ISSUE BRIEF
No. 5410 | JULY 14, 2026

The Republics and Their Alliance, If We Can Keep It: The United States and Republic of Korea's Time-Forged and Battle-Tested Alliance

Derrick Morgan and Anthony B. Kim

KEY TAKEAWAYS

The United States and the Republic of Korea can and should do more together far beyond their security partnership.

The U.S.–South Korea relationship is well institutionalized, rooted in shared values, mutual aims of national security, and cutting-edge business cooperation.

Despite external and internal pressures—and challenges that are fixtures of any vibrant, long-time alliance—the U.S.–ROK alliance remains strong and resilient.

During his remarks at the annual Shangri-La Dialogue security summit in May, United States Secretary of War Pete Hegseth touted South Korea as a model ally while underscoring that Washington has been pursuing a "strong, quiet and clear" alliance strategy aimed at maintaining a stable balance of power in the Indo-Pacific.[1] Singling out South Korea for such recognition and applauding "the pragmatism and leadership demonstrated by Seoul,"[2] Secretary Hegseth noted that "President Lee [Jae Myung]'s decision to increase defense spending to the new global standard of 3.5% and to assume greater responsibility for its conventional defense reflects simply a clear-eyed understanding of the threat environment."[3]

The South Korean military is a sizable force with advanced weapons and innovative military education and training. Also notable is that U.S.–South Korean interoperability has measurably advanced, given Seoul's continued purchases of U.S. weapons systems and its own healthy and modern defense industrial base.

Yet the United States and the Republic of Korea (ROK) can do more together far beyond the security partnership. As the host of this year's Group of 20 Summit in December, the Trump Administration strongly intends to "[return] the G20 to its core mission: driving economic growth, unleashing innovation, and strengthening partnerships that benefit American workers, businesses, and allies."[4] There is no better example of partnership along these lines than an elevated U.S.–South Korea economic alliance.

Despite challenges, the United States and South Korea have been able to preserve a critical alliance, forging an economically and strategically indispensable partnership. Now is the time for President Donald Trump and President Lee Jae Myung, who have cultivated a notably pragmatic partnership spirit, to confront new issues directly and reinforce their two republics' alliance even more by addressing geopolitical challenges together, investing in mutually beneficial economic advancement projects, and addressing commercial issues effectively. Such practical joint actions would propel the time-tested alliance to a future of greater freedom, opportunity, and prosperity.

Status of the U.S.–ROK Relationship

In his keynote address to the Asia–Pacific Economic Cooperation CEO gathering hosted by South Korea in October 2025, President Trump praised the Republic of Korea as "a cherished American friend and a close ally."[5] He further noted that the ROK is "one of the most remarkable nations anywhere on earth. Here in this peninsula, the people of South Korea have forged a miracle of economic development like you rarely see. An industrial and technological powerhouse and above all, a free society and enduring democracy and a thriving civilization."[6]

In an age when all of America's relationships are being examined through a lens of "America First," it is natural for even long-time allies to be nervous. Sometimes spirited exchanges of economic and political hardballs can be loud and even controversial. Yet the U.S.–South Korea alliance has endured for more than 70 years, and, more important, the two allies have more interests and goals in common today than ever before.

Naturally, the trajectory of the two allies' partnership has always been shaped by international and domestic politics. As a leading U.S. ally in the Indo-Pacific and home to about 30,000 U.S. troops, South Korea occupies a unique frontline position in U.S. efforts to contain both North Korea and China. Through South Korea's Three-Axis System—Kill Chain, Korea Air and Missile Defense, and Korea Massive Punishment and Retaliation—the Republic of Korea has demonstrated a serious commitment to shared U.S.–ROK national security goals. This shared commitment is real, not theoretical. According to the U.S. State Department, for example, "The United States has more than $30 billion in active government-to-government sales cases with the ROK under the Foreign Military Sales (FMS) system."[7]

It is also noteworthy that South Korea hosts America's largest overseas military base at Camp Humphreys, located in the seaport city of Pyeongtaek approximately 40 miles south of Seoul. In that strategic context, Army four-star General Xavier T. Brunson, commander of United States Forces Korea, has described the Korean Peninsula as a "dagger in the heart of Asia" when discussing the geostrategic value of the U.S. presence, particularly regarding China.[8] He also has referred to the region as a "fixed aircraft carrier floating in the water."[9] In such a strategic context, Washington and Seoul should work together to ensure that Chinese malign influence in South Korea is counteracted.

Neither the U.S. nor South Korea can afford to risk destabilizing this longstanding, forward-looking practical alliance. In fact, now is the time for Washington and Seoul to build on that foundation as military and strategic allies and further advance the time-tested alliance to new heights as joint investors and codevelopers.

Strategic Areas of Advancement

The prospects for strengthening, widening, and deepening the ties between the two allies remain positive, as both governments have elevated the importance of the practical bilateral relationship since the start of the second Trump Administration.

To navigate the complex, interwoven economic landscapes and engage with Washington more effectively, policymakers in Seoul will have to be prudent yet clear-sighted about how to advance—as pragmatically as possible—the two allies' respective national interests, thereby strengthening the shared alliance.

