

Center for Strategic and International Studies

TRANSCRIPT  
Press Briefing  
**“Previewing White House Visit of South Korean  
President Lee Jae Myung”**

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FEATURING  
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Alex Kisling: I'm Alex Kisling. I'm vice president of communications here at CSIS. And I'm joined today by a great lineup of CSIS scholars who will share their expectations and thoughts on what to look for going into the meeting, expected outcomes, and much more.

Just a couple of housekeeping notes before we get started. Each of our speakers will offer several minutes of introductory remarks, after which we'll turn to your questions. If you want to ask a question, please type it in the Q&A window or raise your hand to ask it verbally. We'll also be distributing a transcript of today's call shortly after its conclusion. And we'll make the transcript available on CSIS.org.

So with that, why don't we go ahead and get started? I'll turn first to my colleague Victor Cha, president of the Geopolitics and Foreign Policy Department and Korea Chair at CSIS. Victor, over to you.

Victor Cha: Thank you, Alex. Thank you for organizing this press briefing. And thanks to all of you for attending.

So, as we all know, President Lee Jae Myung of South Korea is coming to Washington, D.C., to meet President Trump on Monday, August 25th. This is the first meeting between the new South Korean president and President Trump. Our understanding, though the schedule has not been officially released, is that this is an official working-level visit. Meaning that there'll be an Oval Office meeting, maybe also a Cabinet meeting, and a working lunch. That will be the White House component of this. And then after this President Lee will do – I think he's going to be in the U.S. for a couple of days, will do a couple of things outside of that. A CEO roundtable with Korean and U.S. conglomerates. And then he's also reportedly going to give a speech at a think tank in Washington, D.C. that goes unnamed but does have four letters associated with its acronym.

Obviously the expectations and hope is that the two leaders will have good chemistry. You know, when you staff these sorts of visits that's – especially the first ones – that's kind of the number-one priority, is ensuring that there's enough time for them together where they get to know each other, and they like each other. This is good, in the sense that they're just coming off success in negotiating a trade framework and investment agreement, the details of which probably need to be ironed out as part of the summit.

For South Korea, this is a very important summit meeting. Not just because the United States is the key ally, but because South Korea's political crisis, sparked last December by the declaration of martial law, the impeachment of the previous president, and the snap election, effectively put South Korea six months behind all the rest of the world in dealing with the Trump administration's whirlwind of policies once they took office in January.

Despite best efforts by South Korea, the two leaders were unable to meet since President Lee was elected in June. They tried to meet at the G-7 in Canada, which South Korea went to. And President Lee, almost immediately after winning election and taking office, went to Canada to try to meet with Trump. But President Trump left a day early, as you all remember, because of the Iran operation, and they could not meet. The next opportunity was the NATO leaders' summit at the Hague, but the South Korean leader chose not to go.

And then at that point the entire relationship was taken over by the reciprocal tariff deadline which loomed large, and all of the energy was focused on getting a trade deal. The national security team, trade teams were shuttling to D.C. in July to try to make a deal. They even followed Trump officials on their trips to Europe to try to meet with them after their official meetings in Europe and dinners to try to negotiate this deal.

What's important now is that the framework deal has been reached, and this now opens up space for the two leaders to discuss a host of other issues in the alliance. And I will just sort of quickly group these into four big areas.

The first is alliance modernization. This refers to potential changes in the U.S. force posture on the Korean Peninsula that could include the reduction in ground troops, enhancement of air and naval capabilities, greater South Korean defense spending, changes in the cost-sharing arrangement, return of wartime operational control, greater defense-industrial cooperation – a whole host of things that could be – fall into this basket of alliance modernization that the two leaders may discuss.

On burden-sharing, Korea has already done quite a bit, as many of you know. The current SMA, or Special Measures Agreement, is where South Korea is providing well over \$1 billion. South Korea also paid the entire cost of building the largest U.S. military base overseas in Camp Humphreys. But President Trump clearly wants more. He wants defense spending closer to 5 percent of GDP for all allies. South Korea is currently at 3.5 percent. He also wants more on cost-sharing – not a billion dollars, but he's talked about higher numbers – 5 (billion dollars) or even \$10 billion. This will require some creativity by the two allies to find ways to increase South Korean burden-sharing. It could come in the form of defense-industrial cooperation, the cost of military exercises, arms transfers, things of this nature.

The second big basket is the regional role of the alliance, and my colleague, Katrin – Dr. Katz will speak about this. But this we mean a particular strategic defense and intelligence cooperation with Japan on the one hand, and Korea's role in support of the United States in contingencies off the peninsula, which includes the strategic flexibility of U.S. forces for some sort of conflict with Taiwan.

Third big area is trade investment – my colleague Phil Luck will speak about this – putting some of the implementation details to the massive investment number, \$350 billion, in U.S. industries. Our understanding is that this trip will also feature a visit to the Philly shipyard, which was purchased by a Korean company, to highlight this new area of cooperation. There are a lot of details that need to be worked out to achieve the goal of having Korea as a key partner in the building of more U.S. ships.

Fourth big area is North Korea. My colleague Syd Seiler will speak about this. The key questions here are, you know, will Trump want to reengage with North Korea and upon what conditions? Will North Korea be at all interested in engagement? It appears, at least right now, not to be the case, given Kim Jong-un's relationship with Russia and the receipt of food, energy, cash, weapons, and technology. And then the fourth sub-bullet here is, you know, what about South Korea? Will South Korea want a nuclear option of their own, and how will Trump think about that?

