

# South Korea: Background and U.S. Relations

## Overview

South Korea (officially the Republic of Korea, or ROK) is one of the United States' most important strategic and economic partners in Asia. The U.S.-ROK Mutual Defense Treaty, signed in 1953 at the end of the Korean War, commits the United States to help South Korea defend itself, particularly from North Korea (officially the Democratic People's Republic of Korea, or DPRK). Approximately 28,500 U.S. troops are based in South Korea. The economic relationship is bolstered by the U.S.-South Korea Free Trade Agreement (KORUS FTA), implemented in 2012. In 2024, South Korea was the United States' seventh-largest trading partner (goods and services trade combined), and the United States was South Korea's second-largest trading partner, behind the People's Republic of China (PRC, or China). Over the past decade, congressional interest in U.S.-ROK relations often has focused on U.S.-ROK cooperation on North Korea and Indo-Pacific policies, the U.S.-ROK alliance, and U.S.-ROK trade and investment flows.

After former ROK President Yoon Suk Yeol took office in 2022, he expanded and deepened cooperation with the United States, particularly in the Indo-Pacific. He and then-President Joseph Biden forged closer cooperation on North Korea policy, including via bilateral and trilateral (with Japan) military exercises. Then-President Yoon's December 2024 martial law declaration and subsequent impeachment, however, have thrown his foreign policy initiatives into question. On April 4, South Korea's Constitutional Court unanimously upheld Yoon's impeachment, removing him from office. A presidential election is scheduled for June 3. Throughout his presidency, Yoon and his People Power Party (PPP) contended with a National Assembly controlled by the opposition Minjoo (Democratic) Party (DP) (**Figure 1**). In the presidential election race, the PPP is scheduled to choose its candidate by May 3. The DP's presumed candidate, its former leader Lee Jae-myung, leads most polls. Compared to Yoon, Lee and the DP historically have placed more emphasis on engaging with North Korea, advocate a more accommodating stance toward China, and are more wary of improving relations with Japan. Since early 2025, Lee has moderated some of these positions.

**Figure 1. South Korea's National Assembly**

Total # of seats: 300. Next scheduled elections: April 2028.			
Minjoo (Democratic) Party	People Power Party	Rebuilding Korea Party	Others
56.7% of total seats (170 seats)	36.0% (108)	4.0% (12)	3.3% (10)

**Source:** National Assembly website, accessed March 20, 2025.

**Note:** Former President Yoon belongs to the People Power Party.

During the first Trump Administration, U.S.-ROK relations experienced multiple periods of tension. President Trump imposed tariffs against certain South Korean exports, canceled U.S.-ROK military exercises, pushed Seoul to

renegotiate the KORUS FTA, and reportedly asked South Korea to roughly quadruple its payments for hosting U.S. troops. President Trump also reportedly expressed a desire to withdraw some or all U.S. troops from South Korea. Some South Korean observers have expressed anxieties about the second Trump Administration's actions during its first several weeks, notwithstanding the continuation of bilateral military exercises. President Trump's tariff increases likely will negatively affect the ROK's export-oriented economy. The second Trump Administration's treatment of Russia, Ukraine, and NATO allies has heightened concerns in South Korea about U.S. credibility as an alliance partner. Many South Korean experts express concern that President Trump may bypass Seoul in developing his North Korea policy.

## North Korea Policy

Since the breakdown of nuclear diplomacy between President Trump and North Korean leader Kim Jong-un in 2019, North Korea has refused virtually any substantive contact with the United States or South Korea. North Korea has continued to develop and expand its nuclear weapons stockpile and regularly conducts flight tests of its growing missile arsenal. Analysts are concerned that North Korea may conduct its seventh nuclear weapons test. Kim has pledged to "exponentially increase" North Korea's nuclear weapons stockpile and said he will "never" denuclearize. Kim also has boosted relations with Russia and China, including forging a new strategic partnership with Moscow that includes a mutual defense pledge in the event either country is attacked. Analysts say possible Russian transfers of advanced military technology, in addition to China's increased economic and diplomatic support, could boost North Korea's military capabilities and embolden Kim to conduct aggressive diplomatic, military, or other actions.

Presidents Biden and Yoon developed a joint approach to North Korea that heavily emphasized deterrence, in contrast to the emphasis on diplomacy pursued by Yoon's predecessor, Moon Jae-in (in office 2017-2022). Among other steps, Biden and Yoon expanded the scope and scale of combined military exercises, including with Japan. The second Trump Administration has said its goal remains North Korea's "complete denuclearization." President Trump has spoken of restarting diplomacy with Kim.

## U.S.-South Korea Alliance

The U.S.-ROK alliance experienced strain during the first Trump Administration, prompting the 115<sup>th</sup> and 116<sup>th</sup> Congresses to impose conditions (via National Defense Authorization Acts) on the President's power to withdraw U.S. troops from South Korea. To date during the second Trump Administration, the allies have continued combined and joint military exercises, and Defense Secretary Pete Hegseth and his ROK counterpart reaffirmed the importance of "a strong combined U.S.-ROK defense posture."

Hegseth, however, did not visit South Korea during his trip to Japan, the Philippines, and Guam in March 2025, when South Korea was operating under an interim government.

