

Trump-Lee Summit: Balancing Trade Deals, Defense Costs, and Trump's Peace Diplomacy

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The summit between U.S. President Donald Trump and South Korean President Lee Jae Myung on August 25, 2025, marked by a joint commitment to engage the North Korean leader Kim Jong-un, could turn out to be a major inflexion point in the troubled geopolitical history of the Korean Peninsula.

At the outset, the worsening strategic context shaped by [Russia-China-North Korea alignment](#), the signing of the [2024 Comprehensive Strategic Partnership](#) between Moscow and Pyongyang, and North Korea's heavily fortified missile sites, added both urgency and complexity to the summit. Notably, North Korea's [Sinpung-dong missile base](#) near the Chinese border remains largely insulated from preventive strikes, as "by building bases so close to China, North Korea...seeks to leverage the political risk and uncertainty of Beijing's response to deter an attack." Pyongyang has also [reportedly](#) dispatched thousands of troops to Kursk to support Russia in

its war effort, in exchange for financial assistance and advanced technology transfers. Such an evolving regional security matrix explains why engagement with North Korea seems inevitable.

Amidst such a challenging strategic environment, Lee also sought to reinforce trilateral cooperation with the US and Japan, a significant pivot from the lingering perceptions of anti-American and anti-Japanese sentiment traditionally associated with liberal domestic politics in South Korea. [Unlike his predecessors](#), Lee met with Japanese leaders before arriving in Washington, signalling Seoul's commitment to sustaining trilateral cooperation as a central pillar of U.S. regional strategy.

Lee's Charm Offensive and Managing Trump's Style with North Korea

Ahead of the Trump-Lee meeting, Trump's ominous ["Purge or Revolution"](#) social media post unsettled Lee's team. However, Lee's [awareness](#) of Trump's negotiation style, including his knowledge of Trump's "The Art of Deal," allowed him to manage the encounter skilfully. Lee's charm offensive combined personal flattery—praising Trump's Oval Office redecoration and lauding his peace efforts—with humour, such as joking about building a Trump Tower in North Korea. This humor doubled as an implicit call for Trump to lead peace efforts on the peninsula, despite considerable scepticism in South Korea toward Trump.

At the meeting, Lee highlighted North Korea as a shared concern, while underscoring Trump's unique role as a global peacemaker. Lee [stated](#), "If you play the role of a 'peacemaker,' I will work hard as a 'pacemaker' to support you," a metaphor that delicately balanced the US's direct relationship with North Korea while reaffirming the indispensable role of South Korea.

Trump's recollection of his ["very good relationship"](#) with Kim Jong Un and openness to meetings created a window for renewed engagement, even though how North Korea responds remains to be seen. In 2019, Trump became the first US President to step on North Korean soil. He [held](#) a total of three meetings with Kim, defying the cautious approach urged by much of the US foreign policy establishment during his first term. At the meeting with Lee, Trump emphasized personal ties with the North Korean leader and mused about [meeting him before the end of the year](#). Trump is also [expected](#) to visit Seoul to attend the APEC summit at the end of October.

This meeting with Trump followed Lee's Liberation Day [announcement](#), in which he clarified that his government has no intentions of pursuing unification by absorption, a rhetoric strongly opposed by North Korea. Instead, the Lee government emphasised "measures to reduce tensions and restore trust," a shift intended to gradually counter Pyongyang's entrenched hostility toward Seoul while creating openings for confidence-building between the two Koreas. In pursuing a more conciliatory approach, the Lee administration also [stopped](#) using loudspeakers for propaganda broadcasts to the North.

Unlike the more hardline stance typically associated with conservative administrations, this engagement-oriented policy—now reinforced by Trump's backing—embodies the progressive government's approach to inter-Korean relations.

North Korea's Response and Regional Dynamics

North Korea's responses to peace initiatives have been openly dismissive. References to denuclearisation of the Korean Peninsula in accordance with the Non-Proliferation Treaty are unlikely to resonate in the North. Kim Yo Jong, the influential sister of Kim Jong-Un, [reiterated](#) that negotiations aimed at denuclearisation cannot be realized if the U.S. clings to past failed approaches. She

also [emphasized](#) that “Pyongyang would not compromise on the nuclear issue and any future talks with Washington would depend on the US recognizing North Korea as a nuclear state.”

