's because they're selling us \$150 to \$175 billion dollars worth of microelectronics and semiconductors that drive trillions of dollars of US economic productivity. If it weren't for Taiwan, we would be in the crapper. So the president needs to understand who matters in this case. And the country that matters in this case, just as much as China, is Taiwan, and he needs to be very careful here. They're a model ally. They're vibrant.

By the way, when we're going around strong-arming countries for Foreign Direct Investment, Taiwan came in at \$500 billion, which for their population, the per capita numbers got to be triple Japan's, probably two times Korea's, for their Foreign Direct Investment and their economy. And the problem with all this is they get no credit for it because as a policy, we conduct a clinically insane foreign policy of no senior leader engagement. As a result, there's no president live visiting to celebrate \$500 billion. There's no president live visiting TSMC in Arizona. There's no president live visiting in Indiana, where Taiwan are making these big investments in our country. So I'm frustrated by this.

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And finally, I'll tell you, they do only buy weapons from us. Now, no one else will sell them weapons, but still, that's a thing. They stand shoulder to shoulder with us against an authoritarian regime bent on pushing the United States out of Asia. That's the People's Republic of China. And finally, they are trying to increase their budget. And I get it's not perfect. This is the shame of democracies, right? One party holds up the other party's plans. So we have to love them for it, and we have to say they'll get to their 3.5%, and they'll get to their 5% by 2030. They're a model ally that needs to be treated like that at the summit by the president.

And therefore, my cynicism about any give on Taiwan is tempered by the fact that I hope the president's team is briefing him aggressively on how important Taiwan is to the United States. And there is not a world in which China grabs Taiwan, and TSMC is working perfectly unless the United States gives it up. And we would really regret the day that all these tools, that these further tools fall into Chinese hands. So I hope the president does the right thing here. I hope it goes exactly like Elaine and Craig says, but I got this little nagging piece of cynicism, of skepticism in the back of my head that makes me nervous. Thanks, Joe.

DOUGHERTY: Thanks, Mark. Thanks, Elaine. Thank you, Craig. Appreciate your opening thoughts on this. We'll now change over to the Q&A portion of the call. To ask a question, you may type it into the chat feature, and I'll be happy to read it aloud, or you can use the raise hand feature and you can ask your question directly. And I understand we already have a question in. We'll go with Phelim, over to you for your question. Thank you, sir.

PHELIM KINE: Hi, sorry about that. Can you hear me?

DOUGHERTY: We can hear you now. Thank you.

PHELIM KINE: Okay, great. Sorry about that. Thanks so much for this very helpful briefing. Good afternoon, everybody. I have two questions. The first is for Elaine, if I may. Elaine, you said that Beijing's response to US demands that it do something about the fentanyl precursor flows to Mexican cartels that ship it to the US have been mostly performative. It'd be great if you could unpack that a bit and give us some examples. And attached to that question is, what do you think, what can or should Beijing do to actually do something that's non-performative, and what are the prospects for success? And the reason I say that is that the White House has issued a statement, and the only three things that specifically it says it's going to talk about are trade, fentanyl, and Iran. So it'd be great if you'd give some ideas.

My second question, if I may, and this goes to Mark and Craig, if I may, Iran is on the agenda. It's clear that the president wants help from China in some way to try to end the paralysis in the Strait of Hormuz. Secretary of State Rubio made that pretty clear yesterday. So my question to you is, what are the prospects for success that the president in this summit can actually get Beijing to change its trajectory of basically sitting on the sidelines while this is all going down? And what's his ask, and how do you think Beijing's going to respond to this? Thank you.

DEZENSKI: Great. Thanks, Phelim. I'll dig in on the fentanyl question. So if we had the magic wand and we could get any concession from Beijing on fentanyl, it would probably be in the form of cooperation to go after, identify the Chinese banks involved in transactions. So who's helping out the money laundering networks on the Chinese side of the equation? That's really a question. Because of the opacity around the Chinese banking system, it's really hard to follow the money. It's also very difficult because of the mere trade networks that are used so that there's not as much money to follow because dollars are staying in the US, Yuan are staying in China, and pesos are staying in Mexico.