In many ways, South Korea has proved to be one of America's most vital economic partners and a critical investor in the rebuilding of American industry. In late 2025, the two countries agreed to the U.S.–ROK Strategic Trade and Investment Deal in which South Korea commits to investing $350 billion in U.S. strategic industries and reducing barriers to U.S. exports.

Since then, South Korea has been honoring this commitment. On June 9, 2026, the ROK cabinet approved a presidential decree as part of the process to allow $350 billion worth of strategic investments in the United States: $150 billion for shipbuilding cooperation and $200 billion for strategic U.S. industries. The total investment amount represents one of the largest foreign capital commitments made to the United States.

The unique challenge of balancing individual and shared interests can and will serve as a constructive opportunity to analyze the broader context of burden sharing, making President Trump's explicit emphasis on "reciprocity" more strategically applicable to the ever-evolving multifunctional South Korea–U.S. alliance. With that in mind, several opportunities to sharpen the vital alliance between the two allies include:

- **Shipbuilding and defense manufacturing.** By taking more proactive advantage of allied defense production with South Korean companies like Hanwha Ocean and Hyundai Heavy in such critical areas as expedited shipbuilding, the United States would reach maintenance and production targets faster and more efficiently. Notably, at the closing keynote of Sea–Air–Space 2026 conference in April, Office of Management and Budget Director Russell Vought, who has been deeply involved in the Trump Administration's "Golden Fleet" initiative to expand U.S. shipbuilding capacity, noted that "[s]ome of these [new] ships need to be bought in large numbers and could attract direct foreign investment that will meet the president's goal of both adding capacity and competition to the U.S. shipbuilding sector."[10] The United States under the Trump Administration could also attract greater defense-related direct investment. This represents a win–win joint dividend of the two allies' decades-long mutual defense treaty and can leverage the interplay between economic security and national security, especially within the broader context of strategic burden sharing.

- **Energy production and innovation.** South Korea's Hyosung Heavy Industries has launched a joint venture with U.S. energy infrastructure company Quanta Services to establish a production base for ultra-high-voltage circuit breakers in the United States.[11] The joint venture is scheduled to be launched in July 2026 and will begin manufacturing ultra-high-voltage circuit breakers at Quanta's facility in Pennsylvania starting in October.[12] The energy partnership will be especially important for the deployment of commercial nuclear energy, and the United States should work very closely with South Korea in view of the ROK's record of exporting affordable commercial nuclear power plants. This partnership should also include collaboration on advanced nuclear reactors. It is encouraging to see that Doosan Enerbility, Samsung C&T, and other companies have been playing a major role in President Trump's push for an American nuclear renaissance.[13] The South Korean company is supplying key reactor components and Small Modular Reactors to support the U.S. power grid and massive artificial intelligence data centers. In a broader geoeconomic strategic context, the recent signing of a Trilateral Memorandum of Cooperation on Small Modular Reactor Deployments in Other Countries by the United States, Japan, and the Republic of Korea during the July 7–8 NATO Summit in Ankara, Türkiye, is a welcome development.[14] As noted by the U.S. Department of State, "the MOC outlines opportunities for our three countries, which have complementary advantages in the civil nuclear field, to encourage mutually beneficial cooperation among their respective nuclear industries."[15]

- **South Korea's continued support of NATO through allied security partnerships.** The United States has designated South Korea as a "Major non-NATO ally." Forging greater pragmatic cooperation between willing allies will require forward-looking engagement and fine-tuning the trajectory of the alliance. South Korea has become NATO's trusted, capable partner as well. It is in Washington's interest to welcome such cross-regional cooperation. South Korea is well positioned to be a critical force multiplier for NATO in terms of boosting forward defense capacities. From a broader strategic geoeconomic perspective, South Korea, along with the United States, would be a uniquely capable partner for the Central and Eastern European countries in launching and operationalizing large-scale energy and connectivity infrastructure projects that are integral to enhancing security partnerships, particularly counterbalancing Russia and China. To that end, the United States recently announced "an industry initiative agreed upon among GE Vernova, Hitachi, Samsung C&T, and SGE to advance deployment of the BWRX-300 SMR across Europe" and "deepen government-industry partnerships to strengthen global energy security."[16]

- **Deepening economic ties and expanding economic opportunities.** While a bold sense of entrepreneurship has indisputably played a key role in South Korea's tremendous economic success, the economic system remains shackled by regulatory barriers that continue to limit entrepreneurial opportunities. As Asia's third largest economy, South Korea has such fundamentals as large supplies of capital, highly educated labor forces, modern infrastructure, and a stable legal system all in place. Now is the time to address more difficult issues that keep South Korea from being a truly dynamic economy. To that end, as incoming U.S. Ambassador to the Republic of Korea Michelle Park Steel said during her confirmation hearing in May 2026, "American companies operating in Korea deserve the same market access that Korean companies enjoy in the United States."[17] It is imperative that Washington and Seoul address any current and future economic disputes more proactively and prove that the two long-time allies are capable of advancing critical, long-term goals effectively together.

Onward!

