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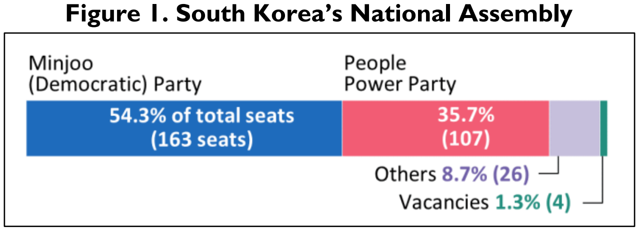
South Korea: Background and U.S. Relations

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 1953 U.S.-ROK Mutual Defense Treaty, 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 stationed in South Korea, known as U.S. Forces Korea (USFK). In 2025, South Korea was the United States' eighth-largest goods trading partner, and the United States was South Korea's second-largest trading partner. The 2012 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, shipbuilding cooperation, 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.
Note: Next scheduled legislative elections are in April 2028.

The Trump and Lee governments appear to be transforming the U.S.-ROK relationship in several areas. The two sides negotiated a trade and investment deal in the fall of 2025, though President Trump's tariff actions appear to have harmed South Korea's export-oriented economy. The Trump Administration has sought to expand the explicit geographic focus of USFK, as well as the U.S.-ROK alliance, beyond defending the Korean Peninsula to dealing with regional challenges posed by China. Lee appears to have used U.S. demands on South Korea as opportunities to gain Trump Administration support for: an expedited transfer of wartime operational control of combined military forces; ROK acquisition of nuclear-powered submarines (a development the Senate Armed Services Committee supported in S.Rept. 119-127); and ROK pursuit of uranium enrichment and spent nuclear fuel reprocessing for peaceful purposes. Lee's government responded to a 2025 U.S. immigration enforcement raid at a Hyundai manufacturing plant in Georgia by negotiating improved visa conditions for ROK workers in the United States. A broader effort to provide an allotment of high-skilled work visas for ROK nationals is contained in H.R. 4687, the Partner with Korea Act.

Relations between the Trump and Lee Administrations have encountered turbulence in 2026. The U.S. has expressed dissatisfaction with South Korea's perceived slowness in implementing the 2025 investment agreement, ROK reluctance to provide military assistance to help in the U.S.-Iran conflict, and ROK judicial actions against U.S. companies and individuals. These issues reportedly contributed to delays in negotiating details of the submarine and nuclear enrichment/reprocessing understandings. Additionally, in an apparent overture to North Korea, President Trump in 2026 curtailed U.S.-ROK military exercises without prior discussions with South Korea.

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 said he will "never" denuclearize and has boosted relations with Russia and China, including forging a new strategic partnership with Moscow. 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.

Lee, who has proposed plans to achieve inter-Korean peace and a phased denuclearization of the DPRK, has welcomed Trump's statements that he wants to restart personal diplomacy with Kim. The two allies have said their ultimate goal remains North Korea's denuclearization. Some U.S. and ROK analysts advocate focusing on more limited measures, like a freeze or test moratorium, to halt advances in North Korea's nuclear and missile programs.

U.S.-South Korea Alliance

Trump and Lee are seeking to "modernize" the alliance by broadening its mission and increasing South Korea's role and capabilities. 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 has pledged to boost ROK defense spending from 2.3% of GDP in 2025 to 3.5% of GDP reportedly by 2035.

Some alliance issues remain unaddressed, such as whether and to what extent USFK should expand its activities to address threats beyond the Korean Peninsula. In a 2006 joint statement, the allies "confirmed their understanding" that the ROK "respects the necessity for strategic flexibility" of U.S. forces in the ROK. This issue has received renewed attention under the 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. 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. South Korea reportedly is considering targeting 2028 as a completion date for the OPCON transfer, while USFK has said the allies developed a roadmap to achieve the transfer by the first quarter of 2029.

South Korea and the U.S.-Iran Conflict

South Korea relies on the Middle East for well over half of its oil, as well as significant shares of various industrial inputs. In response to the U.S. military conflict with Iran, Lee's government has unveiled multiple emergency economic stabilization measures. Trump has called for South Korea and other countries to deploy naval vessels to help reopen the Strait of Hormuz. Lee's government has responded by saying it is reviewing the issue.