So in order to get to that question about which Chinese banks are involved and be able to stop the flow and go after the prosecutions of the networks, we really need some cooperation from Beijing. Do I think that's coming anytime soon? Probably not. But that's really at the heart of why I say a lot of what's happening right now and professing cooperation on fentanyl is really more at the superficial level because we are not making the progress that we need to, to actually follow the money in a meaningful way.



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SINGLETON: Yeah, I can jump in on Iran, and then Mark, if you have thoughts, too. I mean, I think the Iran war adds a volatile external pressure point to an already fragile summit. From my perspective, China does not want a wider Middle East war. It does not want sustained energy disruption. Even if it is better positioned than most countries to absorb short-term shocks, I think Beijing wants the Strait of Hormuz reopened and shipping flow stabilized because China's export economy depends on predictable energy, transport and insurance conditions. The longer the conflict drags on, the more uncertainty gets priced into China's trade model.

The harder issue, of course, is that the US pressure campaign on Iran now runs directly through Chinese interests. As Elaine mentioned, Washington has sanctioned Chinese entities tied to Iranian oil, threatened broader secondary sanctions risks and used increasingly sharp language about China's purchases of Iranian crude. But I think from Beijing's perspective, that does not look like Iran policy alone. It's starting to look like pressure on China's energy security. So while China will be ... I think they're just going to keep calling for calm and broader deescalation, and the reason is I don't think Beijing is going to stick its neck out to solve a war it didn't start and it doesn't control.

DOUGHERTY: Mark, anything to add there?

MONTGOMERY: No, I think that was a good answer. I'm good.

DOUGHERTY: Got it. Thank you, Mark. Phelim, great questions. Thank you for doing that. And we may have time for a follow-up, so feel free to raise a hand again if you'd like to. We'll now move over to Didi, over at AP. Over to you, Didi.

DIDI TANG: I got it. Okay. Very good. Hey, thank you so much for doing this. So I have two-

MONTGOMERY: Didi, you went on mute.

DIDI TANG: Yeah, I unmute, and then someone mute me.

SINGLETON: You're good now.

DIDI TANG: Is it good now?

SINGLETON: Yep.

DIDI TANG: Okay. So one is the Iran war, it's a mess, right? And then Trump, this time, is not delaying the trip. And I wondered, what's your take on why Trump is so determined to go to China at this point? This is the first question. The second question, I wonder if you have more information on the board of trade that you can share with us, if board of trade is going to be set up and how the setup is going to be. Thank you.

SINGLETON: Okay. Yeah, I'm happy to take the first strike at that and then if others have comments, too. Quickly on board of trade, I do believe it's going to be announced. So it's meant to create a standing mechanism for deciding what the US and China can trade or invest in without crossing national security red lines. So Jamieson, or Ambassador Greer, has described it as a way to determine what the countries can sustainably trade with each other while separating lower risk commerce from sensitive technology and security issues. And so my sense is that the administration appears focused on it because it gives Trump a process deliverable from the summit. It lets both sides claim they're stabilizing trade without resolving the harder fights over things like chips and critical minerals and supply chains. But it is my expectation that the board of trade will be announced. We will probably not, it's my understanding, hear about the board of investment, which is another idea that was floated, that would be more focused on sensitive national security sectors. It's my understanding that the BOI is likely not to be announced during this trip.

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As for Trump, I think beyond being bored with the war in Iran and wanting to move on, I think he wants to keep the optics of momentum. He wants to keep the notion of a functioning trade truce with China and visible deliverables that he can point to domestically here in the United States. And from his perspective, canceling or postponing the summit I think would spook markets and undermine the trade track and probably hand Xi Jinping's further leverage. At the same time, it's important to remember that the Chinese also want this meeting to happen. I don't think either side wants the fallout from failure even if the underlying tensions are getting sharper. That's my take, but defer to Elaine and others on their views.

