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Trump on South Korea deal: “very big deal”

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US President Donald Trump and South Korean President Moon Jae-in have signed a major agreement on Trump’s trade agenda.

At a conference in New York, Trump said the updates to the 2012 deal are “a very big deal”.

Whilst most analysts have said the changes to the trade deal are relatively modest, the US President described the pact as a “brand new agreement”.

“In addition to this deal, we have many in the works, and they are fair deals,” he added.

Simon Lester, a trade policy expert at the Cato Institute, a libertarian think tank said: “It hardly seems like it will have an impact.”

“I think [the Trump administration] needed to declare a victory, to just do something and sell it as a win.”

Under the new terms of the deal, South Korea has agreed to exempt 50,000 cars per US manufacturer per year from the South Korean safety requirements. This is double the current number.

South Korea is the US’s sixth-largest trading partner the two countries exchanged almost \$155 billion in goods and services in 2017.

The deal between the US and South Korea comes amid the ongoing trade war between the US and China.

Monday saw the latest tariffs take effect between the countries. The US has imposed tariffs on \$200 billion (£152 billion) worth of Chinese goods, whilst China retaliated with \$60 billion of US goods.

Beijing has accused Washington of engaging in “trade bullyism”.

Matthew Goodman, senior vice president at the Asian economics at The Center for Strategic and International Studies, said: “It’s hardly surprising the Chinese have called off these talks, they don’t really know who to talk to or what to talk about since the Trump administration has sent very mixed signals about what they want.”