South Korea's Regional Relations

China. During his time in office, Lee has attempted to stabilize and restore relations with the People's Republic of China (PRC), which deteriorated under his predecessor. Lee has held two summits with PRC leader Xi Jinping, including the first ROK presidential visit to China since 2019. Since at least 2022, Lee has argued that although South Korea should not be overly accommodating toward China, it also should not be unnecessarily antagonistic because of China's importance to ROK interests. Lee also has said South Korea should avoid becoming too deeply involved in the China-Taiwan conflict. China is South Korea's top trade partner, and PRC cooperation often is perceived as crucial to managing challenges related to North Korea. For nearly a decade, South Korean opinion polls have shown strong negative attitudes toward China, in part because Beijing occasionally has imposed retaliatory measures on South Korean companies for ROK government policy choices.

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 often impede U.S.-ROK-Japan policy coordination. 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. Despite his previous criticism of these moves, Lee has embraced them as president. He 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 $99.1 billion in 2025, and imports totaled $142.5 billion. In 2025, the stock of South Korean FDI in the United States was $95.2 billion and U.S. FDI in South Korea was $37.4 billion. The United States was South Korea's largest FDI destination in 2025, accounting for 35.2% of South Korea's outbound FDI.

The KORUS FTA had been the centerpiece of bilateral trade and investment relations since 2012, having eliminated virtually all tariffs on imports from the other country. Since 2025, the Trump Administration has imposed tariffs on U.S. imports from South Korea under several tariff authorities. These actions prompted new trade talks with South Korea.

U.S. Tariff Actions and Trade Negotiations. Under the 2025 U.S.-Korea Strategic Trade and Investment Deal, the United States lowered tariffs, imposed earlier that year under Section 232 of the Trade Expansion Act of 1962, to 15% on certain sector-specific goods, including autos and pharmaceuticals. The deal also set sector-specific limits for potential tariffs on semiconductors. Section 232 tariffs on most steel and aluminum imports remain at 50%; South Korea is a top source of U.S. steel imports. Additionally, the agreement lowered the country-specific tariff on most South Korean goods that had been imposed under Executive Order (EO) 14257 from 25% to 15%. In February 2026, President Trump lifted the country-specific tariffs under EO 14257 after the Supreme Court ruled that the President did not have the authority to impose those tariffs. Trump then imposed a temporary, 150-day global 10% tariff under Section 122 of the Trade Act of 1974, which expired in July 2026. Also in July, the Administration imposed a 12.5% tariff under Section 301 of the Trade Act of 1974 on most South Korean goods as a result of an investigation that determined South Korea failed to impose and effectively enforce a prohibition on the importation of goods produced with forced labor. Another Section 301 investigation related to structural excess capacity is ongoing and may result in additional tariffs.

The 2025 agreement also included a $350 billion investment pledge from South Korea, with $150 billion earmarked for the U.S. shipbuilding industry. The remaining $200 billion is expected to be directed toward U.S. industries that "advance economic and national security interests," as approved by the U.S. President. South Korea will not be expected to invest more than $20 billion per year. In January 2026, Trump had threatened to raise tariffs on South Korean goods to 25% over dissatisfaction with the pace of South Korea's implementation of its pledge. Bilateral negotiations regarding the first investment projects are ongoing, though South Korea officials have stated that announcements could be made in September 2026.

The United States and South Korea also agreed to address long-standing nontariff barriers to trade (NTBs), including South Korea's digital trade policies. U.S. and ROK trade officials were scheduled to hold a KORUS joint committee meeting in December 2025 to finalize NTB commitments, among other things. The meeting was reportedly canceled due to U.S. concerns over South Korea's digital trade policies and regulatory actions. U.S. policymakers, including some Members of Congress, have raised concerns over South Korea's investigation into Coupang, a U.S.-based e-commerce company that primarily operates in South Korea, and other U.S. companies operating in South Korea.

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