DEZENSKI: Thanks, Craig. I would largely agree with that. I think delaying once because we were in the middle of an early stage conflict is probably acceptable. Delaying twice, I would then worry about the market signals that's sending. I think he has to show that there's some progress even if it's top line progress versus getting at some of these structural questions that at some point are going to need to be resolved.

MONTGOMERY: Nothing to add to that.

DOUGHERTY: If I may ask the panel here, what does a win for Xi Jinping look like? Can you provide some details what do you think that'll look like?

SINGLETON: I think for me, my first remarks just got into it a little bit. There is value in preserving the appearance of stability for the Chinese. I think Elaine really outlined a lot of the economic headwinds that the Chinese are facing both externally and internally. And I think ultimately what the summit does is it provides a sense of stability, which is what he's ultimately seeking. At the same time, he needs time. This notion that the United States is a declining power, a view that the Chinese believe quite strongly, and that it's only a matter of time before the US turns its attention back to China, leads them to believe that they need to hunker down and harden themselves.

I think their view is that summits like these with a little pomp and a little circumstance buy more time and continue to deliver wins for the president, and he values those domestically and internationally, and therefore there is value to them in playing along. And in that sense, that's why I suspect the number and the type of deliverables that we'll see are very small and very niche, and certainly no one's conceding much of anything, because this isn't about compromise, it's about competition.

DEZENSKI: Yeah, I think that's exactly right. It might be worth focusing a bit on what China's Achilles heel really is. And from the economic side, it's the dollar and trade dependency, and that has not changed. Despite the rhetoric about dedollarization, RMB-denominated trade, the reality is that China sells to major consumer markets like the US, Europe, even Australia in dollars or euros, not in RMB. So the economies that actually matter to its export generating machine are dollar related or dollar aligned for the most part, and it means that the relationship with the US is still central to its economic model. So I think we should just keep that in mind that they have a dependency, which is pretty significant, and there's no real out from that dependency anytime soon.

And RMB trade, to the extent that is being discussed, again, as some alternative to dollar engagement, is really only useful in the relationships with sanctioned or isolated economies like Iran. Even places like the UAE who said, "Well, we're nominally open to the idea of RMB trade." Well, what happens? They may do a trade in RMB, but they convert those holdings back into dollars immediately. So China has this problem, so it really does behoove them to continue to come to the negotiating table.

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MONTGOMERY: Joe, I'll remain isolated on Skeptic Island and say that my fear is that Taiwan's on the menu. If Taiwan is on the menu, that's just not good. Taiwan needs to stay off the menu. I hope the president's team is working hard to keep them off the menu. They have done themselves a favor by passing a defense budget before May 14th as I don't believe that's going to happen at this point, a special defense budget to get themselves up to 3.5%. If they're on the menu and it's about foreign military sales, it's bad. If it's on the menu and it's about some kind of re-imagining our statements, that would be worse.

SINGLETON: I agree with you, Mark, that Taiwan being discussed is a real risk, but I also think it actually is emblematic of Chinese weakness here that they would need to seek these rhetorically reversible formulations, which could be undermined by a future administration and I think wouldn't necessarily change US policy on the ground. I think the risk that you're describing is Taiwan gets treated as part of a broader transaction, and I just haven't seen that. I'm not convinced that his team is prepared to do that. But I do think that you're right that lingering ambiguity about Trump's Taiwan policy will make Taipei and probably Tokyo nervous, at least until the summit's over. So it's something to watch.

DOUGHERTY: Well, perhaps in a moment we get into perhaps what's the thinking in Taipei based on the upcoming summit, but we do have a couple more questions. Lisa, we're going to get to you in a moment, but we're going to start with Chris. Chris, over to you.

CHRISTOPHER BOCCIA: Hi, folks. Thanks for doing this. Just on Iran, and forgive me if you've covered this, I just wonder specifically what you think China can do to influence negotiations there and what the president might ask them for. Will he welcome their help and their ability to leverage Iran? Will he welcome them looking like a form of a peacemaker? And specifically, how can they help those talks move along? And then just a second one on Taiwan, I'm curious what you think the administration's thinking on Taiwan is. Would you characterize the administration as China hawks as fairly defensive of Taiwan, or not?

