

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

Updated September 8, 2025

Since January 2025, the Trump Administration has imposed tariffs affecting most exports from South Korea. In 2024, South Korea was the sixth-largest U.S. goods trading partner, with bilateral trade in goods totaling \$200 billion. The [U.S.-South Korea \(KORUS\) Free Trade Agreement \(FTA\)](#), the second-largest comprehensive U.S. FTA by value, eliminated virtually all tariffs on imports from the other country upon entry into force in 2012.

In July 2025, the U.S. and South Korean governments announced a trade deal in response to the Trump Administration's tariff actions, though its details have yet to be finalized. Congress may consider whether U.S. tariff actions and the July trade deal are [consistent with U.S. obligations](#) under the KORUS FTA, which was ratified by Congress, and whether the finalized trade deal requires 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

### Section 232 of the Trade Expansion Act of 1964

**Steel and Aluminum.** In 2018, President Trump invoked [Section 232](#) to impose tariffs on U.S. imports of [steel \(25%\)](#) 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](#), subsequently negotiated an import quota in lieu of the 25% tariff on South Korean-origin steel. Since [March 2025](#), President Trump has eliminated all country exemptions and most product exclusions, [expanded the scope of covered products](#), and raised steel and aluminum [tariffs to 50%](#). In 2024, U.S. steel imports from South Korea were valued at [\\$2.9 billion \(fourth-largest U.S. source\)](#).

**Autos.** In March 2025, President Trump announced [25% tariffs on U.S. imports of automobiles and certain automobile parts](#) based on the findings of a [2019 Section 232 investigation](#). The President stated 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, were insufficient to

Congressional Research Service

<https://crsreports.congress.gov>

IN12569

address national security concerns. In 2024, automobiles and auto parts accounted for [37% of total U.S. goods imports](#) from South Korea and around 3% of total U.S. goods exports to South Korea.

**Other Tariff Actions.** Since March 2025, the Commerce Department has initiated [Section 232 investigations](#) into products like copper, semiconductors, pharmaceuticals, and critical minerals. The investigation into copper imports, completed on June 30, 2025, led to [certain copper imports](#) being subject to 50% tariffs, effective August 1. (Other investigations are ongoing.) Over the past five years, South Korean companies have increased their investment in the U.S. semiconductor and advanced battery industries, both of which use copper and critical mineral products in their supply chains, and U.S. tariffs on these goods could affect South Korean industries and their supply chains.

## International Economic Emergency Powers Act of 1977 (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. In 2024, the United States’ \$66 billion trade deficit with South Korea was its ninth largest. 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. The country-specific tariffs [went into effect on August 7](#) with the South Korea tariff rate at 15%. There have been [several legal challenges](#) in U.S. courts to the U.S. tariffs imposed under IEEPA.

## U.S.-South Korea Trade and Investment Deal

In July, [President Trump announced](#) the two countries had reached a “full and complete trade deal.” According to the [White House](#) and a South Korean [press release](#), the trade deal would:

- Lower South Korea’s country-specific IEEPA tariff to 15% (effective August 7);
- Lower Section 232 auto tariffs to 15% (not yet implemented);
- Provide South Korea with most-favored nation (MFN) status for potential Section 232 tariffs on semiconductors and pharmaceuticals (see below);
- Commit South Korea to purchase \$100 billion worth of U.S. energy;
- Commit South Korea to invest \$150 billion towards U.S. shipbuilding and \$200 billion in certain sectors, including semiconductors, nuclear energy, batteries, biotechnology, and critical minerals; and
- Commit South Korea to ease some nontariff barriers to U.S. imports.

The U.S. and South Korean governments have yet to publish further details. This may be due to the two governments’ inability to [finalize certain details of the deal](#), including the implementation of the 15% auto tariffs. Prior to the imposition of the auto tariffs, U.S. imports of South Korean autos were eligible for duty-free treatment under the KORUS FTA; U.S. auto imports from non-FTA partners were subject to a 2.5% tariff. The South Korean government reportedly requested the [auto tariffs be lowered to 12.5%](#). [Other aspects of the deal](#) that remain unclear include whether South Korea is guaranteed MFN status for tariffs semiconductors and pharmaceuticals (i.e., tariffs imposed on those South Korean products will not be higher than other countries), and how South Korea will implement its investment commitment. Some [South Korean analysts](#) say the lack of a written agreement may provide the United States an opportunity to revisit issues that were reportedly sidelined during an August 2025 summit between President Trump and South Korean President Lee Jae Myung, including U.S. access to the South Korean [rice and beef markets](#).

The July trade and investment deal may expand cooperation in key sectors of U.S. interest at a time when [some Members of Congress](#) have expressed support for strengthening U.S.-South Korea economic ties.

After the summit, Hanhwa Group, a South Korean firm that acquired Philly Shipyard in 2024, announced a [\\$5 billion](#) investment in the facility as part of South Korea's commitment to support the U.S. shipbuilding industry. U.S. and South Korean firms also reportedly signed [11 memoranda of understanding](#) covering investment and cooperation in various industries, including nuclear, aviation, shipbuilding, and critical minerals. On September 4, U.S. immigration authorities detained more than [300 South Korean nationals](#) at the Georgia construction site of a manufacturing plant co-owned by South Korean firms Hyundai and LG. The move has raised questions about potential impacts on South Korean investment in the United States, including plans by Hyundai to invest [\\$26 billion](#).

## 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.