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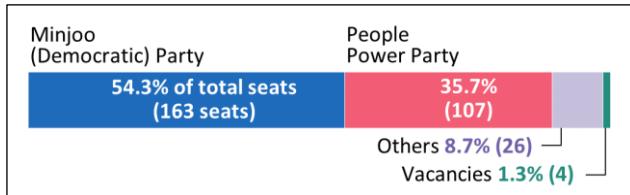
South Korea: Background and U.S. Relations

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. Lee's left-of-center Democratic Party controls the National Assembly (**Figure 1**). His term is slated to end in June 2030. (ROK presidents serve one five-year term.)

Figure 1. South Korea's National Assembly



Source: ROK National Assembly, accessed January 18, 2026

Notes: Next scheduled legislative 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. He also has sought to stabilize official bilateral relations with China, which largely had halted under Yoon. During his first seven months in office, Lee held two summits with President Donald Trump, five with his Japanese counterparts, and two with PRC President Xi Jinping.

The Trump and Lee governments appear to be transforming the U.S.-South Korea relationship in several areas. Although the two sides negotiated a tariff and investment deal in the fall of 2025, Trump's tariff actions appear to disregard the KORUS FTA and have negatively affected South Korea's export-oriented economy, and Trump has subsequently threatened additional tariffs over South Korea's allegedly slow implementation. The Trump Administration has sought to expand the explicit geographic focus of U.S. forces in South Korea, as well as the U.S.-ROK alliance, beyond defending the Korean Peninsula to dealing with the regional challenges posed by China. This could pose a challenge to

Lee, who has said "there is no need to unnecessarily antagonize" China. Lee appears to have used U.S. demands on South Korea as opportunities to gain Trump Administration agreement on positions long-sought by ROK progressives, such as securing U.S. support for an expedited transfer of wartime operational control of combined military forces; ROK nuclear-powered submarines; and ROK pursuit of uranium enrichment and spent nuclear fuel reprocessing for peaceful purposes. Lee's government also responded to a September 2025 U.S. immigration enforcement raid at a Hyundai manufacturing plant in Georgia by negotiating improved visa conditions for South Korean workers in the United States. A broader effort to provide high-skilled visas for ROK nationals is contained in H.R. 4687 (119th Congress), the Partner with Korea Act.

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. 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. 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.

The Biden and Yoon Administrations developed a joint approach to North Korea that heavily emphasized deterrence. Lee has welcomed Trump's statements that he wants to restart personal diplomacy with Kim and has said he will seek to restore a 2018 military agreement between the two Koreas. The two allies have continued to take deterrent actions such as major joint military exercises, and have said their ultimate goal remains North Korea's denuclearization. Some U.S. and ROK analysts advocate an alternative approach focusing on more limited measures, like a freeze or test moratorium, to halt advances in North Korea's nuclear and missile programs. The Trump Administration reportedly is partially reversing the 2025 shutdown of Radio Free Asia's broadcasts into North Korea.

U.S.-South Korea Alliance

The U.S.-ROK alliance may have reached an inflection point as the administrations of Donald Trump and Lee Jae Myung seek to further "modernize" the alliance. Amid rapidly changing threats by China, Russia, and North Korea, Presidents Trump and Lee appear ready for South Korea to take a more active role in the alliance and to broaden the alliance's mission. The Trump Administration's National

Defense Strategy calls for South Korea to take “primary responsibility” for its own defense, with “critical but more limited U.S. support.” Lee pledged to increase ROK defense spending, from roughly 2.3% of GDP in 2025 to 3.5% of GDP as soon as possible, and South Korea increased its defense budget by 7.5% for 2026. In addition, Lee reportedly is moving ahead with plans for South Korea to acquire nuclear-powered submarines, which President Trump said he supports. South Korea potentially could employ such submarines to counter North Korea and possibly China. Under Trump and Lee, the allies have continued combined and joint military exercises.

Some potential alliance issues remain unaddressed, including the number of U.S. troops stationed in South Korea and the Trump Administration’s inclination to repurpose those troops to focus more on perceived threats from China, such as a possible conflict over Taiwan. In December 2025, the U.S. Army decided to deactivate an Air Cavalry squadron in South Korea, but it is unclear how this may affect personnel and operational activities. The FY2026 NDAA (P.L. 119-60) prohibits 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. 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 allies have established conditions and benchmarks to demonstrate that the ROK can assume wartime OPCON. Lee reportedly has proposed to complete the transition by 2030, the year he is scheduled to leave office.

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. For nearly a decade, South Korean opinion polls have shown strong negative attitudes toward China. Lee has 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. He also has said South Korea should avoid becoming involved in the China-Taiwan dispute.

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 set aside their disagreements over history. This 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 in South Korea was \$36.4 billion. The United States was South Korea’s largest FDI destination in 2024, accounting for 34.5% of South Korea’s outbound FDI.

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 and Trade Negotiations. In November 2025, the United States and South Korea released a fact sheet on the U.S.-Korea Strategic Trade and Investment Deal that was announced in July 2025. The agreement was a result of bilateral negotiations that aimed to address various U.S. tariff actions, including Executive Order (E.O.) 14257, which imposed significant tariffs on a variety of imports from most trading partners, including South Korea. Under the agreement, U.S. tariffs on most South Korean goods would be 15%, down from the 25% announced in April 2025. Certain tariffs imposed under Section 232 of the Trade Expansion Act of 1962 were set at 15%. Potential Section 232 tariffs on pharmaceutical products will be “no greater than [15%]” and tariffs on semiconductors would be “no less favorable than terms that may be offered in a future agreement [...] as determined by the United States.”

Separately, in January 2026, President Trump issued an E.O. imposing 25% tariffs on certain semiconductor imports, with exceptions. Section 232 tariffs on steel and aluminum imports remain at 50%; in 2024, South Korea was the fourth-largest source of U.S. imports of steel mill products. It is unclear if the trade and investment agreement is intended to be a modification to the KORUS FTA or a separate agreement altogether.

Under the 2025 economic agreement, the United States and South Korea also signed a Memorandum of Understanding with respect to a \$350 billion investment commitment from South Korea, which includes \$150 billion earmarked for the U.S. shipbuilding industry. The remaining \$200 billion is expected to be directed towards U.S. industries considered by the U.S. government to “advance economic and national security interests” as approved by the President. South Korea will not be expected to invest more than \$20 billion per year. On January 26, 2026, President Trump stated via social media his intentions to raise tariffs on South Korean goods to 25% due to alleged delays in the South Korean National Assembly’s consideration of the agreement.

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