During his November 2017 visit to Seoul, President Trump stated that "[a]s true partners, we have remained faithful friends through periods of challenge and opportunity." He reinforced this by emphasizing that "that's what we have now, great opportunity. We will continue to support each other in the years ahead."[18]

There are greater and more tactical opportunities for the two long-time allies to work together more practically. South Korea's relationship with the United States is well institutionalized, rooted in shared values, mutual aims of national security, and cutting-edge business cooperation. Despite external and internal pressures and noise—as well as challenges that are fixtures of any vibrant, long-time alliance—the U.S.–ROK alliance has been strong and resilient so far. Now is the time to ensure a greater future of it.

Derrick Morgan is Executive Vice President of The Heritage Foundation. **Anthony B. Kim** is Jay Kingham Research Fellow in International Economic Affairs, Editor of the *Index of Economic Freedom*, and Manager of Global Engagement in the Margaret Thatcher Center for Freedom at The Heritage Foundation.

Endnotes

1. "Remarks by Secretary of War Pete Hegseth at the 2026 Shangri-La Dialogue in Singapore (As Delivered)," U.S. Department of War, May 30, 2026, https://www.war.gov/News/Speeches/Speech/Article/4504755/remarks-by-secretary-of-war-pete-hegseth-at-the-2026-shangri-la-dialogue-in-sin/ (accessed July 9, 2026).
2. Ibid.
3. Ibid.
4. G20 Miami 2026, "G20 Miami 2026: The Best Is Yet to Come," https://g20.org/ (accessed July 9, 2026).
5. Transcript, "Speech: Donald Trump Delivers the Keynote at the APEC CEO Lunch in South Korea—October 29, 2025," *Roll Call*, https://rollcall.com/factbase/trump/transcript/donald-trump-speech-apec-ceo-luncheon-keynote-october-29-2025/ (accessed July 9, 2026).
6. Ibid.
7. Fact Sheet, "U.S. Security Cooperation with the Republic of Korea (ROK)," U.S. Department of State, Bureau of Political-Military Affairs, January 20, 2025, https://www.state.gov/u-s-security-cooperation-with-korea/ (accessed July 9, 2026).
8. Military Watch Magazine Editorial Staff, "Commander of U.S. Forces in Korea Hails Forward Bases as 'Dagger' Pointed at China: Will America Drag Seoul Into Conflict?" *Military Watch Magazine*, May 30, 2026, https://militarywatchmagazine.com/article/commander-us-forces-korea-dagger-china (accessed July 9, 2026).
9. David Choi, "US Forces Korea Leader Says His Troops Deter China, Guard 'Freedom's Front Yard,'" *Stars and Stripes*, May 16, 2025, https://www.stripes.com/branches/army/2025-05-16/brunson-south-korea-china-lanpac-17807125.html (accessed July 9, 2026).
10. Brett Davis, "OMB's Vought: Industry Must Share Blame for Shipbuilding Woes," *Seapower*, April 22, 2026, https://seapowermagazine.org/ombs-vought-industry-must-share-blame-for-shipbuilding-woes/ (accessed July 9, 2026).
11. Lee Jin-han and Minu Kim, "Hyosung Heavy to Build First U.S. Ultra-High-Voltage Breaker Plant," *Pulse by Maeil Business News Korea*, June 15, 2026, https://pulse.mk.co.kr/news/english/12074156 (accessed July 9, 2026).
12. Ibid.
13. "South Korean Companies in US Agreements," *World Nuclear News*, August 26, 2025, https://www.world-nuclear-news.org/articles/korean-companies-in-us-agreements (accessed July 9, 2026).
14. This move is meant to counter China, which has aggressively advanced nuclear power plant exports and commercial SMR development. The three nations—the U.S., which holds core reactor design technologies; Japan, which excels in nuclear power plant equipment production; and South Korea, which possesses global nuclear power plant construction capabilities—intend to collaborate.
15. Media Note, "The United States, Japan, and the Republic of Korea Sign a Trilateral Memorandum of Cooperation on Small Modular Reactor Deployments in Other Countries," U.S. Department of State, July 7, 2026, https://www.state.gov/releases/office-of-the-spokesperson/2026/07/the-united-states-japan-and-the-republic-of-korea-sign-a-trilateral-memorandum-of-cooperation-on-small-modular-reactor-deployments-in-other-countries/ (accessed July 9, 2026).
16. Ibid.
17. "Statement of The Honorable Michelle Park Steel Nominee to be U.S. Ambassador to the Republic of Korea Submitted to the Senate Foreign Relations Committee, May 20, 2026," https://www.foreign.senate.gov/imo/media/doc/5c243abf-c4cb-fd7e-7861-e3beed8b35fd/052026_Steel_Testimony_719452e4-f8a6-48ae-a268-81288a92a633.pdf (accessed July 9, 2026).
18. "Remarks by President Trump and President Moon of the Republic of Korea at State Dinner | Seoul, Republic of Korea," November 7, 2017, https://trumpwhitehouse.archives.gov/briefings-statements/remarks-president-trump-president-moon-republic-korea-state-dinner-seoul-republic-korea/ (accessed July 9, 2026).