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Trump Confirms 15% Tariff on South Korean Imports in New Trade Deal

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President Donald Trump has confirmed that the United States will impose a 15 per cent tariff on imports from South Korea, reduced from a previously proposed 25 per cent, as

part of a wide-ranging trade agreement reached with one of America's key allies in the Asia-Pacific region. The deal also includes \$350 billion in South Korean investment into U.S. projects and a commitment to purchase \$100 billion worth of American energy products.

The agreement was finalised during meetings between Trump and South Korean officials at the White House and comes amid a flurry of trade activity ahead of an August 1 deadline, when the administration is expected to implement additional tariffs against other countries.

Trump announced the agreement on Truth Social, calling it a "full and complete" trade deal with the Republic of Korea. He also confirmed that South Korean President Lee Jae-myung, who took office in June following a snap election, will visit Washington within the next two weeks.

The deal provides broader U.S. access to South Korea's markets, particularly in the automotive and agricultural sectors, with Trump stating that no import duties will be applied to American goods. However, Seoul emphasised that its rice and beef markets would not be opened further, and discussions on U.S. food safety demands are still ongoing.

South Korea also committed to investing \$350 billion into U.S. projects, including a \$150 billion shipbuilding partnership and \$200 billion in sectors such as semiconductors, nuclear energy, batteries, and biotechnology. Kim Yong-beom, policy chief for the South Korean presidential office, said the agreement includes safeguards while allowing for flexibility, noting, "ambiguity is good."

U.S. Commerce Secretary Howard Lutnick stated that 90 per cent of the profits from the investment fund would benefit the American people. The energy purchases—covering LNG, LPG, crude oil, and a small amount of coal—are set to take place over the next three and a half years and are expected to shift part of South Korea's energy imports from the Middle East to the United States.

Tariffs on South Korean automobiles will be lowered to 15%, and Washington has agreed not to treat Korean semiconductor or pharmaceutical exports more harshly than those from other countries. However, steel, aluminium, and copper remain excluded from the current agreement.

The deal follows months of political upheaval in South Korea, including the impeachment of former President Yoon Suk-yeol. Despite domestic challenges, South Korean companies have responded positively. Samsung Electronics signed a \$16.5 billion semiconductor deal with Tesla, while LG Energy Solution secured a \$4.3 billion contract to supply energy storage system batteries to the automaker.

Last year, South Korea posted a record \$55.7 billion trade surplus with the United States, a figure that had previously drawn criticism from Trump. This new agreement appears aimed at addressing trade imbalances while strengthening economic and strategic ties between the two nations.