North Korea remains unwaveringly committed to its nuclear weapons program. The success of its nuclear arsenal, including invulnerable bases like Sinpung Dong, and lessons drawn from the [2025 Israel-US strikes on Iran](#) underscore Pyongyang’s resolve. Attack on Iran’s nuclear facilities serves as a stark and concise reminder that surrendering nuclear weapons risks exposure to attack, deepening distrust of Washington’s intentions, and dismantling the possibilities of denuclearization talks.

At the same time, it is uncertain whether Trump could meet the sweeping concessions demanded by the North Korean leader, Kim, to advance talks. Meanwhile, South Korea is grappling with its own nuclear debate amid rising doubts about the reliability of America’s extended deterrence. A poll conducted by Gallup Korea for the Chey Institute for Advanced Studies [found](#) that nearly 73 % respondents supported South Korea’s development of nuclear weapons.

Trade Talks

The North Korean issue was only one of the many themes that arose at the White House summit. With Trump’s emphasis on ‘trade first’ in its dealings with other powers, it was no surprise that trade and investment issues figured prominently at the meeting.

After weeks of tough negotiations, the two sides had [agreed](#) on a 15% tariff on Korean exports at the end of July, a compromise that Trump maintained during the summit despite speculation that he might reopen talks.

In return, South Korea committed to an unprecedented [\\$350 billion investment in the US](#), spanning multiple strategic sectors. Notably, \$150 billion of this package targets

the [revival of the American shipbuilding industry](#), a key priority for Washington aimed at closing the “shipbuilding gap” with China, whose vast naval capabilities pose a strategic challenge. South Korean expertise and capital play a critical role in this effort, with Lee branding the initiative as “Make America Shipbuilding Great Again.”

Alongside shipbuilding commitments, South Korea pledged to [purchase](#) \$100 billion in U.S. liquefied natural gas (LNG), reinforcing Trump’s dual focus on energy exports and trade balances. The summit also saw *Korean Air* [announce](#) its largest-ever purchase—an order of 103 Boeing jets valued at over \$36 billion—further cementing economic ties and supporting an estimated [135,000 American jobs](#).

US-RoK Defense Alliance

One of the key themes of the summit was the modernisation of the ‘US-RoK alliance’. Trump reaffirmed his demand that Seoul increase its contribution to the alliance, pressing for a fairer burden-sharing arrangement. Lee responded by pledging to increase South Korean defense spending to over 2.6% of the country’s GDP, aiming to transform the military into a smarter, more technologically advanced force capable of prevailing in future conflicts.

Nonetheless, Trump also proposed a highly [controversial plan](#) to transfer the land ownership rights of U.S. military bases in South Korea from Seoul to Washington. This demand [contravenes](#) previous agreements and raises sensitive concerns about Korean [sovereignty](#), an issue deeply sensitive in the domestic political context. Trump’s push to transfer ownership rights to Washington can also undermine Seoul’s ability to exercise meaningful control and operational flexibility over the command and use of these bases. The demand pits Trump’s transactional approach to alliance costs and assets against Lee’s goal of preventing any dilution of existing security arrangements that might undermine any

efforts to engage with North Korea or disrupt the [OPCON transition timeline](#).

Trump and Lee's discussions inevitably ranged beyond the Korean Peninsula to include emerging challenges from China, the strategic significance of the Taiwan Strait, and the instability generated by Russia's deepening ties with North Korea. Furthermore, the Trump Administration's focus on "maximizing resources to serve U.S. interests" continues to challenge conventional burden-sharing models and presses allies for more active roles in regional security—possibly even demanding future South Korean military support in crises involving Taiwan. For instance, regarding the US military presence in South Korea, Trump criticized the current arrangements and advocated for South Korea to shoulder a greater share of the defense costs. He even [overstated](#) troop numbers, claiming "over 40,000" US soldiers are stationed when the actual number is around 28,500.

Lee, for his part, walked a fine line: asserting Korea's reliability as a U.S. partner, promising new investments and defence spending, and resisting any abrupt disruption of the longstanding force posture arrangements. However, the new issues raised by the US would continue to haunt Korean policymakers.

Despite the substantive agreements achieved in trade and investment, the summit concluded without a joint statement, a decision widely seen as a deliberate move to avoid spotlighting sensitive areas of divergence, such as defense cost-sharing and base ownership issues. Instead, the summit was portrayed as "rapport building"—while leaving complex questions open for further negotiation.