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Trump wants China's help on Iran. Beijing may have other ideas

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Trump is in China for the first time since 2017 for a high-stakes summit with Xi.

WASHINGTON/BEIJING, May 13 (Reuters) - When U.S. President Donald Trump meets Chinese President Xi Jinping this week he is expected to ask for help resolving his costly and unpopular war with Iran.

He is unlikely to get the support he wants.

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Analysts said that while Xi might agree to nudge Iran's leaders back to the negotiating table, China's leader will be reluctant to cut economic support for Beijing's most important partner in the Middle East or to stop supplying it with the dual-use goods its military needs.

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Trump, for his part, has powerful tools to pressure China - including the threat of sanctions against major Chinese banks - but using those levers could come at an unacceptably high cost for the United States.

Hopes for an agreement between the U.S. and Iran to end the conflict, which has sent oil prices soaring, have faded and the ceasefire between the countries looks increasingly shaky.

Trump aides see Beijing - the biggest buyer of Iranian oil - as one of few players able to persuade decision-makers in Tehran to finalize a deal with Washington, according to two people briefed on plans for the meeting. Absent tools to force China's hand, Washington aims to persuade the country's leaders that it's in their interest that the war end now.

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China, however, has competing interests. On one hand, it wants to open the Strait of Hormuz, which Iran's military has throttled. A fifth of the world's oil supplies - and much of the oil bound for China - traverse the waterway.

On the other, Iran remains a strategic ally in an important region and a counterweight to the United States. And the war, while painful economically for China, has turned America's diplomatic and military attention away from the Indo-Pacific.

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That weighs against a move by Xi to use China's considerable sway with Iran to push it towards major concessions.

Henrietta Levin, a senior fellow at the Council for Strategic and International Relations think tank in Washington, said Xi was approaching the summit from a position of "soaring confidence," emboldened by Trump's retreat from last year's tariff campaign and the sense that the U.S. conflict in Iran was diverting vital military equipment from China's backyard.

Trump told reporters on Tuesday that he did not need China's help to convince Iran, citing the U.S. naval blockade. "The Iranian regime knows their current reality is not sustainable, and President Trump holds all the cards as negotiators work to make a deal," said White House spokeswoman Olivia Wales.

Liu Pengyu, spokesperson for the Chinese Embassy, said Beijing opposed what he called "illicit unilateral sanctions" and said China asked its firms to operate in accordance with laws and regulations.

"As to the Iran situation, the pressing priority now is to prevent by all means a relapse in fighting, rather than exploit the situation to throw mud at other countries," Liu said.

LIMITED OPTIONS TO PRESSURE CHINA

Trump, whose [approval ratings](#) have been hit hard by the war, has limited options for pressuring China to do more on Iran. Those include sanctions and tariffs, along with some less likely options.

The United States has imposed a naval blockade on Iran, and Trump has floated the possibility of imposing its own fees on traffic through the Strait of Hormuz, an outcome that would rankle Beijing.



[1/2] Chinese youth prepare for the arrival ceremony of U.S. President Donald Trump at Beijing Capital International Airport during his visit to the country, in Beijing, China, May 13, 2026. REUTERS/Evan... [Purchase Licensing Rights](#) [Read more](#)



But after domestic and international pushback, the White House has since said Trump wants to see the strait open up for traffic without any limitations, and this week the State Department said Washington and Beijing had agreed that no country or group should be allowed to exact tolls there.

Sanctions are another option. The United States has imposed financial penalties on certain Chinese entities involved in evading sanctions on Iran, but the actions have not had much impact on those trade flows, experts say.

Brett Erickson, managing principal at Obsidian Risk Advisors, said that's because Washington has skipped pulling some key levers, including going after Chinese banks that facilitate trade with Iran. The Treasury Department is "just not willing to do anything on the Chinese banks that actually matter," he said.

A source with direct knowledge of the Treasury Department's options for sanctions on Chinese banks said the U.S. had thousands of potential targets related to Chinese illicit finance.

"It's certainly impossible to enforce the sanctions on Iran without going after Chinese banks," the source said, but added that U.S. officials had not been directed to go after major Chinese financial institutions despite [recent threats](#) to buyers of Iranian oil.

Treasury Secretary Scott Bessent in April sent warning letters to two unidentified Chinese banks over their facilitation of Iranian oil purchases, and said Treasury was prepared to impose penalties, but no further action has been taken.

Bessent is expected to raise the issue again during Trump's visit, a source familiar with the plans said.

RISK OF COSTLY RETALIATION

Experts say Washington's reluctance to go after China's banking sector reflects uncertainty over potential retaliation.

Even U.S. action against a small or midsize Chinese bank could ignite an escalatory tit-for-tat, in which both sides return to the economic warpath, said Edward Fishman, director of the Goeconomics Center at the Council on Foreign Relations.

The fallout could revive the costly trade war and triple-digit tariffs that the U.S. and China paused last year. That could be politically damaging for Trump, given the inflationary impact.

"Dropping bombs on a strategically important place like Iran has a huge impact on the global economy, but the impact of sanctioning a major Chinese state-owned bank could be even greater," said Jim Mullinax, a former State Department director of sanctions policy and implementation.

An assault on China's big banks could also prompt Beijing to deploy its own greatest source of leverage: critical minerals.

China, which holds a virtual monopoly on the refining and processing of the world's rare earths, threatened during last year's trade war to choke off supplies of the minerals needed by U.S. industries, alarming Western officials. That led the countries to forge an uneasy trade détente.

As it is, U.S. sanctions could still prove an irritant in this week's talks. Beijing on Monday denounced Friday's U.S. sanctions against three China-based companies that Washington said enabled Iran's military operations.

Beyond the economic considerations, China has learned from watching the United States that it should be cautious about getting too entangled in the Middle East and was likely to resist requests to apply decisive pressure on Iran, said former Deputy Secretary of State Kurt Campbell.

"It will be difficult to get the Chinese deeply involved under any circumstances. They will want to be careful because they can see political quicksand as well as the next guy," he said.

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