

COMMENTHK

Xi-Trump summit signals search for strategic stability

Regina Ip says Washington may ultimately need to reimagine China as an indispensable partner in managing global order

The much-anticipated Xi-Trump summit in Beijing on Thursday and Friday was preceded by intense speculation in Washington over what each side hoped to gain. On the American side, commentators spoke of the five B's — Boeing, beef, beans, the Board of Trade, and the Board of Investment. China's priorities, meanwhile, were said to center on the three T's — tariffs, technology, and Taiwan.

The composition of United States President Donald Trump's business delegation spoke volumes about corporate America's eagerness to expand its footprint in the Chinese market. Although few concrete business deals emerged, the summit achieved something potentially more important: easing geopolitical tensions and restoring a degree of predictability to the world's most consequential bilateral relationship.

The visit was widely described as "historic" and a "new starting point" in Sino-US relations, and not without reason. For a day and a half, the pomp and pageantry commanded global attention. Yet beyond the symbolism, it was President Xi Jinping's firm articulation of China's position on Taiwan, together with his reframing of the relationship as one of "constructive strategic stability", that may ultimately prove most consequential.

On Taiwan, President Xi delivered perhaps his strongest warning to date, stressing that mishandling the issue could make Sino-US relations "dangerous" and push both countries toward confrontation, even conflict.

For decades, the US has viewed arms sales to Taiwan as both commercially profitable and strategically useful in counterbalancing China's growing military and economic influence. Yet Xi's warning served as a reminder that any crisis over Taiwan — home to around 90 percent of the global leading-edge semiconductor manufacturing capacity — could trigger economic disruption far exceeding that caused by instability in the Strait of Hormuz.

Although few details of the Taiwan discussions were released, President Trump's subsequent remarks to Fox News were revealing. He said he was "not looking to have somebody go indepen-



Regina Ip
The author is convenor of the Executive Council of the Hong Kong Special Administrative Region.

dent", implicitly rejecting claims of Taiwan independence. He also remarked that he was "not supposed to travel 9,500 miles (15,300 kilometers) to fight a war", while expressing hope that China would "cool down". These comments suggest that Xi's message resonated in Washington.

If the US wishes to avoid drifting into a dangerous confrontation with China over Taiwan question, the Trump administration may need to reassess the scale and trajectory of its arms commitments to the island.

The other major issue hovering over the summit was Iran. With the Strait of Hormuz disrupted and regional tensions escalating, President Trump was likely seeking China's cooperation in stabilizing energy flows and containing the crisis without further resort to military force. Yet the absence of substantive public discussion on Iran — apart from Trump's suggestion that China could buy more American oil — indicates that little progress may have been made on this front.

Equally significant was the emphasis on building a "constructive China-US relationship of strategic stability". In today's fractured geopolitical environment, stability has become an increasingly scarce commodity. The conflict involving Iran, disruptions to maritime trade routes, and broader geopolitical rivalries have all deepened global uncertainty.

Since Trump's return to the White House, the US has injected considerable volatility into global trade and geopolitics. If Washington genuinely seeks greater stability, it may ultimately need to reimagine China not simply as a strategic rival, but also as an indispensable partner in managing global order.

China's ability to withstand and push back against Trump's renewed trade war in 2025 — through its leverage over supply chains, rare-earth

minerals and critical minerals — has demonstrated the resilience and strategic depth of the Chinese economy. Far from being trapped in the logic of inevitable great-power conflict embodied in the so-called Thucydides Trap, China has emerged as a peer power capable of contributing to global certainty and stability.

Even so, a genuine reset in Sino-US relations will not come easily. Although Trump appears to respect President Xi personally, his administration remains heavily influenced by China hawks who either underestimate contemporary China or view its rise primarily through the lens of strategic anxiety.

The two countries remain locked in intense competition across critical sectors, especially artificial intelligence, which is rapidly becoming the defining technology of future economic and military leadership. Numerous contentious issues still require careful management.

Nevertheless, diplomacy is regaining momentum. President Xi is expected to visit the US in the fall of this year, while the APEC leaders' meeting in Shenzhen in November, and a possible encounter at the G20 summit, could provide further opportunities for sustained dialogue and crisis management.

Much of the Western media coverage of Trump's Beijing visit concluded that China emerged with the stronger diplomatic position, aided by disciplined messaging, strategic framing and confident statecraft. Since the escalation of Trump's trade wars and the conflict involving Iran, international opinion polls have increasingly shown China viewed more favorably than the US in many parts of the world.

At a time of profound uncertainty, people everywhere are searching for predictability, stability and competent leadership. In this context, Hong Kong also has a role to play. By demonstrating resilience, openness and vibrancy under the "one country, two systems" framework, the city can contribute — however modestly — to China's broader project of national rejuvenation.

The views do not necessarily reflect those of China Daily.



Quentin Parker
The author is director of the Laboratory for Space Research, the University of Hong Kong.

Strategy, soft power, vigilance boost city's academic ascendancy

In the 2026 university rankings of the Times Higher Education (THE) and QS World University Rankings, only one city has five institutions in the global top 100 — the Hong Kong Special Administrative Region.