So my colleagues will dig into all of these details.

Let me make two final points for my initial intervention. The first is, I don't think we can rule out some sort of North Korean action next week, and this is because three things come together next week. One is, of course, the summit meeting. The second is ongoing U.S.-ROK military exercises, which I think started two days ago and will continue through next week. And third is the lack of any contact or diplomacy between the United States and North Korea. That combination of things, at least our empirical research shows, does not bode well, and it usually results in some not-insignificant North Korean belligerence which could come in the form of missile tests or even a nuclear test. We just don't – we just don't know.

The second point is that North Korea is advancing with resoluteness and intent. They desire to achieve a survivable nuclear force. You know, Russia may be helping them in this effort to achieve that sort of capability. We have a – we have been working on a satellite imagery study that should be coming out soon on – we have a series of reports on North Korea's undeclared missile bases. We have another one coming out that's on the border with China that is, we believe, an ICBM base. Again, it took months of work and it's all finally come together, so keep your eye out for that report. That's going to drop sometime either tomorrow or later this week.

So, with that, let me turn it back to Alex. And thanks for your attention.

Mr. Kisling:

Great. Thank you, Victor.

Next up we have Philip Luck, director of the Economics Program and Scholl Chair in International Business at CSIS. Phil, go ahead.

Philip Luck: Great. Thanks so much, Alex. And thanks so much, Victor.

So I think Victor teed this up really quite well. I'm going to take just a few minutes here to talk about sort of the – where the economic relationship is and how that may impact the upcoming summit.

As Victor noted, you know, it's a – it was very good that the trade framework was agreed to prior to the deadline, that the ROK was able to get their assessed tariff rate down to 15 percent, on par with large – other large auto producers as the U.K. – sorry, the EU and Japan. But, as has also been noted, there's a lot of details left to be ironed out there. So I'm going to start with a few sort of – while we have this sort of stabilizing effect of the framework a few issues that still remain, and then move into sort of where I – you know, I would expect the conversations to go in terms of those strategic investments – the \$300 billion – and how those can be sort of moved forward in a meaningful way through these dialogues.

The issues – the first is, of course, the large bilateral trade deficit. You know, knowing this administration, I am sure that that will become or will be raised as an issue. The bilateral trade deficit has been large for a long time. Just in 2024 it increased by about 30 percent, up about \$18 billion. This is large – while a gross trade deficit or especially a gross bilateral trade deficit is not a good metric of the fairness of a bilateral relationship, it certainly is one that this administration focuses heavily on. So that will be something that this administration will have to be thinking about going forward.

The second, as Victor noted, is the details. We have a framework, but a framework is not a full agreement, and so there's a lot of details yet to be negotiated. My expectation would be these will be left for follow-on meetings and will not be sort of the – you know, the chunk of this visit. And that's certainly something I think would be wise, as other trading partners have done similar approaches.

The third sort of longer-term issue here – which, again, we'll see how much time this takes up – is, you know, the high dependence that the ROK has on the PRC as a source for their intermediate goods as well, whether that be PRC steel in the shipbuilding industry or inputs into other highly important industries. This is something that, you know, the U.S. trade representative has pushed pretty hard on multiple partners to find ways to reduce this. And you know, the ROK will be at the top of the list for that issue for the foreseeable future.

Moving to sort of the areas where I see there's much more, you know, aptitude for – appetite for sort of productive conversations, I think here, you know, even though we have those, you know, potential bilateral leader attempts that will continue to evolve, there's huge opportunities for really positive movement among a lot of industries where the U.S. administration has set really clear objectives to increase U.S. capacity in sectors such as battery production, shipbuilding, and semiconductors. And the ROK is an excellent partner for those industries, has shown a real willingness and interest in being that partner. And so I think this can be obviously sort of the backbone of any sort of filling out of that \$300 billion investment framework.

As Victor mentioned, there's been already large investments in U.S. shipyards. You know, here it's not just sort of the dollars but the technology. The ROK is far ahead of the U.S. in much of its shipbuilding technology. This will help to, you know, potentially take strides in the U.S. shipbuilding industry. The ROK is also much more of a leader currently in battery technology, the sort of cutting edge. The patents filed by the ROK over the – you know, are somewhat – essentially double that of the – of the United States. And, you know, both of which are second and third to the PRC. So this is not only an industry that's important for modernization, but also in competition with the PRC.

And then lastly, the ROK has made, both in the United States and, importantly, in the ROK as well, really large investments in semiconductor manufacturing, with an emphasis on sort of moving forward, you know, both in memory as well as in technologies that will aid future AI innovation. So I think, you know, if these meetings can be used to sort of highlight the areas across these industries, and potentially others including potentially robotics, where there can be collaboration, that that would certainly be a very good way to for that to go.

But then again, lastly, just one last point I would make here, you know, again. One of the reasons – though the evidence is not entirely ironclad – one of the potential reasons for why the trade deficit with the U.S. has increased in recent years is that, as a result of FDI into the United States, more Korean companies are buying intermediates from the ROK, which basically increases that deficit. So it's not necessarily the case that these investments will, themselves – they could, in fact, potentially exacerbate the underlying problem that the administration has also been highlighting.

So, you know, these investment flows, while very necessary for both the U.S. industrial base, as well as sort of finding a way to stabilize the relationship, may also create further issues down the road. And I'll stop there. Thanks so much.