SINGLETON: I'll let others go first.

DOUGHERTY: Do you want to take that one first, Mark?

MONTGOMERY: Look, my personal opinion is, first, I think the president should confront Xi and ask him if he gave intelligence support to the Iranians just to put him on his back foot. That is the kind of guy Trump is. No other president would do that right off the bat. And I just think I would pay money to see Xi's reaction to being confronted directly like that. That won't happen probably, but I hope I can put that in the atmosphere. But then I don't believe... I think this right now is a question of the United States strangling the Iranian economy. If we do this right, we show patience and discipline, and we cut off \$17 billion a month, \$300 billion a year, 90%, maybe 95% of Iranian's remaining exports, and they'll have to make hard decisions.

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I think what he has to communicate to Xi is, "This is what we're going to do. To the degree that you became reliant on shadow fleet fuel, priced \$20 a barrel underneath the rate for the last three and a half years, well, you can use some of those savings to compensate for the fact that you're going to have to, for now, pull from your reserves." I don't think their electrical power grid is near as dependent on oil as many of their Asian, and LNG, as their Asian partners. I think they use nasty coal, nuclear power and renewables to a much higher degree. And I think he just looks them in the face and says, "You wrought this with your shadow fleet sanctions violations and that we will take care of business." That is what a strong, aggressive American president would do who's confident in his position. And sometimes Donald Trump strikes me that way and sometimes he doesn't. Let's hope he does that properly during this

SINGLETON: Yeah. I think on the Taiwan part, for Trump, Taiwan is not the centerpiece of this summit. It's the issue he wants to keep from consuming it. For Trump, Taiwan is mostly an irritant in a meeting he wants focused on trade and deliverables and the broader optics of stability with Xi Jinping. That doesn't mean that Taiwan is unimportant to the White House. It means the White House likely wants to manage it, contain it, and I think avoid letting it derail the summit narrative. I think on the Iran question, just my sense is I think we would all agree that China has real leverage, but it's not unlimited.

It can press Iran quietly because Beijing, I think as we've outlined, is Iran's most important energy customer and Chinese demand is central to Tehran's remaining oil revenue. It could condition financing and I guess shipping access and refinery activity and diplomatic cover, including at the United Nations. But I would not expect Beijing to publicly force Tehran's hand. I think China's likely play is private pressure for deescalation, a push to protect China-bound energy flows, and support for reopening Hormuz without looking like it's doing Washington's bidding.

DEZENSKI: And I would just add to this that I don't think we're anywhere near a max pressure strategy on Beijing when it comes to how they play into the Iran problem. A couple of weeks ago, Secretary Bessent issued a letter to a number of financial institutions in Hong Kong, Oman, Dubai, which is essentially a pre-notification letter indicating that Section 311 of the Patriot Act may apply, which means that a bank could be designated as a money laundering risk. And I think we need to watch this, because one thing that Beijing wouldn't want to happen is an escalation where the US is pulling out that major firepower and either designating banks in Hong Kong, for example, we know a lot of these banks that are funneling cash for the IRGC, we know where they are. That would be a significant play. We could even go full max pressure, which would be designating an entire financial jurisdiction like Hong Kong as a designated money laundering risk. That would invoke all kinds of headaches for Hong Kong and for the financial institutions.

So I think that they have to walk a little bit of a tightrope here, a balancing act as they figure out how they can appear to be helpful, and, as Craig said, I think working more behind the scenes in terms of encouraging some sort of resolution. But I don't know, maybe Mark and Craig have more on this than I would, but it doesn't seem to me that there's any signal from Beijing that they would be willing to go along with Trump's real ask on Iran, which is no nuclear capability. We're not hearing that from Beijing. I think they're fine to go along with the Iranian narrative on that.

DOUGHERTY: Chris, great question. Thank you. Lisa, at CBC, over to you please.

