On the margins of the Group of Twenty gathering in Bali, Indonesia, U.S. President Joe Biden and Chinese leader Xi Jinping met for the first time in person as leaders of their respective nations. Their three-and-a-half-hour meeting came against the backdrop of heightened tensions over Taiwan, unprecedented U.S. export controls on advanced technologies levied against China, ramped up North Korean missile tests, and the ongoing war in Ukraine.

The meeting will not place U.S.-China relations on a new trajectory or produce consensus on thorny issues that have been at the heart of the relationship for decades. It could, however, lead to a shared understanding on the need the establish guardrails to ensure that the increasingly severe competition between the United States and China does not lead to outright conflict. While that would seem to be a modest outcome, it would be a positive development for a relationship that has steadily deteriorated.

Given increasing tensions in the Taiwan Strait, the U.S. statement emphasized that its one-China policy had not changed and that it opposed any unilateral changes to the status quo. It also lodged objections to China’s “coercive and increasingly aggressive actions toward Taiwan.” According to the Chinese readout, Xi underscored that Taiwan is “at the very core of China’s core interests” and “the first red line that must not be crossed in China-U.S. relations.”

The most interesting statement came regarding the war in Ukraine, with the U.S. readout asserting that both leaders “reiterated their agreement that a nuclear war should never be fought and can never be won and underscored their opposition to the use or threat of use of nuclear weapons in Ukraine.”

The discussion on North Korea featured in the U.S. readout, with Biden telling Xi that China has “an obligation to attempt to make it clear to North Korea that they should not engage in long-range nuclear tests.” Prior to the meeting, U.S. National Security Advisor Jake Sullivan previewed that Biden would warn Xi that continued North Korean provocations would lead to an enhanced U.S. military presence in the region.

In addition to aiming messages at domestic audiences in the United States and China, Biden and Xi were also attempting to reassure allies and partners, which are largely uneasy with the state of the bilateral relationship. Biden noted at the top of the meeting, “We share a responsibility, in my view, to show that China and the United States can manage our differences, prevent competition from becoming anything ever near conflict, and to find ways to work together on urgent global issues.” Xi went further, saying that “the state of China-U.S. relations is not in the fundamental interests of our two countries and peoples. It is not what the international community expects from us either.” Both leaders tried to cast themselves as responsible stewards who are doing their best to navigate a difficult relationship.

The leaders agreed to continue senior-level dialogue and keep lines of communication open, with the next step being a trip by U.S. Secretary of State Antony Blinken to China. While the meeting between Biden and Xi did not lead to any breakthroughs in the U.S.-China relationship, both sides signaled that they wanted to establish a floor for the relationship and build guardrails to prevent competition from turning to conflict. This was an important meeting, but it will take sustained diplomacy from both sides to make these goals a reality.