

U.S. Tariff Actions and U.S.-South Korea Trade

June 20, 2025

Since January 2025, the Trump Administration has imposed tariffs that affect some of South Korea's top exports. These new tariffs, building on 2018 tariff actions, have contributed to challenges in an important U.S. bilateral relationship at a time when both countries have new presidents. In 2024, South Korea was the sixth-largest U.S. trading partner, with bilateral trade in goods and services totaling \$242 billion. The [U.S.-South Korea \(KORUS\) Free Trade Agreement \(FTA\)](#) is the second-largest comprehensive U.S. FTA by value.

Some Members of Congress have requested that the Trump Administration keep Congress informed of ongoing trade negotiations, including with South Korea. Congress may consider whether U.S. tariff actions are [consistent with U.S. obligations](#) under the KORUS FTA and whether any potential agreements the sides might negotiate should require congressional approval. Some Members have [introduced legislation](#) that would require a joint resolution of approval for the President to impose tariffs against U.S. FTA partners.

U.S. Tariff Actions

President Trump has imposed tariffs on U.S. imports from South Korea using authorities under [Section 232 of the Trade Expansion Act of 1964](#) (19 U.S.C. §1862, as amended), the [International Emergency Economic Powers Act of 1977](#) (IEEPA, 50 U.S.C. §§1701 et seq.), and Section 201 of the Trade Act of 1974 (19 U.S.C. §2251). (Section 201 tariffs on [imports of solar products](#) from South Korea have been in place since 2018 and are scheduled to phase out in 2026.)

Section 232

Steel and Aluminum. In 2018, President Trump invoked Section 232 to impose tariffs on U.S. imports of [steel \(25% tariff\)](#) and [aluminum \(10% tariff\)](#) after the Commerce Department determined that such imports “threaten to impair” U.S. national security. South Korea, a top supplier of [U.S. steel imports](#), was one of the first countries to negotiate an import quota in lieu of the 25% tariff on South Korean-origin steel in 2018. South Korea did not negotiate an agreement for aluminum products, which were not a major export at the time. In [February 2025](#), President Trump eliminated all country exemptions from prior negotiations and general product exclusions, expanded the scope of covered products, and raised tariffs on

Congressional Research Service

<https://crsreports.congress.gov>

IN12569

aluminum to 25%. In 2024, U.S. steel imports from South Korea were valued at [\\$2.9 billion \(fourth-largest U.S. source\)](#) and U.S. aluminum imports at [\\$781 million \(fourth-largest U.S. source\)](#). Effective June 4, 2025, [President Trump raised steel and aluminum tariffs further](#) to 50%.

Autos. In March 2025, President Trump invoked Section 232 and announced [25% tariffs on U.S. imports of automobiles and certain automobile parts](#) based on the findings of a [2019 investigation](#). President Trump did not implement tariffs in 2019 based on that investigation; he directed the U.S. Trade Representative (USTR) to negotiate with trading partners. In the [March 2025 proclamation](#), the President stated that USTR's negotiations "did not lead to any agreements of the type contemplated by [S]ection 232," and national security concerns "remain and have escalated." He also said that [2018 revisions to the KORUS FTA](#), which included provisions designed to support U.S. auto exports to South Korea and which extended the 25% U.S. tariff on light trucks to 2041, "have not yielded sufficient positive outcomes." In 2024, automobiles and auto parts accounted for [37% of total U.S. goods imports](#) from South Korea. (Automobiles and parts accounted for around 3% of total U.S. goods exports to South Korea.) President Trump has [issued guidance](#) to prevent goods subject to Section 232 automotive tariffs from being subject to Section 232 steel and aluminum tariffs and IEEPA tariffs.

Investigations. Since March 2025, the Commerce Department has initiated [other Section 232 investigations](#) including on copper, semiconductors, pharmaceuticals, and critical minerals. South Korean companies have increased U.S. investment in the semiconductor and advanced battery industries, both of which use copper and critical mineral products in their supply chains. Potential U.S. tariffs on these goods could affect South Korean industries and their global supply chains.

IEEPA

On April 2, [President Trump declared a national emergency](#) under IEEPA in response to "large and persistent annual U.S. trade deficits" that he attributed to unfair trade practices. The President imposed a 10% tariff on most U.S. imports and country-specific tariff rates for certain trading partners, including 25% for South Korea. In 2024, the \$66 billion U.S. trade deficit with South Korea was its ninth largest. On April 9, [the President suspended](#) the country-specific rate for 90 days until July 9. There have been [several legal challenges](#) in U.S. courts to the U.S. tariffs imposed under IEEPA.

South Korea's Response

The South Korean government has not retaliated against U.S. tariff actions. South Korean officials have been negotiating with the Trump Administration to mitigate the tariffs. In mid-May, both countries agreed to negotiate on [six issue areas](#), including the bilateral trade imbalance, nontariff measures, economic security, and digital trade. South Korean President Lee Jae-myung's new trade minister stated an intent to [expedite the negotiations](#), but did not specify a timeline. Prior to that, [some observers](#) had speculated that the newly elected President Lee would take a wait-and-see approach to observe other countries' trade negotiations with the United States.

In other efforts, South Korea's customs agency has sought to [enhance cooperation](#) with U.S. Customs and Border Protection, including to [combat illegal transshipment](#) of China-made goods by companies seeking to avoid U.S. tariffs. In March, a South Korean airline agreed to purchase [\\$32.7 billion worth of aircrafts and parts](#) from U.S. aerospace companies.

Implications for U.S.-South Korea Trade Ties

Under the Biden and previous South Korean administrations, the two countries committed to [strengthening economic security cooperation](#) in areas such as supply chain resiliency, emerging

technologies, and semiconductors—a key South Korean industry. South Korean firms have pledged [investment in the United States](#) in various industries. In 2024, the United States was the top destination for South Korean foreign direct investment ([\\$22 billion, or 34% of South Korea’s total outward FDI flow](#)).

U.S. tariff actions may complicate prospects for continued bilateral economic security cooperation, but may present opportunities to address nontariff barriers in ongoing trade negotiations. Some [policy experts](#) have pointed to South Korea’s U.S. investment and comparative advantage in key sectors of U.S. interest (e.g., shipbuilding) as potential areas for expanding cooperation. Others contend the United States may address nontariff barriers, such as [on digital trade](#), that U.S. businesses face in South Korea through negotiations. [Some Members of Congress](#) have expressed support for strengthening U.S.-South Korea economic ties as part of the alliance.

Author Information

Liana Wong
Analyst in International Trade and Finance

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS’s institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.