
US–South Korea Finalize Major Tariff, Security Investment Deal



Published on November 14, 2025

Document Date: Fri, Jan 16 2026 02:40:25 pm

Category: ,English,International - ,Snippets

Show on website : [Click Here](#)

rki.news

South Korea and the United States have finalized a wide-ranging tariff and security agreement following the October 29 summit between President Lee Jae-myung and U.S. President Donald Trump, according to a joint fact sheet released Friday.

The agreement outlines USD 150 billion in approved South Korean investment in the U.S.

shipbuilding sector, alongside an additional USD 200 billion in strategic investments tied to tariff

reductions. In return, Washington will apply a 15 percent reciprocal tariff on South Korean-origin goods and lower sectoral tariffs on automobiles, auto parts, timber, lumber and wood derivatives to the same level. Tariffs on South Korean pharmaceuticals will also be capped at no more than 15 percent.

The United States further plans to lift supplemental tariffs on products listed under Potential Tariff Adjustments for Aligned Partners. These include generic medicines, pharmaceutical ingredients, select natural resources, and specific aircraft components sourced from South Korea.

However, South Korean media noted that the fact sheet does not clarify the timeline for reducing the existing 25 percent tariff on Korean automobiles and auto parts. Industry analysts caution that despite the agreement, companies may not feel relief immediately. Citing the Korean auto sector, EToday reported it may take one to two months for tariff adjustments to impact liquidity, leaving manufacturers under short-term financial strain. Yonhap added that Korean automobiles previously entered the U.S. market tariff-free, making the new tariff landscape a significant challenge.

On the security front, Washington reaffirmed its extended deterrence commitment, while Seoul pledged to raise defense spending to 3.5 percent of GDP. South Korea also outlined USD 33 billion in support for U.S. Forces Korea and committed USD 25 billion for U.S. military equipment purchases

by 2030. The U.S. additionally approved South Korea's plan to build nuclear-powered attack submarines.