In November 2024, the two sides concluded a new agreement to defray the cost of stationing U.S. troops in South Korea, covering the 2026-2030 period. South Korea agreed to increase its payments by 8.3% (to roughly \$1.19 billion) in 2026, with future annual increases tied to South Korea's consumer price index and capped at 5%. During the first Trump Administration, cost-sharing talks collapsed, leading to a months-long lapse in an agreement and the furlough of about 4,500 Koreans who worked on U.S. bases. The Biden Administration concluded an agreement in 2021. South Korea has paid \$9.7 billion—over 90% of total costs—to construct new U.S. military facilities such as Camp Humphreys, the largest overseas U.S. base.

Washington and Seoul have adapted the alliance to recognize South Korea's increased military capabilities and the evolving threat landscape. Since 2006, the two sides have been preparing to transfer wartime operational control (OPCON) to a binational command led by a ROK general with a U.S. deputy. Currently, ROK forces would be under a binational command led by a U.S. general in wartime. The two sides have established conditions and benchmarks to demonstrate that the ROK can assume wartime OPCON, but it remains unclear when the transition would occur.

Separately, in 2024, both sides signed a new combined wartime contingency plan in response to North Korea's growing WMD and missile capabilities.

## South Korea's Regional Relations

**China.** For at least 20 years, China has been South Korea's largest trading partner and among its largest destinations for foreign direct investment (FDI). For these and other reasons, ROK leaders generally seek constructive relations with China. Beijing occasionally has imposed retaliatory measures on South Korean companies for ROK government policy choices. South Korean opinion polls show strong negative attitudes toward China. U.S. and ROK analysts are debating the roles, if any, U.S. troops based in Korea might play in a Taiwan contingency. In the Yellow Sea, China's construction of structures in the overlapping exclusive economic zone (EEZ) claimed by both countries may violate a 2001 agreement between the PRC and ROK governments and is raising ROK concerns about China's intended use of the structures.

**Japan.** ROK-Japan relations often are fraught because of sensitive legacy issues from Japan's colonization of the Korean Peninsula from 1910 to 1945. In 2018 and 2019, a series of actions and retaliatory countermeasures by both governments caused relations to plummet, eroding U.S.-ROK-Japan policy coordination. With encouragement from the Biden Administration, Seoul and Tokyo reversed this trend. From March 2023-January 2025, there were more than eight ROK-Japan heads-of-state meetings, multiple ROK-Japan-U.S. summits, expanded trilateral military exercises, a new trilateral mechanism to share real-time data on DPRK missiles, a trilateral "Commitment to Consult" on regional conflicts and challenges, and the establishment of a trilateral secretariat. Secretary of State Marco Rubio has held two trilateral meetings with his ROK and Japanese

counterparts. Although ROK-Japan relations have markedly improved since 2023, distrust lingers.

## U.S.-South Korea Economic Relations

U.S. goods and services exports to South Korea totaled \$93.4 billion in 2024, and imports totaled \$148.9 billion. In 2023, the stock of South Korean FDI in the United States was \$76.7 billion and U.S. FDI to South Korea was \$35.6 billion. The United States is the largest destination for South Korean FDI and, in 2023, South Korea was the fourth-largest source of new FDI in the United States, with almost \$5 million out of \$8 million of new FDI in manufacturing.

The KORUS FTA has been the centerpiece of bilateral trade and investment relations since its entry into force in 2012. The agreement has eliminated virtually all tariffs on imports from the other country. The first Trump Administration negotiated limited modifications to the KORUS FTA, which took effect in 2019, to address some implementation concerns. On April 2, 2025, President Trump issued an executive order imposing 10% tariffs on a variety of imports from most trading partners effective April 5, including South Korea, as well as a country-specific rate of 25% on South Korean products. On April 9, the President issued a 90-day pause on the country-specific rates. Both the 10% and 25% tariffs do not apply to certain goods, including those already facing or potentially facing other U.S. tariffs, such as automotive products, semiconductors, steel, and aluminum (see below). President Trump's tariff actions may violate U.S. obligations under the KORUS FTA. The South Korean government has stated that it will not retaliate against the tariffs and is willing to discuss the bilateral trade deficit as well as non-tariff trade barrier issues.

President Trump's criticism of the Inflation Reduction Act (P.L. 117-169) and the CHIPS and Science Act (P.L. 117-167) has introduced uncertainty for South Korean companies, which had benefited from both laws after committing substantial investments into the electric vehicle (EV) and semiconductor industries in the United States.

**Other U.S. Actions on Trade.** In March 2025, President Trump eliminated all country exemptions and product exclusions to the tariffs on steel imports he imposed in his first term. South Korea, the fourth-largest source of U.S. steel imports in 2024 (\$2.9 billion), had negotiated a tariff exemption with the first Trump Administration that capped imports of South Korean steel at 70% of average 2015-2017 levels. In April 2025, President Trump implemented a 25% tariff on passenger vehicles, light trucks, and certain automobile parts. The proclamation does not exempt U.S. FTA-qualifying imports except for certified U.S. content on imports entering under the United States-Mexico-Canada Agreement. In 2024, motor vehicles and parts accounted for 37% of U.S. imports from South Korea. On April 1, 2025, the Trump Administration initiated investigations into the impact of imports of semiconductors and pharmaceuticals, both of which are major South Korean exports.

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