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What Trump's return in US presidency means for Korea shipbuilders

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- by Shipping Telegraph

South Korean President Yoon Suk Yeol spoke with Donald Trump on Thursday to congratulate him on winning the U.S. presidency and they agreed to hold an in-person meeting at an early date.

Yoon and Trump held a phone call and discussed the close security and economic ties of their two countries across all areas, a senior South Korean official said on Thursday.

The office of the South Korean president confirmed that on November 7, president Yoon Suk Yeol had a phone call with the newly elected U.S. President Donald Trump and congratulated him.

According to various media outlets, the newly elected president indicated during his telephone conversation his incoming administration's intent to strengthen partnerships with Korean shipbuilders.

The importance of Korean shipbuilding as an asset to the U.S.-ROK alliance and to the network of global maritime democracies cannot be overstated.

Many analysts are evaluating Trump's victory, and analysing how South Korea could aid the American shipbuilding industry.

In February 2024, US Secretary Del Toro travelled to South Korea and Japan to meet with key shipbuilding executives. While in Korea, he toured Hanwha and HD Hyundai shipyards and met with company leaders.

Discussions were very productive and centered on attracting Korean investment in integrated commercial and naval shipbuilding facilities in the US, according to a statement from the US navy.

Specifically, Carlos Del Toro announced his objective to “attract the most advanced shipbuilders in the world to open U.S.-owned subsidiaries and invest in commercial shipyards in the U.S.”

The secretary’s trip to the Republic of Korea, Japan, and Palau, aligns with the Pentagon’s national defense industrial strategy, which calls for venture capital and new ideas to revive the U.S. industrial base.

Furthermore, the secretary emphasized the economic value of revitalizing U.S. shipbuilding: “Investment in dual-use shipyards in the United States will create good paying, blue collar and new-collar American jobs building the advanced ships that will protect and power the economy of tomorrow.”

Shipping Telegraph reported earlier this year that South Korea is stepping in to assist its shipbuilding sector by providing refund guarantee support worth KRW15 trillion (approximately \$10.85bn) to shipbuilders.

In a significant move to bolster South Korea’s shipbuilding industry, the Financial Services Commission (FSC) and the Ministry of Trade, Industry and Energy held a meeting with major shipbuilders and financial institutions to have talks on expanding export financing support for the shipbuilding industry.

During the meeting, measures to expand refund guarantee for shipbuilding contracts have been introduced through which 12 major banks and policy financial institutions will make available export financing support worth about KRW15 trillion (approximately \$10.85bn) to shipbuilders in the form of refund guarantees.