

# Trump hikes tariffs on South Korean imports to 25%

**UNCLEAR START.** US President says ally 'not living up' to trade deal with Washington

Reuters  
Washington/Seoul

US President Donald Trump said on Monday that he was increasing tariffs on South Korean imports into the US related to autos, lumber and pharmaceuticals to 25 per cent, while accusing the ally's legislature of "not living up" to its trade deal with Washington.

"South Korea's Legislature is not living up to its deal with the US," Trump wrote on social media.

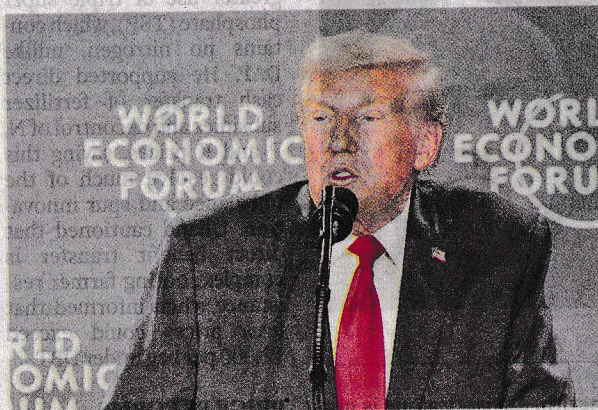
"Because the Korean Legislature hasn't enacted our Historic Trade Agreement, which is their prerogative, I am hereby increasing South Korean TARIFFS on autos, lumber, pharma, and all other reciprocal tariffs, from 15 per cent to 25 per cent."

It was not immediately clear when the tariff hike would take effect.

South Korea's presidential office and the US Trade Representative's office did not respond immediately to requests for comment.

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working to implement a deal announced with Washington last year that lowered US tariffs against many of its exports to 15 per cent.

## TRADE DEAL

But earlier this month, South Korea's Finance Minister said the country's planned investment of \$350 billion in strategic US sectors under the trade deal was unlikely to kick off in the first half of 2026, citing the weak won currency.

The prospect of large currency outflows has caused headaches for authorities in Seoul at a time when the won has slumped to trade at levels unseen since the

global financial crisis from 2007 to 2009.

Trump has used the leverage of tariffs throughout his second term in office in his foreign policy.

## CONCERNS RAISED

Economists have raised concerns about the approach, and the policy also faces a test in an ongoing case at the US Supreme Court.

In the deal reached between the allies last year, Washington and Seoul agreed to set tariffs on US imports of Korean autos and auto parts at 15 per cent, down from 25 per cent, putting them on a par with their Japanese competitors.

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The two countries said last year that as part of the \$350 billion South Korean investment into US strategic sectors, Seoul would pay \$200 billion in cash in phased instalments that would be capped at \$20 billion a year in an effort to maintain won stability.

Josh Lipsky, Chair of International Economics at the Atlantic Council, said Trump's action on South Korea reflected impatience with the pace of Seoul's enactment of the framework trade agreement.

"It's just another reminder that the markets were wrong to believe we were going to get into tariff stability in 2026," Lipsky said.

"People say, 'Oh, but he doesn't follow through,' and sometimes that's true, but sometimes it isn't. And the volatility alone — there is a price around that."