



**Despite U.S.-Korea Tariff Agreement, Tensions Remain  
- Expanded Tariffs on Steel and Aluminum -  
- Exports to U.S. Slow Down -**

Uncertainty over Korean exports to the United States has been partially resolved following a bilateral tariff agreement, yet concerns persist as tariff coverage on steel and aluminum products expands.



Steel products stacked at the export yard of Pyeongtaek Port in Poseung-eup, Pyeongtaek, Gyeonggi Province (Photo=News1)

On July 30 (local time), the South Korean government reached

an agreement with the United States to lower reciprocal tariffs from the previous 25% to 15% after prolonged negotiations. Tariffs on automobiles—a key export category—were also set at 15%, while rice and beef markets will remain closed to additional U.S. access. Furthermore, the U.S. pledged not to impose unfavorable tariffs on semiconductors and pharmaceuticals compared to other countries.

In return for the tariff reduction, Korea agreed to invest a total of USD 350 billion (approx. KRW 487 trillion) in the U.S. economy. The fund includes USD 150 billion for developing the U.S. shipbuilding ecosystem and USD 200 billion allocated to strategic industries such as semiconductors, nuclear power, and secondary batteries. Kim Yong-bum, Policy Director at the Presidential Office, emphasized, “Considering the sectors covered by this fund, there is a high likelihood that Korean companies will participate as strategic partners. This will be a great opportunity for businesses interested in expanding into the U.S. market.”

However, on July 15 (local time), the Trump administration expanded the range of tariffs on steel and aluminum imports. Based on Section 232 of the Trade Expansion Act, the U.S. Department of Commerce announced 407 additional derivative products subject to tariffs. Under the revised measure, 50% tariffs will be imposed on the value of steel and aluminum content, while the remaining product value will be subject to the 15% reciprocal tariff.

The newly added products reportedly include machinery, automotive components, and electronic equipment parts. The additional tariffs took effect on July 18 (local time) and apply to goods cleared through customs or withdrawn from bonded warehouses

after the effective date. Under Section 232, the U.S. president may impose tariffs or restrict imports if deemed a threat to national security. South Korea's Ministry of Trade, Industry, and Energy stated, "To minimize the impact on Korean businesses, we will expand our ongoing support program for small and medium-sized enterprises affected by import restrictions and significantly increase consulting coverage for verifying steel and aluminum content."

Nevertheless, export forecasts remain cautious due to the tariff implications. According to Korea Customs Service data released on August 21, exports of key items such as petroleum products (-3.9%) and wireless communication devices (-11.6%) fell during the August 1-20 period. During the same period, exports to the United States totaled USD 5.037 billion, down 2.7% compared to a year earlier. In contrast, exports to the European Union (0.1%), China (2.7%), Vietnam (9.6%), and Taiwan (59.1%) recorded increases.

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