Mr. Kisling:

Great. Thank you, Phil.

Next up we have Katrin Katz, nonresident adjunct fellow with the Korea Chair at CSIS. Katrin, over to you.

Katrin Fraser  
Katz:

Thanks, Alex. And thanks to Victor and Phil for your – for your very interesting, informative comments. I'll be – as Victor mentioned, I'll be covering more regional issues. Victor, from an earlier exchange, you had noted maybe how Trump and Kim (sic; Lee) might engage on issues related to neighboring countries – Japan, China, and Russia, as well as the trilateral. As Victor noted, strategic flexibility falls into this bucket. It relates most directly to China. So I'll mention that briefly in that context. And we'll wrap up with mention of possible implications insofar as it has to do with the Russia component, and takeaways from the Alaska summit and ongoing meetings on Ukraine for the Trump-Lee summit.

So to be mindful of the time, covering all of this in five minutes, I think it might be most efficient for me to cautiously venture a prediction, acknowledging that predictions around summits with President Trump are sometimes perilous. I noticed in advance of the Alaska summit that many analysts chose to just tease out different scenarios without venturing which one they thought might be most likely. (Laughs.) But I'm going to kind of stick my neck out and make a few predictions here. But also note some ways that I might be proven wrong in my predictions, so kind of wild cards to look out for. So here goes.

My guess would be in the summit, general alignment on Japan and Russia-related issues. I'll explain why in a moment. The area with the most potential for public exposure of a rift between the two leaders, though not inevitably, is related to China and strategic flexibility. And by strategic flexibility, that, of course, refers to the use of U.S. troops deployed to the peninsula for China-related contingencies. So, first, the reason for what I – what I predict, cautiously, of general alignment on Japan and Russia.

Lee Jae Myung has been, you know, very vocal about being what – he's calling himself a pragmatic leader. So taking pragmatic stances on these countries. And these don't conflict, necessarily, with Trump's current positions. So what does pragmatism look like with respect to South Korea's approach to these countries? On Japan, and that ties into the trilateral – U.S., Japan, ROK – Lee, so far, has decided largely to continue with his predecessor Yoon's policies, but with some efforts to cater to his progressive base – which historically is less hesitant to raise thorny historical grievances tied to Japan's colonization of Korea from 1910 to 1945.

Specifically, President Lee has returned to a so-called two-track approach on these issues, separating historical grievances tied to Japan's colonization of Korea from a focus on a very well-known phrase in this era, future-oriented

bilateral cooperation with Japan, on issues related to the economy, shared security threats, people-to-people ties, et cetera. I presume those are going to be the bucket of issues that Lee discusses with Prime Minister Ishiba, on which he's stopping in Japan on the way to Washington, D.C. It's looking good on the Japan side too.

Prime Minister Ishiba has reciprocated, kind of, you know, Lee's gesture of goodwill towards Japan in his – Lee's August 15th statement in particular. I won't get into the details of that now. But Ishiba has reciprocated this. Both leaders took some risk in issuing relatively conciliatory statements on August 15th – in South Korea, this is known as Liberation Day – you know, with their respective bases. Also significant – although there is a – I'd say, a basis of support for strong Korea-Japan ties, particularly in South Korea, as well as Japan right now.

Also, significantly, Lee is traveling – yeah, as I noted, Japan – traveling to Japan in the days right before the summit. I don't think Trump is going to be irked by this. I've seen some analysis taking the line that maybe this could be sensitive, that Lee would meet with Ishiba before the U.S. leader, my one – I guess I would – I presume the only thing that President Trump might be sensitive about, which I don't actually see happening, is for South Korea and Japan to create the impression that they're using the summit as an opportunity, I guess, publicly, to unify positions versus Trump on sensitive, ongoing trade and security negotiations.

Japan and South Korea are in a similar position in many ways in these areas, and so share challenges in some respects in coming to these agreements. I would expect that behind closed doors they might be trading notes in these areas, but I just – I don't see it as in those leaders' interests to publicly frame their engagement in a kind of ganging up way – (laughs) – vis-à-vis President Trump. And so therefore, I do not see – would not see Lee Jae Myung as necessarily framing his stop in Japan as any kind of message or signal to the United States that he's, you know, shifting kind of his priority focus on the U.S. in any way.

Quickly on the trilateral, a very important aspect of maximizing U.S. position in dealing with the China threat and other threats in the region, both Lee and Ishiba are onboard with continuing cooperation. While Trump has not engaged on this himself, we've had U.S. statements at the foreign minister and secretary level, U.S. and ROK and Japan statements during Trump's administration, expressing support for ongoing trilateral cooperation. So I wouldn't be surprised just to see a nice, you know, statement in the joint statement expressing support for the trilateral. So, OK, overall I expect generally low drama in the Japan trilateral area.

On Russia, just to touch on it very quickly, Lee pivoted – has made a marked step pivoting away from what he terms the ideological approach of his predecessor, again claiming himself to be the more pragmatic leader. Notably, the Yoon administration was kind of forward-leaning as much as he could possibly politically in support of Ukraine: condemning Putin's invasion, strengthening cooperation with NATO, et cetera. For Lee Jae Myung, he's taken a more pragmatic approach again, focused on tension reduction with Russia as well as China – avoiding overt criticism, even, of North Korea-Russia military cooperation. And that's a space that Sydney wanted to get into more in his comments.