This remarkable achievement results from decades of deliberate HKSAR choices. For a city of 7.5 million to equate with much larger economies in this domain is extraordinary. Why has this happened, what is it doing for Hong Kong, and how easily could it be lost?

Several factors explain this success. First is internationalization, baked into the city's DNA across trade, finance, regulation, and the higher education system for decades. English is the global language and a common medium of instruction. There is also a long tradition of recruiting faculty and students from every continent, which creates an enriching, cross-cultural scholarly environment instantly legible to East and West. This makes the city's universities natural partners for collaboration with other globally elite institutions from the Ivy League to Oxbridge and from Tsinghua to Peking universities. This global connectivity is self-reinforcing and has translated directly into co-authored papers, joint laboratories, leveraged projects, and international funding streams that greatly influence metrics used by global ranking agencies.

Next is sustained investment in research and infrastructure, the bedrock on which this international success is based. The HKSAR government treats our universities as strategic assets not luxuries, with largescale research grant programs, significant postgraduate places, and modern laboratories. These allow local institutions to specialize and excel across broad swathes in strategic, scientific, technical, and cultural domains. These include biomedicine, fintech, artificial intelligence, materials science, creative media, and emerging areas such as space sciences via participation in Chinese mainland space missions. The ecosystem's strength means multinational companies set up research and development operations here to tap into our concentrated expertise and talent.

Then there is Hong Kong's unique superconnector status as a bridge between the mainland and the world. The city's universities simultaneously plug into national initiatives like the Guangdong-Hong Kong-Macao Greater Bay Area while remaining deeply embedded in international networks of scholarship and innovation. A laboratory in Hong Kong can collaborate with colleagues in Shenzhen while joining a European science consortium or an internationally funded research project. This dual connectivity is difficult to replicate and is part of the intangible "value-add" that rankings attempt to capture.

Our universities drive transition from a trading and financial hub toward a full knowledge-based economy. Highly skilled graduates feed into local industries, spinoffs populate science parks, while patents and startups contribute to diversification beyond property and finance. In a world of mobile talent a strong university system is both magnet and glue, attracting capable international talent while giving them reasons to stay beyond cuisine, nightlife, pace, and world-class infrastructure.

Our impact is felt in less tangible, but equally important ways too, via soft power. When parents in Southeast Asia, the Chinese mainland, the Middle East, and elsewhere encourage their children to apply to Hong Kong universities, when top global scientists accept chairs here — including the recent recruitment of two Nobel Physics laureates to the University of Hong Kong — it is a tribute to our reliability, quality, and openness.

Nevertheless, success brings challenges, not least the temptation to treat ranking schemes as both compass and destination. Global league tables like the QS and THE provide external benchmarks, stimulating healthy competition, and elevating the international visibility of top institutions. However, their methodologies are not neutral. An overreliance on these schemes risks encouraging universities to optimize for the scoreboard rather than needs of the nation.

Maintaining this balance requires work. Protecting the conditions that enable world-class research is essential. This includes stable funding, institutional autonomy, transparent governance, and space for open, evidence-based academic inquiry, free of undue pressure and influence. The appeal of Hong Kong's universities rests on the perception that scholars can pursue rigorous research and teaching to international standards. Safeguarding this is fundamental to attracting the best global minds.

Our universities also need to deepen mainland integration with its rapidly advancing science and technology landscape but without losing our distinctiveness under the "one country, two systems" framework.

We must see our universities as serving the community, not just chasing rankings or catering to elites. That means greater engagement with schools, local industry, government, and civil society. It means ensuring our world-class research translates into better healthcare, smarter infrastructure, more resilient urban areas, and broader social mobility. When the average Hong Kong family sees tangible benefits from having five top-100 universities, sector support becomes more resilient. Over 70 percent of Hong Kong's university funding comes from the SAR government, leaving institutions vulnerable to policy shifts. By comparison, Harvard's endowment exceeds Hong Kong's combined university reserves by a factor of 10. Diversifying university revenue through alumni networks and industry partnerships is critical.

Hong Kong's universities rise to the global peak has profoundly shaped our identity and expanded our options. It has bolstered our economic prospects, enhanced our soft power, and provided a powerful symbol of what being "Asia's world city" really means. This is neither guaranteed nor cost-free. To preserve and build on it, we need to resist complacency, engage intelligently and hold fast to openness, excellence, and outward-looking confidence that brought us this far. Our universities are more than educational institutions; they are custodians of our global identity. Their success has fortified our role as a bridge between China and the international order, a role that benefits Beijing as much as it does foreign partners. Bridges require maintenance. We must evolve our academic model without eroding the openness that made it great. In the laboratory, as in life, complacency is the enemy of excellence.

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Aligning with the 15th Five-Year Plan offers HK a road map

As the nation's 15th Five-Year Plan (2026-30) takes shape, the Hong Kong Special Administrative Region stands at a critical juncture. The plan prioritizes high-quality development, technological self-reliance, and innovation-driven growth. For Hong Kong, this moment calls for more than passive acceptance of national policy directives. It demands proactive strategic alignment that positions the city as an indispensable catalyst for the country's modernization drive, while securing its own prosperity in an increasingly uncertain global environment.