LISA: Hi, can you guys hear me?

DOUGHERTY: We can, yes. Thank you.

LISA: Perfect. Just more broadly, because Craig mentioned that maintaining the appearance of stability would be something to look for, but curious to know whether you see any other opportunities coming out of this summit. That's my first question. And also more broadly, if you can speak to the stakes, considering everything going on in the world right now, considering that this is the leaders of the two largest economies in the world meeting finally, I guess, in a way.



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SINGLETON: Yeah, my understanding, again, is there hasn't been a lot of preparation for this summit, not in ways that prior summits. There's usually weeks and sometimes months of preparation, at least the ones I was involved in China. And that hasn't been the case here. It is a little fast and loose, if you will. I think that lack of fidelity is certainly making the Chinese nervous, but I also just think it sets the bar extremely low. So I think the main opportunity is not some sort of a breakthrough or anything like that. It's just buying time and reducing the risk of a near-term rupture.

I think if the summit can preserve tariff stability and keep communication channels open and prevent Taiwan, Iran or technology controls from overwhelming the relationship right now, then that is a real outcome that probably both the White House and China would favor. But of course you're right, the stakes are global because this is not just a bilateral relationship. US-China friction shapes everything, markets and supply chains and energy security in Taiwan and the pace of AI competition. And I think there's a perception that even modest stability matters when the alternative is unmanaged disruption. But it's important for us to just, again, footstomp that trade and tariffs are really the only two stable areas of communication between the two parties. The number of activities that have occurred in other competitive spaces since Busan has been quite extreme, including a historic arms package to Taiwan. And so I do think that competition continues very much in these other lanes. It's just trade and tariff predictability that seem to be holding on for the moment.

DOUGHERTY: Elaine, anything you wanted to add to that? Good to go?

Chris, I still see your hand up. Do you have another question? I'd like to do a follow-up. Very good.

And I see Jeff Mason. You do have your hand up, so over to you please, with your question. Thank you.

JEFF MASON: Great. Hi, everybody. I just wanted to ask a question that ties into what you said at the top, but I missed just a little bit of it. Just broadly, Craig, maybe back to you, can you explain again your thought on how much Iran overshadows this summit and to what extent it may or may not be a self-inflicted wound that the President has created that didn't exist eight weeks ago before the war began?

SINGLETON: Yeah, no, thanks, Jeff. I mean, I think we would all agree that the president likely suspected that hostilities in the Middle East would have been wrapped up already after they delayed the first summit, and obviously that hasn't happened. It is a very awkward tableau for the Chinese to be hosting the United States president as he has lobbed bombs and is engaged in a blockade against one of their strategic partners. And certainly, the energy implications alone are enough to cause concern.

I think last week's announcement against Chinese refineries and the threat of secondary sanctions, under normal circumstances, would've been viewed enough for the Chinese to probably suggest that conditions were not right for a summit. But the fact that the summit is proceeding suggests to me that while Iran is important, it's not necessarily central. Sure, Iran could overshadow the summit because I think it turns what Trump wanted to frame as a trade and stability meeting into a test of whether China can help manage a crisis, but I don't think that's really what Washington wants to do. So I suspect Iran will be a major agenda item, but not necessarily a deliverable. It complicates the optics. It raises the stakes, and it makes the summit less about a clean trade truce and more about whether both sides can manage disruption without letting it consume the relationship.

JEFF MASON: Thank you.

DOUGHERTY: Thanks, Jeff.

Mark, quick question for you with Craig's comments there in mind. If Trump wanted to, what could he confront with regarding China and aid to Iran?

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MONTGOMERY: Well, I mean, I assume he's getting his presidential daily brief, and I assume the intelligence agencies go out of their way to put into those briefs what malfeasance by Russia and China against US forces. If it's true, if the reporting by some of the reporters on this or some of the newspapers represented here is true, then two of our adversaries assisted one of our third adversaries in targeting US systems and personnel or in a better understanding of how US forces were operating. In either case, I mean, it shouldn't surprise us, but we are the most powerful country in the world and we should hold people who do that against us accountable, and the president should confront him. Look, I don't think he will, but I just wish he would. By the way, I don't think any other president would, and if I thought any president would, it would be Trump because precedents appears to have limited value to him and he would be breaking precedent by being so confrontational right off the bat, but I think that would actually be interesting.