So I – this aligns, of course, with Trump's kind of more transactional, what some may call pragmatic approach to Russia as well. So I imagine that the leaders may discuss North Korea-Russia, you know, this concerning situation of strengthening cooperation. It certainly impacts both of their interests directly. Might even be able to agree to a statement there. But generally, I think that they'll be pretty well-aligned in this space.

OK. So, lastly, on China, which relates to strategic flexibility, as I noted, this is the area where the potential for surprises of the sort Lee's team I would imagine is likely furiously trying to prevent going into this meeting. For him, you know, a no-news summit I think would be good news. I mean, of course generating chemistry is important, but no surprises would be great.

I'm not quite sure how Trump is going into this. He loves news. (Laughs.) I think both sides have an aim for this to be a positive dynamic between the two countries, but, again, I think the fact that the South Korean side will really be trying to minimize this type of – and any type of divergence on strategic flexibility – bodes well for maybe this not being an area of divergence.

But so why is China an area to watch? I guess I don't think not because the leaders are not aligned, I think, in an overall pragmatic approach to China-related issues. Lee's stance on China parallels his statements with respect to Russia, seeking to repair damage that he sees having done from the predecessor's administration, which he calls an ideological approach, although Yoon was also careful to maintain stable ties with China as well. But importantly, Lee is doing so not at the cost of damaging U.S.-ROK relations or the alliance. He does not use – at least, as far as I know, since he's become in office, used terms like balancing that can be quite sensitive for the U.S. and has been in prior administrations.

So, so far, moving cautiously; called China third after the U.S. and Japan, sending envoys to China in the coming days. But generally, you know, both leaders are planning potential summits with Xi Jinping in the fall.

I think Lee will be seeking further information on Trump's China strategy. It's still ambiguous in the security area. A question that I think remains open is to what degree does President Trump personally align with the well-known positions of the so-called China hawks in his position, including in the Defense Department and even Rubio, versus the pragmatists who think to kind of rebalance economic ties, as his Treasury secretary said, in that space.

So the overall position – we don't know. At least – maybe others on this call know; I don't know. (Laughs.) The overall position of Lee with respect to bilateral relations with China is cautious and seeking to restore ties, but not getting ahead of the U.S. in his engagement with China.

So I think that that aspect of China and U.S. – of – sorry, of South Korea-U.S. conversation shouldn't be an area of tension.

Quickly, why would strategic flexibility potentially cause a rift? It's related to China policy insofar as it involves South Korea approving the use of troops in South Korea for a wider range of operations, you know shifting from a primary focus on deterring the North Korea threat. So why is this sensitive? I mean, certainly in South Korea, contingencies related to Taiwan directly impact South Korean interests. There's, you know, higher concerns about China's aggressive moves in recent years in waters around South Korea and other behaviors. So it's not necessarily misaligned with South Korean interests; it's just the time period I think that's sensitive.

Public – pressure to publicly take stances on strategic flexibility, beyond very broad statements, are quite sensitive for Lee because he'd be worried about I think giving some impression before South Korea is ready to take on more of the share of the responsibility to deter North Korea on its own, which of course, a more flexible role for the United States would involve. You know, understandable concern about North Korea's perception of that, whether it leaves a vacuum on the peninsula and what it says about U.S. security guarantees and extended deterrence in that sort of area.

Economically, South Korea, as we all are aware, is also – you know, it's highly dependent on China, even though it's seeking to make adjustments in engaging with other countries across the region.

So I think maybe Lee will be OK with general statements. Maybe Trump won't even press him in this area. Trump likes broad framework statements, so that would be a safe zone there. But anything specific, as has been noted – you know, rumors of ideas about pressing South Korea to say more on this – that could be a possible point of tension.

So anyway, to wrap up, a key question and unknown – what is Trump's appetite for public displays of discord with South Korea at this time? On one

hand, he may want to stay – kind of keep things quiet in the midst of the other summits going on with – on the Russia-Ukraine issues. But we also know he has a high appetite for big news – may want a bigger splash announcement in the security space than Lee is able to deliver. But that's not inevitable. So I'll leave it there.

Mr. Kisling: Great. Thanks so much, Katrin.

We'll turn next to Syd Seiler as our final speaker. But before doing so, just a reminder that we will open it up for Q&A after Syd speaks. So if you want to ask a question, please do so by typing it in the Q&A window, or raising your hand and I can unmute you to ask your question verbally.

So, without further ado, let's turn it over to Syd Seiler, nonresident senior adviser with the Korea Chair at CSIS. Syd, over to you.

Sydney Seiler: Thanks, Alex.

You know, the conversation so far has really given a good flavor, I think, for the range of issues that the two leaders will discuss, and also the priority or lack thereof, perhaps, that a lot of discussion on North Korea might have given where we currently sit with North Korea.

So you look at Washington and Seoul, we both face the same dilemma when it comes to Pyongyang: You know, how do we move between what you might say peace through superior firepower – if you're old enough to remember that from the Cold War era – or just simply peace through strength versus give peace a chance as we move between conservative and progressive leaderships in Seoul, Democrats and Republicans in the United States, and we try to get the right mix of everything that would fall under the rubric of deterrence, what we do to compel good behavior from North Korea, try to get it back to the denuclearization table, make sure they're deterred militarily – you know, the things that we normally do our exercises or our strategic asset deployments? All of this kind of feeds into how we reassure the ROK populace of the credibility of our extended-deterrence commitment, as everyone remembers, after having stand down on a lot of these strategic asset deployments under the Trump and Moon administrations as we tried to pursue dialogue in 2018 and 2019. And that level of attention to strategic muscle-flexing was diminished in the Yoon Suk Yeol administration in part because of North Korea's surge in both its nuclear missile programs there was a large demand signal for us to do something in the – in the realm of deterrence.

