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# 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. Under the U.S.-ROK Mutual Defense Treaty, signed in 1953 at the end of the Korean War (1950-1953), the United States and South Korea committed to defend each other against armed attack, 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. 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). The U.S.-South Korea Free Trade Agreement (KORUS FTA) is the United States' second-largest trade agreement by value. Over the past decade, congressional interest in U.S.-ROK relations often has focused on cooperation on North Korea and Indo-Pacific policies, the U.S.-ROK alliance, U.S.-ROK-Japan relations, and bilateral trade and investment.

In June 2025, South Koreans elected Lee Jae Myung as president. The election occurred after the removal from office of President Yoon Suk Yeol, who was impeached following his December 2024 martial law declaration. Lee's left-of-center Democratic Party controls the National Assembly (**Figure 1**). His term is slated to end in June 2030. (ROK presidents are limited to one five-year term.)

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

Total # of seats: 300.			
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:** Next scheduled elections are in April 2028.

Lee has identified U.S.-ROK relations, as well as ROK-U.S.-Japan cooperation, as "core pillars" of his diplomacy. In August 2025, he traveled to Washington, DC, for his first summit with President Donald Trump. The two leaders touted the strength and importance of the U.S.-ROK relationship, though they issued no major announcements. Before the summit, President Lee visited Tokyo for a summit with Japanese Prime Minister Shigeru Ishiba.

Notwithstanding the positive atmospherics of the first Trump-Lee summit, challenges may remain in the U.S.-ROK relationship. President Trump's tariff actions are affecting the ROK's export-oriented economy. The Trump Administration's reported push to partially reorient U.S. forces in South Korea to focus on China may complicate President Lee's desire, stated during the election campaign, to avoid "unnecessarily antagonizing" Beijing. Also, many ROK experts express concern that President Trump may

bypass Seoul in developing his North Korea policy. U.S. immigration enforcement operations on September 4 at ROK automaker Hyundai's manufacturing plant in Georgia have raised concerns in South Korea about the bilateral relationship, as well as questions over whether U.S. immigration policy may conflict with the U.S. objective for increasing U.S. manufacturing jobs through foreign investment. One legislative proposal, H.R. 4687, would provide high-skilled visas for ROK nationals.

## 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.

The Biden and Yoon Administrations developed a joint approach to North Korea that heavily emphasized deterrence. Trump and Lee have placed more emphasis on trying to engage North Korea, and Lee has welcomed Trump's statements that he wants to restart personal diplomacy with Kim. North Korea, however, has continued to reject U.S. and ROK diplomatic overtures. The two allies have continued to take deterrent actions, and have said their ultimate goal remains North Korea's denuclearization.

## U.S.-South Korea Alliance

To date during the second Trump Administration, the allies have continued combined and joint military exercises. During their August 2025 summit, Trump and Lee expressed strong support for the alliance, and Trump said the two leaders would discuss ROK purchases of U.S. military equipment. Amid pressure by the Trump Administration, Lee pledged to increase ROK defense spending, and the Lee Administration reportedly requested an 8.2% defense budget increase for 2026.

The Trump-Lee summit left some potential alliance issues unaddressed, including joint defense cost-sharing, the number of U.S. troops stationed in South Korea, and the Trump Administration's inclination to repurpose USFK to focus more on perceived threats from China, including a

possible conflict over Taiwan. According to one June 2025 press report, denied by U.S. officials, the Trump Administration is considering moving around 4,500 U.S. troops from South Korea to other Indo-Pacific locations as part of reported efforts to reorient U.S. forces in the region to focus on China. The Senate-reported version of the FY2026 NDAA (S. 2296) would prohibit the use of funds to reduce U.S. troop levels in South Korea below 28,500 until certain conditions are met. Congress enacted similar provisions during the first Trump Administration.

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 an 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 allies have established conditions and benchmarks to demonstrate that the ROK can assume wartime OPCON. The Lee administration reportedly has proposed to complete the transition by 2030, during Lee's term.

In November 2024, the two allies 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 2025 payment 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 a five-year 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.

## 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. In August 2025, Lee said that although South Korea and China share "inevitable ties," Seoul "cannot act or make decisions that go against America's basic policy stance" toward China. U.S. and ROK analysts debate the roles, if any, U.S. troops based in South Korea might play in a Taiwan contingency.

**Japan.** ROK-Japan relations often are fraught because of sensitive legacy issues from Japan's colonization of the Korean Peninsula from 1910 to 1945. Tense relations between Seoul and Tokyo often impede U.S.-ROK-Japan policy coordination. Under former President Yoon, in 2023 and 2024, South Korea and Japan largely put aside their differences over history, which allowed the three countries to undertake several unprecedented trilateral arrangements, including expanded military exercises, the sharing of real-time data on DPRK missiles, and the establishment of a secretariat. Backing away from his previous criticism of these moves, Lee has embraced them as president. He also has said he will honor past ROK government agreements

with Japan on history issues and will treat disagreements over history separately from other issues.

## U.S.-South Korea Economic Relations

U.S. goods and services exports to South Korea totaled \$93.9 billion in 2024, and imports totaled \$148.6 billion. In 2024, the stock of South Korean FDI in the United States was \$92.1 billion and U.S. FDI to South Korea was \$36.4 billion. The United States was the largest destination for South Korean FDI, accounting for 34.5% of South Korea's outbound FDI in 2024.

The KORUS FTA has been the centerpiece of bilateral trade and investment relations since its entry into force in 2012. The agreement eliminated virtually all tariffs on imports from the other country. The first Trump Administration negotiated limited modifications to the KORUS FTA. Recent U.S. tariff actions, some of which are being challenged in U.S. courts, may violate U.S. obligations under the KORUS FTA.

**U.S. Tariff Actions.** In April 2025, President Trump issued an executive order imposing 10% tariffs on imports from most trading partners effective April 5, including South Korea, as well as a country-specific rate of 25% on South Korean products, which was temporarily paused. Effective August 7, the country-specific rate for South Korea was lowered to 15% as a result of bilateral trade negotiations (see below). The 15% tariff does not apply to certain goods, such as automotive products, semiconductors, steel, and aluminum, that already face or potentially face U.S. national-security related tariffs.

Since March 2025, President Trump has eliminated all country exemptions and product exclusions to the tariffs on steel imports he imposed in 2018 and raised those tariffs from 25% to 50%. At the time, South Korea, the fourth-largest source of U.S. steel imports in 2024 (\$2.9 billion), had negotiated a tariff exemption that capped imports of South Korean steel at 70% of average 2015-2017 levels. In April 2025, President Trump also implemented a 25% tariff on passenger vehicles, light trucks, and certain automobile parts. In 2024, motor vehicles and parts accounted for 37% of U.S. goods imports from South Korea. The Trump Administration has initiated trade investigations into several sectors that may lead to additional tariffs and affect major ROK industries and their supply chains, including semiconductors, pharmaceuticals, and critical minerals.

In July 2025, the United States and South Korea announced a trade and investment deal to address U.S. tariff actions and other trade issues. Under the deal, tariffs on South Korea automotive products also are expected to be 15%. The country-specific tariff on most South Korean products is 15%. South Korea committed to purchasing U.S. energy; increasing investment in certain U.S. industries, including shipbuilding; and lowering certain nontariff barriers. Details of the deal, including the implementation of auto tariffs, are reportedly still under negotiation.

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