The geopolitical landscape has shifted fundamentally. Rising protectionist barriers and escalating international tensions have underscored a sobering reality — Hong Kong must embrace the deep interdependence that "one country, two systems" affords, leveraging its unique institutional advantages as force multipliers for national development. Its common law system, liberalized capital markets and international business infrastructure are not legacies to be defended, but assets to be deployed.

The fit between Hong Kong's strategic positioning and the priorities of the 15th Five-Year Plan is architecturally aligned. The plan explicitly designates the Guangdong-Hong Kong-Macao Greater Bay Area as one of three primary engines of high-quality development. Within this framework, Hong Kong's development as eight international centers — spanning finance, trade, shipping, aviation, intellectual property trading, conventions and exhibitions, cultural and creative industries, and innovation and technology — corresponds directly to the plan's strategic pillars.

Consider the financial dimension. Hong Kong processes about 80 percent of global offshore renminbi transactions, with average daily turnover exceeding 3.1 trillion yuan (\$456 billion) in 2024. Total offshore renminbi deposits in the city reached 1.067 trillion yuan by August 2025. This is the institutional infrastructure through which the country exercises monetary policy sovereignty in international capital markets — precisely the offshore capital gateway that the plan's emphasis on "high-level opening-up" presupposes.

Yet alignment between policy intent and operational execution remains incomplete. Three gaps warrant immediate attention.

First, talent mobility lags behind capital market integration. The plan's emphasis on cultivating new quality productive forces through original innovation in semiconductors, robotics, biotechnology and



Kevin Lau
The author is founding convenor of Hong Kong Global Youth Professional Advocacy Action, a specialist in radiology, a master of public health of the University of Hong Kong, and an adviser to Our Hong Kong Foundation.

quantum computing demands that Hong Kong rapidly establish mutual recognition frameworks for professional qualifications across Greater Bay Area jurisdictions. At present, a Hong Kong engineer cannot practice in Shenzhen's technology hubs without duplicative qualification procedures — administrative friction that directly impedes the knowledge transfer the plan presupposes.

Second, supply chain and industrial policy alignment has been insufficiently operationalized. While the plan calls for strengthening the country's manufacturing base through digitalization and green technologies, Hong Kong's approach remains oriented toward financial intermediation rather than active participation in precision manufacturing ecosystems. The Northern Metropolis development requires far more granular coordination with upstream manufacturers in electronics, pharmaceuticals and advanced materials. Without explicit supply chain mapping that identifies Hong Kong's role in semiconductor packaging, biopharmaceutical logistics and precision-component distribution, the city risks becoming a financial hub disconnected from the productive base it claims to serve.

Third, venture capital and innovation ecosystem integration remains asymmetrical. Although Hong Kong ranks first globally within the Shenzhen-Hong Kong-Guangzhou innovation cluster, the capital formation linking Hong Kong investors to early-stage mainland ventures is constrained by cross-boundary financial supervision and tax treatment inconsistencies. Most Hong Kong-based venture funds continue to structure themselves around offshore investment vehicles rather than direct participation in mainland innovation zones — suppressing both Hong Kong's ability to capture equity upside and mainland enterprises' access to sophisticated venture capital expertise.

Hong Kong should pursue a deliberately

sequenced alignment strategy across three dimensions.

On professional mobility (months one to 12), the HKSAR government should establish a Greater Bay Area Professional Services Integration Task Force, co-chaired with its Shenzhen counterpart, to execute mutual recognition agreements for 10 priority professions, including software engineers, biomedical researchers, financial risk managers, urban planners, environmental engineers, pharmacists and nurses.

On supply chain integration (months six to 24), Hong Kong and Shenzhen should jointly commission a Greater Bay Area precision manufacturing supply chain mapping study identifying subindustries — semiconductor back-end processing, biopharmaceutical cold-chain logistics, advanced materials distribution — in which Hong Kong can take on specialized roles in quality assurance, regulatory compliance and international trade finance.

On venture capital reconfiguration (months 12 to 24), the Securities and Futures Commission should implement a streamlined pathway for Hong Kong venture capital funds to invest directly in mainland-registered technology enterprises through the existing Qualified Foreign Institutional Investor framework.

Hong Kong's alignment with the 15th Five-Year Plan is not an imperative born of geopolitical duress, but a strategic opportunity rooted in structural complementarity. The city possesses precisely the institutional capacities — legal certainty, capital market depth, regulatory sophistication and international connectivity — that the plan's objectives require. Yet this alignment will materialize only through deliberate policy action that dismantles administrative barriers, redirects talent toward productive integration, and restructures capital formation to serve the country's innovation priorities.

As other regional hubs — Singapore, Shanghai and Shenzhen — compete for position within national development frameworks, Hong Kong's advantage will derive not from passive policy inheritance but from dynamic institutional innovation. By executing this phased integration strategy, Hong Kong can transform itself from a service hub into a strategic catalyst for the nation's modernization — and, in doing so, secure the prosperity that active participation in the country's next phase of development affords.

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