And then, finally, there is an assurance dimension of this. You assure your adversary that if they choose a different path that we're not inherently hostile, that good things can happen. And this, I think, was particularly

tested during the Moon Jae-in administration and so far what we are beginning to see out of the Lee administration. President Lee has already signaled an intent to assure, right? He's turned off loudspeakers, dismantled loudspeakers; taken actions to reduce or eliminate balloon launches; reinstated parts of the comprehensive military agreement that were taken down in the previous administration, kind of a small-scale confidence-building measure; and even some slight tweaking to the ongoing Ulchi Freedom – Ulchi Freedom Shield exercise in terms of the volume, at least, the messaging that's going along with the exercises that are underway.

We also would expect to see a diminished demand signal for reassurance. We may not be sending as many B-52s or nuclear submarines or carrier strike groups to the region, you know, as there's a lower volume overall to our compellance actions. But what's clear with President Lee is that denuclearization remains on the table. If you look at North Korea's larger goal, a goal that was really articulated in public messaging since Kim Jong-un's failure to move forward at the Hanoi talks, North Korea's failure has – North Korea's strategy has been to seek partners who accept them as a nuclear power or who are willing to take the nuclear issue off the table. In fact, this was a recurring message to Moon Jae-in during the 2018-2019 time period: Stop cooperating with the United States. Stop bringing the nuclear issue up at the table; it's not an inter-Korea issue. And don't let sanctions be an obstacle to advance economic cooperation between the two Koreas.

I think these three requirements are, you know, kind of in the back of the mind of the Pyongyang leadership; that when there's a South Korea that accepts North Korea as a – as a nuclear power, that is willing to take the nuclear issue off the table, and is willing to break its cooperation with the United States, then perhaps they could entertain some type of inter-Korean dialogue. But for now, they're simply not interested.

And President Lee, for his – it's early into his administration. We've only seen now here a couple of months of his approach. But his remaining commitment to denuclearization keeps him in a – in a healthy relation with U.S. policy, where President Trump has made it clear, first of all, likely he's willing to talk. President Trump makes no – has no qualms about noting he is open to dialogue with adversaries – autocrats, adversaries, dictators. You need to be talking to your adversary if you want to have leverage over them. President Trump is willing to sustain pressure on the financial and legal side, in terms of sanctions. We haven't seen anything on Pyongyang – on Seoul's side, but it would be hard to imagine that President Lee would fall for the North Korean argument that we should just ignore sanctions.

And then finally, you know, a commitment to exercises. There was no pushback on having Ulchi Freedom Shield, even though there was some tweaking of the volume of the associated messaging. And President Trump

so far, unlike 2018, has not expressed, you know, a desire to try to create an environment conducive to dialogue. You know, the problem that we face is always the ultimate agency – as we ask ourselves, what should we do? What will our policy be like? How do we reconcile U.S. and ROK policy? Is the true agency is in Pyongyang. As long as they're not coming to the table, as long as they're refusing to negotiate, then we likely will see the deadlock that we see.

And looking at – thinking about Victor's earlier comments about potentially a perfect storm over the next two weeks, having the sanction, having the total shutdown in dialogue, and having our exercises, also it's always important to remember North Korea itself is in – its million-man Korean People's Army is in the middle of its summer training cycle. So this is a period where additional muscle flexing, launches of missiles, maybe artillery fire demonstrations – probably not anything lethal or kinetic. The timing doesn't make sense. But certainly, we're at a time now where the message from Pyongyang is, we're not talking. We're not interested in negotiation with South Korea. They're a different country altogether. They're dreaming dreams, in terms of the limited statements that President Lee has made about trying to jumpstart some type of inter-Korean rapprochement. And, though not as harsh on President Trump, I think the message to the United States is the same.

For 30 years North Korea has sought, you know, better relations with the United States, on the premise that the U.S. would accept North Korea as a nuclear power. It found out in Hanoi, that was not going to succeed. The most definitive: No, you're not going to have your cake and eat it too. On the downside, we had this new relationship with Russia. Time prevents a deep discussion of it, but let's just say now Russia is enabling North Korea's ability to ignore, to irritate, to intimidate, to blackmail South Korea and the United States. And this is a dangerous point of discussion. And hopefully the two leaders will have an opportunity to share some opinions and insights on it during their upcoming summit. I'll stop there.

Mr. Kisling: All right. Thanks so much, Syd. And thanks to all of our speakers.

We will now open it up for questions. We already have a few in the queue, but if you would like to ask a question just a reminder to type it in the Q&A window or to raise your hand on Zoom, and we'll unmute you. So let's go through some of the questions that have already come in.

From Aamer Madhani: Thanks for insights of what President Lee is looking for from his visit. On the flip side, what do you see as President Trump's priorities from the visit? What is he looking to get out of it? Victor, maybe you can take that one, and then our other speakers can jump in as they want.