DOUGHERTY: Very good. Well, I don't see any questions in the queue and we are getting a little bit late, so we will begin the process of wrapping up the call. I will ask each of our experts to give a 30-second, one-minute summary of their key thoughts before we go. In the meantime, I do want to give a special thanks to Ellie and Krystal and the rest of the comms team doing great work in the background to make everything go so smoothly.

In closing, a reminder that FDD is a nonpartisan research institute. We're focused on national security and foreign policy. You'll find our research at fdd.org. If you'd like to arrange a one-on-one conversation with Craig, Elaine, or Mark, please reach us at press@fdd.org. And lastly, thank you to all the reporters on the call. We will get the transcript to you and the video of this conversation to you as quickly as possible, the link to the video this afternoon. And the transcript, tomorrow morning over to you. So thank you. I know it's been a busy day. We appreciate you spending it with us.

Panel, over to your thoughts. We'll begin with Craig, then we'll go to Elaine and finish with Mark.

SINGLETON: Yeah, no, thanks everyone. I think what this call really clarifies for me is this logic of mutually assured disruption. Both Washington and Beijing believe they can impose pressure on the other without triggering consequences they cannot control. And I think both countries are now treating economic disruption, not as a policy failure, but as a policy tool. The United States is using selective exclusion, right? Chips and capital export controls and sanctions and the dollar system, and China uses selective scarcity, critical minerals and magnets and batteries and supply chain trip points. The danger here is that both sides believe they can calibrate the pain. They both think they can pressure the other side, test vulnerabilities and then stabilize before things break. That is why this summit matters. It's not about resolving the rivalry. It's about managing this rhythm of escalation. And this is very different from old-fashioned detente. It is a cycle of confrontation and then calibration and then partial retreat, and both sides escalate and then they absorb and they stabilize and they do it all over again in the loop.

And so my read is that this summit sits really inside this new equilibrium. Both sides think they can manage the chaos, and the risk is that neither can.

DEZENSKI: Thanks, Craig. Excuse me. I think that there is a lot of work to be done on understanding the structural dynamics between the US and China and exactly how we're going to solve the core problem, which is a market economy competing against a non-market economy. This is really at the heart of our research at CEFP. We just launched a new memo. It's called A Gameplan for American Economic Security. And we go deep into the structural dynamics. We make recommendations in terms of what a new trade alignment could look like, what we've called the Near-Global Economy, which essentially boxes out the non-market players that do not agree to free, stable, fair, and open competition. We are in this competition with China because we have allowed the market dynamics to move in a way that are devouring the very elements that we're trying to preserve in terms of how free markets should operate.

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So we need to get to this bigger conversation. The summit is probably not the place where that's going to happen, but I think it's important that we continue to move towards these larger challenges and issues that have to be resolved. This would be a lot easier if we were thinking about allies and partners as part of the response, and that's not happening right now in a way that it should. And it means that we're leaving economic power on the table because Europe's situation isn't that much different from Mars, for example.

So there's still a lot of work to be done. I would encourage you to have a look at the report when you have time, and thank you for being here today. Thanks.

DOUGHERTY: And Mark, over to you for your final thoughts.

MONTGOMERY: I presently am looking at it from the security point of view. I don't want to say in both the Iran case and the Taiwan case, it's both downside. There's only downside risk on this summit, but there probably is. I mean, as I alluded to, I think Craig did as well. It would be great to have Taiwan off the menu. There's just almost nothing good will come from that. And so we'll have to see what happens. I do worry that we have a transactional president and a transactional opportunity could arise, and then we would have a challenge. So we'll have to see what happens.

DOUGHERTY: Mark, Elaine, Craig, thank you for your time for your analysis. This does conclude today's call.