

US extracts billion-dollar investments from South Korea under trade “deal”

Nick Beams**30 October 2025**

A major purpose of US president Trump’s visit to Southeast Asia this week was to enforce “deals”—more akin to diktats than agreements freely entered—through which hundreds of billions of dollars are to be pumped into the American economy.

His role as a kind of bagman-enforcer for US imperialism was exemplified in the agreements with Malaysia and South Korea, following the earlier deal with Japan under which it will supply the US with \$550 billion in investment funds, in order to avert Trump’s crippling tariff hikes.

Following the agreement with Malaysia, in which it will invest \$70 billion in the US over the next 10 years, Trump managed to finalise a commitment by South Korea to supply \$350 billion in investment funds to the US.

The amount had been set down in July, but South Korea insisted it could not meet the US demand it be provided in cash—as is the case with Japan—because such a large outflow would destabilise its currency, the won. Korean authorities pointed out the amount was equivalent to 80 percent of the country’s foreign currency reserves and such a movement could set off a financial crisis.

Under the agreement, \$200 billion will be supplied over the course of 10 years, with no annual amount to exceed \$20 billion, with a further \$150 billion to be invested in shipbuilding operations in the US.

In return the US has agreed to reduce the tariff on South Korean imports into the US from 25 percent to 15 percent. The Korean fear was if the higher level remained it would devastate the auto industry.

The making of the so-called agreement was accompanied by a display of grovelling by South Korean President Lee Jae Myung in which he presented Trump with a replica of a golden crown excavated from

an ancient royal tomb to which Trump replied: “I’d like to wear it right now.”

The funds to be supplied by South Korea will be directed to what are regarded as strategic industries, including semi-conductors, batteries and nuclear power. Profits from the investments will be split between the two countries until the initial investment is recouped.

While South Korea is putting up the money, the US commerce secretary, Howard Lutnick, will head the committee to assess the investment projects.

A so-called Fact Sheet issued by the White House on the agreement outlined the extent of South Korean purchases and made clear that the strategic objective of its economic agenda is to underscore “America’s prominent role as the preeminent Pacific power.”

Under the agreement, Korean Air will buy 103 new Boeing aircraft valued at \$36.2 billion along with the purchase by the South Korean Air Force of US aircraft.

On the key issue of rare earths—part of the drive to break the Chinese monopoly of the processing of critical minerals—a partnership is to be established with the Korean firm POSCO International to refine and separate rare earths and establish “high-value mobility magnets.”

Under the heading “Furthering America’s Energy Dominance,” the Fact Sheet said that the Korean Gas Corporation had signed agreements to purchase around 3.3 million tonnes of US liquified natural gas.

The Korean electricity conglomerate LS Group is reported to have pledged \$3 billion by 2030 to upgrade US power infrastructure including undersea cables and equipment.

Amazon is to make a \$5 billion investment to build Korea’s cloud infrastructure “helping to drive US exports and American AI leadership.” The Fact Sheet noted that Amazon had made investments in 14 of the

APEC group of countries, totalling \$40 billion.

In the key area of shipbuilding, which is almost non-existent in the US in comparison to China, Trump secured a commitment from South Korea to “modernise and expand the capacity of American shipbuilding industries.”

Hyundai and Cerberus Capital Management, a US private equity firm with \$65 billion in assets, will form a partnership in a \$5 billion investment program for US shipyards and develop new technologies such as autonomous navigation, digitalisation and automation.

The Korean shipbuilding firm Hanwha Ocean is involved in a \$5 billion infrastructure plan to expand production at Pennsylvania’s Philly Shipyard and “increase its current production capacity by more than ten-fold.”

Shipbuilding has been identified by the Trump administration as one of the key components in strengthening US “national security”—developing the sinews of war—the banner under which the economic and tariff war has been conducted.

In an article published on the eve of this week’s discussions, the *New York Times* noted that when newly elected South Korean president Lee visited Washington in August he was asked about the Korean policy of trying to balance between the US and China.

The Korean term for the relationship has been *annigyeongjung*, which loosely translated is “the United States for security and China for the economy.”

However, on his US visit, in recognition of the intensifying conflict between the US and China Lee said: “It is no longer possible to maintain that type of logic.” According to the article, he acknowledged that “increasingly, South Korea must choose, and it has not been in a position to deviate from the policies of the United States.”

That reorientation was reflected in the effusive greetings by Lee delivered to Trump on his visit.

But the objective dilemma remains. China is South Korea’s largest trading partner, accounting for a quarter of its exports when Hong Kong is taken into account.

And Beijing has the willingness and capacity to hit back against South Korea in response to any measures it considers inimical to interest. This was demonstrated earlier this month when Hanwha Ocean was hit with sanctions because Beijing alleged it had supported and

assisted a US investigation into Chinese shipbuilding practices.

Whether they will be lifted as a result of the agreement between Chinese president Xi Jinping to suspend port taxes for a year remains to be seen. But the incident reveals that the more the US tries to bludgeon the countries of Southeast Asia into its camp, there will be increased retaliation.



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