Dr. Cha:

Sure, just – sorry, just getting off of mute. So it's – in one sense, it's an easy question to answer, and in another it's not. I mean, in one sense, yes, of course, they'd like more detail on implementation of the framework – the trade framework agreement. As Phil said, South Korea still has, you know, what – I think the third- or the fourth-largest trade surplus of all U.S. NATO and Indo-Pacific allies. And, you know, Donald Trump focuses on merchandise trade deficits with allies like a – with a laser beam. So he may want to see more commitment by South Korea to try to reduce that trade – that trade surplus.

You know, there were some areas that were not covered or mentioned in the trade framework agreement. Like one in particular that I know that Phil and their team focuses on is in digital trade. So, you know, maybe there's something that – maybe, if not Trump but certainly his people around him would want to see. And then at least the DOD people around Trump will want to see more explicit South Korean commitments when it comes to contingencies with China.

Now, having said all that, you know, the interagency process in this administration, for the United States, is very different than it is in preparation for summits and other administrations. And, to put it very frankly, what the interagency produces for Trump to talk about at the meeting may be completely different from what President Trump wants to talk about. And we don't know fully what President Lee is going to raise, but President Trump will respond to what President Lee raises, and may connect it to things that he wants in particular out of the summit out of Korea, on shipbuilding or other sorts of areas.

So I think on the one hand there's some things that – based on the trade framework agreement – that they will need to at least talk about, or at least to mandate their people to work out. But there is an unpredictability with summits with Donald Trump. We all know that. And I would expect this one not to be any different. I mean, I think, you know, again, if you staff these things, first meeting you want it to go well. You don't want to reach too far for difficult agreements that you can't negotiate.

You don't want to raise expectations too high. You want them to meet, get to know each other, make sort of modest agreements that are not too difficult for either side, and basically get the chemistry right, so that they're off to a good start and they can have phone calls and other things happening as well. And I'm sure that's what the staff wants, but there's an unpredictability, clearly, when it comes to Trump.

The other thing I would say is that I think that both sides look at this as a sequence of meetings. There's a meeting that's taking place on Monday, but soon after that, in October, South Korea will host APEC in Gyeongju. And it

appears as though, right now at least, the president looks like he'll be going to that. And I'm sure they'll do a side bilateral summit out of that too. So this is a pairing of meetings, I think, for 2025. And so, you know, they may raise things in this meeting that they hope to finish or reach an agreement by the next meeting in October – end of October.

Mr. Kisling: Great. Thanks, Victor.

We have a number of other questions that have come in here. I may turn to you for this one, Syd, from Shaun Tandon. Hey, Shaun, great to – great to see you: To what extent do you think Trump and Lee are interested in a substantial return to North Korea diplomacy? So, Syd, if you want to weigh in there first, and Victor and Katrin, anything you may have there as well.

Mr. Seiler: Yeah. I would say that they're as eager as their predecessors. Every U.S. president, and even conservative ROK leaders, have had a desire to engage North Korea. And even with the most major stumbling having taken place right after the collapse of the six party talks. We've never fully gotten back on that bicycle again. It's never been a reluctance on any of the actors' parts, other than Pyongyang, to engage.

So I think, you know, President Lee, his North Korea policy is the centerpiece of his overall policy. And I think he would really cherish an opportunity to try to pick up the pieces, following what President Moon sought to launch. And we know that Donald Trump has repeatedly expressed an interest to talk. So the real question is, why will Pyongyang not be willing to engage? Because I don't think either President Lee or President Trump are about to say, Leader Kim Jong-un, you are a nuclear powerhouse. We respect you as a nuclear powerhouse, and we want to engage you as such. And we're just not ready for that.

Lavrov said Russia's position is it's understandable that North Korea has pursued this capability. I don't think that's the type of tolerance that that Kim will get from either South Korea or the United States. So the ball is in Pyongyang's court right now.

Dr. Cha: Yeah, the only thing – this is Victor – I would add to that is, you know, I think they will certainly talk about what they've been trying to do to engage North Korea. I'm sure they'll talk about the DPRK-Russia relationship, because it weighs – it figures so – it figures prominently in President Trump's other, you know, major foreign policy issue right now. There are several, but the other one, of course, is trying to get some sort of peace deal in Ukraine.

The other thing, I would say, related to that – not related to North Korea, but related to that in general – is that the – you know, President Trump is working very hard at trying to get this – some sort of deal in Ukraine. The

Alaska summit, you know, probably didn't go as well as he had hoped. And so, in a sense, everything happens in the context of something else. And so having the Alaska summit not go as well as he wanted may make the president much more interested in seeing this meeting with South Korea come off very well, right, with a – with a key, core sort of military ally. So that's something that may be weighing in favor of seeing good outcomes from this summit.

But I agree; I mean, I think not just Trump and Lee, but, you know, every U.S. and South Korean leader would like to have some sort of engagement, contact with North Korea to try to address this very difficult problem. And I don't expect Trump or Lee to be different.

Mr. Kisling: All right. Thank you both.

Onto the next question. Phil, coming to you on this one: How will Trump's anticipated semiconductor tariffs play into discussions?

Dr. Luck: Yeah. It's a great question. I mean, I think, you know, part of it is we're not entirely sure what exactly the tariffs will be, obviously. There have been discussions of 100 percent tariff. There's also been discussion that those tariffs would not be applied to any firm that's done investment or is planning to do investment in the United States. And then there's, of course, the sort of looming specter of the 232 investigation national security tariffs that are, you know, going to be coming out from the Commerce Department soon.

