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South Korea Appeals to US Over New Port Fees on Vehicle Carriers

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South Korea and its major automakers are sounding the alarm over a new United States plan to impose port fees on all foreign-built vehicle carriers, warning it could place unnecessary strain on an industry already dealing with heavy costs.

The proposal, announced by the United States Trade Representative (USTR) in April, is part of Washington's effort to counter China's growing influence in global shipping. The fees are meant to help fund American shipbuilding and strengthen domestic supply chains. However, South Korean officials and industry leaders argue the policy unfairly punishes companies that have long invested in the United States economy.

In a formal request submitted on Monday, South Korea's trade and maritime ministries, along with the Korea Automobile & Mobility Association, urged the United States to reconsider. The association represents Hyundai Motor, Kia, and the South Korean branches of General Motors and Renault.

"Such a measure risks imposing undue costs on companies, workers, and consumers in both countries," the ministries said.

Industry leaders point out that imported vehicles already face a steep 25% tariff when entering the United States market. The added port fees could significantly raise the cost of doing business, potentially making cars more expensive for American consumers.

Hyundai Motor Group, in particular, emphasized its deep ties with the United States. Earlier this year, Hyundai's chairman joined former President Donald Trump at the White House to announce a \$21 billion investment plan aimed at expanding electric vehicle production and other operations in the country.

The Korea Automobile & Mobility Association noted that the fees would not just target Chinese-built ships, as originally intended, but would instead extend to all foreign-made carriers. This, they argue, places an unfair burden on companies that have supported U.S. jobs and manufacturing.

The South Korean government's statement underscores the broader worry that the move could backfire. By raising costs for automakers, it could indirectly harm American workers and consumers, while straining trade relations between the two allies.

As discussions continue, South Korean officials hope the United States will listen to their concerns and find a more balanced solution that strengthens domestic shipbuilding without hurting long-standing partners.

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