To the 100 percent tariff potential and the carveouts for firms that might be building or planning to build, you know, that really – if it's true that there's a carveout for those firms, that that will basically carveout any major Korean producer. So, you know, that – from those in the industry, there's not a – there's not a huge concern about that. Also, for most of these semiconductors that are being imported as – not embedded in products, but rather imported as a semiconductor, most estimates suggest that most of the price increase can be passed onto consumers because there aren't very good substitutes. So my guess is that won't be a huge impact.

The sort of – well, another curveball potentially, of course, is that 232 investigation. If, for some reason, it comes out before or during this visit, and if the scope of those tariffs is significantly larger than we might otherwise expect – I'm not expecting this. But if that were to happen, that could throw things into – that could throw things off quite a bit. So, for example, you know, if you were to put a tariffs on products that have embedded semiconductors in them, about half the value of a phone is the embedded semiconductor. So whereas if you, you know, import a car, the car only has, like, a maybe 1 percent of the value is semiconductors. In phones, it's half.

So you could really see a big difference there. Again, not expecting that, but there are permutations of these decisions that could make it be a larger issue. On the positive side, though, you know, the reason, ostensibly, that we're putting tariffs on semiconductors is to revitalize the semiconductor industry in the United States. You know, ROK investments in this space can be part – can be, you know, the carrot rather than the stick to accomplish that goal as well.

Mr. Kisling:            Alright. Thank you, Phil.

Katrin, I'm coming to you with this one next, from Yonhap News: South Korea and the U.S. already issued a joint statement on the strategic flexibility in 2006. I am wondering what kind of agreement the two sides will seek, given that 2006 statement. Would they try to focus more clearly on China challenges?

Dr. Katz:                Yes. Thank you for that question.

I guess, like, it's just kind of related to Victor's thoughts on kind of not being sure where Trump is in terms of what he hopes to get out of this summit, particularly in the security space. It's just hard to tell how top of mind this particular issue is for him. I mean, we certainly know that within DOD there's very, you know, clear aims here, but just how much he would actually integrate this into the summit?

You know, we do have text from 2006 noting – I have it in my notes here – the ROK – within the statement, the ROK, as an ally, fully understands the rationale for the transformation of the U.S. global military strategy, and respects the necessity for strategic flexibility of the U.S. forces in the ROK. On the flip side, in the implementation of strategic flexibility, the U.S. respects the ROK position that it shall not be involved in a regional conflict in Northeast Asia against the will of the Korean people.

This is an existing – it's not necessarily a firm agreement, but existing text, that within DOD they'd like to get more specific. I don't know, you know, that could entail mentioning China specifically. I don't know how far you could even go in terms of talking about, you know, where U.S. troops could be – could be stationed, or what combination of U.S. capabilities and where. I mean that really gets into the details. I think in general Trump is fine with broad framework statements out of summits. I mean, look at the 2018 Singapore statement on North Korea. He doesn't really, you know, push for detail usually.

So I would – I would just, again, venture to guess that even if he wants to push on this, that the details might not mean as much to him personally. So,

I'm not really sure. But, again, I think it would be uncomfortable, like, beyond staying pretty broad, for Lee Jae Myung to venture too – to get too detailed here for the reasons that I noted before. Maybe boilerplate language on the Taiwan Strait. We have some of that from the Yoon administration. Tack it onto the 2006 text. I don't know – you know, that's something I'm not sure about. But because it is so sensitive at this point in time, for Lee Jae Myung to go beyond that.

Mr. Kisling: Great.

And I may piggyback off that a little bit here with a question from Ken Moriyasu: How will President Lee respond to U.S. proposals to reduce the number of U.S. troops in Korea? Syd, Victor, Katrin, whoever wants to weigh in there, please jump in.

Dr. Cha: Sure, I can start. Well, first is we don't know that he's going to do that. (Laughs.) We don't know that he'll actually raise that, or if anything's been decided within the U.S. government yet. Although, there have been press reports that these considerations are underway. I think the most important thing is that if there is any discussion of altering the U.S. force presence in Korea – and again, as a footnote, this would be tied to an overall recalibration of the U.S. force presence in Korea to focus the priority on deterring and, if necessary, defending successfully a fight in the Taiwan Strait. At least, that's the way some policymakers in the Pentagon have talked about it before they took office.

I think, from a South Korean perspective and from a U.S. alliance manager's perspective, it's absolutely critical that these things not be done unilaterally and that they be part of a bilateral consultation on overall alliance modernization. As I said in my initial comments, that could include a range of things that both sides want to improve the alliance. I mean, for the U.S. it might be altering force structure. It might be greater burden sharing. On the Korean side, it might be more defense industrial cooperation, U.S. help in enhancing South Korean overhead reconnaissance and intelligence capabilities.

You know, if things happen in the alliance that sort of change some of the trademark elements of the U.S. presence in Korea, and if they happen as part of an overall narrative and action plan that is strengthening the alliance, that doesn't look like it's weakening it, then I think anything is possible. Anything is possible. But what we want to avoid is sort of piecemeal, unilateral actions that are taken on either side that then decrease confidence between the allies and create concerns about the strength of deterrence – both in the eyes of the allies and the business community, as well as in the eyes of China and North Korea, that could make them prone to some sort of miscalculation.

Yeah, go ahead, Syd.

Mr. Seiler: Yeah, there's so many ways – I was just going to say there's so many ways in which we can do enhancement to the force structure. Just out of the fact that time has passed, warfare has evolved, and what we expect our troops to do on the ground, what we expect the Korean troops to be on the ground – where the ROK is making its investments, where we're taking a little risk because the U.S. brings the heavy architecture to the game. You know, there's ways, as Victor just mentioned, that, you know, we can accomplish this type of tweaking of the force structure in a way that enhances deterrence.

I think a hasty rush to an end-of-war declaration, and something kind of maybe not fully thought through in terms of teeing up a USFK troop reduction as a confidence-building measure to try to elicit some type of behavior out of North Korea, I don't even think Pyongyang is interested in something like that right now. And it's probably an area where we shouldn't let our imaginations wander too wild because, yes, the – you know, the death of the end-of-war declaration effort in the previous administration did not come on Donald Trump's watch primarily, but I don't know that Donald Trump would be suddenly as interested as Moon Jae-in was at the time in pushing forward for something that really yields nothing and makes you more vulnerable than not.

Mr. Kisling All right. Thanks to both of you. We have five or so minutes left here, and I think we have a couple questions we'll try to squeeze in if we can.

David Brunnstrom, question here: Given President Trump's enthusiasm for peacemaking, can you see any possibility of a return to a discussion of an end-of-war declaration that we saw in the first Trump administration? Victor, do you want to start there?

Dr. Cha: Sure. Thanks, David, for the question.

I mean, I think Syd partially answered the question with his last response. And the only thing that I would caveat is to say that it may not make sense from a North Korean perspective – as Syd said, they may not be interested in that – but we don't know how Donald Trump thinks about this. And I don't think anybody can say, even his closest advisors can say with certainty, what Donald Trump thinks about this. We do know that he – I mean, we can go by based on what he says. He wants to end all endless – he wants to end all wars, and he's trying to do it in Ukraine. He's trying to do it in the Middle East. And you know, he tried to do it between Thailand and Cambodia, some would argue successfully, although that wasn't the only variable. And you know, he may want to do it with the Korean Peninsula.

And as Katrin said, I mean, he has an appetite for big news – big events, big news, war and peace, you know, that sort of thing. So you can't – you can't say it's not – an impossibility that he would be interested in doing something like this. But again, as Syd said, if there's no interest on the other side, then the other thing is he doesn't want to fail, of course. The last thing he wants to do is fail. And again, here the DPRK-Russia relationship is instrumental, because if there's – if there is one reason why North Korea's not interested in any of these dialogues with the South Koreans and the Americans it's because of all they're getting from Russia, including the breaking of the sanctions regime – the U.N. sanctions regime.

North Korea, I think, is very transactional in terms of how it looks at diplomacy with the United States or with South Korea. They want to get something out of it. With South Korea it's always been sort of fertilizer and food and some of the inter-Korean economic cooperation projects. But they're getting, you know, exponentially more than that in their relationship with Russia right now, and with the United States it's always been sanctions lifting – which I'm sure they still have some interest in, but a lot of the sanctions are being circumvented by Russia and China today.

Mr. Kisling: All right. Thank you, Victor.

I'm going to stick with you, Victor, for our final question. We just have just a minute or two left here. On an issue on which we've done a lot of work at CSIS: Can you talk about shipbuilding, as Hanwha Ocean bought a shipyard in Philly and Hyundai Heavy Industries has an MOU with Huntington Ingalls? Is it a priority for the Trump administration?

Dr. Cha: Yeah. I mean, I certainly think it is. And Phil should weigh in here too. I certainly think it is a priority for the administration.

And you know, the South Koreans have worked very hard at engaging Trump on this. They've created their own sort of moniker for this, right? What is it, MAGSA – Make American Shipbuilding Great Again? MASGA? I'm getting it wrong, but – and but, again, a lot of the details need to be worked out. A huge sum of money has been proposed in terms of shipbuilding, but there's a lot of unanswered questions in terms of how this would work in terms of MRO – you know, in terms of maintenance, repairs, overhaul, these sorts of things. That seemed I'm not going to say straightforward, but one can see a path there. But in terms of South Korea partnering in American shipbuilding, there seem to be a lot of things that need to be worked out there.

And perhaps – you know, perhaps Lee and Trump's team will come with a plan for how they do that at this meeting on Monday. But Phil may have more to say on that.

Dr. Luck: I'll just add two seconds, but completely agree with everything Victor just said.

You know, I think this is definitely a huge priority of this administration. You know, there's many areas where they are seized on the gap in the industrial base between ourselves and the PRC, and this is certainly one where the gap is enormous. You know, I think this is a clear area where the ROK is a really important partner both, you know, in investments and upgrading here in the United States but also co-building, if that's possible.

But as Victor noted, I mean, the investments will come. You know, they'll be small relative to the need. But again, the devil is really in the details. So if they can come with a plan, that's certainly a step in the right direction. But I think that will be very much appreciated by this administration because there's a huge focus on it.

Mr. Kisling All right. We'll leave it there. Phil, thank you. Victor, thank you. Syd and Katrin, thank you for all of your remarks. And thanks to all of you for attending this call.

Please don't hesitate to reach out if we could be a resource ahead of the summit, during the summit, or following the summit. We're here to help. As I mentioned at the top of the call, we will be posting a transcript of this discussion on CSIS.org later today and we will email it to all of those who RSVPed. So thanks again to everybody for joining, and enjoy the rest of your day. Take care.

(END)