



THE PENINSULA

What Lee Jae Myung's Liberation Day Speech Reveals About His Trade and Foreign Policies

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South Korean President Lee Jae Myung's address commemorating the eightieth anniversary of Korea's liberation from Japanese colonial rule marked a major attempt to define the foreign policy posture of his new administration.

In his speech on August 15, the South Korean president articulated a forward-looking vision regarding trade and economic development. Lee was similarly positive regarding the country's future with "indispensable partner" Japan, foregoing more ideologically charged language and likely adding to optimism in the U.S. government that its two critical allies in Northeast Asia can become force multipliers in the region against mutual threats. But his stance on North Korea leaned toward familiar progressive framing, suggesting an administration willing to test the boundaries of pragmatism on issues of particular importance to its core constituencies.

On Trade and Economics

Lee's description of the global trade system enduring a series of complex "crises" makes sense from his position as the leader of a country more heavily reliant on the international economy than others. In [his speech](#), he noted that the U.S.-South Korea negotiations that produced a 15 percent across-the-board tariff rate on South Korean imports were a "wave" in the storm and warned of future turbulence. Indeed, for an export-dependent economy like South Korea, many worry that trade uncertainty is no longer an exception but the

baseline. His proposed solution involved continuing investments in strategic industries like semiconductors, artificial intelligence, and clean energy as a buffer against volatility. This is consistent with industrial policy trends across the developed world.

A speech marking Korea's liberation from colonialism was an unlikely medium for political economy, but what Lee chose to include suggests his trade strategy is, at present, more defensive than transformative. There are not many details outlining how Seoul might proactively shape the new trade rules. The 15 percent tariff floor offers temporary relief (consumer prices notwithstanding) but remains subject to the whims and moods of President Donald Trump. It is possible that South Korea will announce stronger institutional arrangements, such as sector-specific agreements and even more foreign direct investment, when Lee is in Washington for his first summit with Trump next week.

Pragmatism in Practice

In his August 15 speech, Lee framed Japan not as an adversary but as a necessary partner in navigating the new trade order. The decision to hold a summit on August 23 and 24 with Prime Minister Shigeru Ishiba reflects a recognition that South Korea-Japan cooperation is vital for South Korean supply chain resilience, national defense, and regional stability. It will be the first time that a South Korean president has traveled to Tokyo before Washington.

Although the occasion may have justified it, Lee avoided prescriptive comments on long-standing historical grievances. Nor did he demand anything or outline how exactly he expects Japan to resolve decades-long disagreements about its conduct and treatment of the Korean people while an imperial power. Lee's willingness to emphasize partnership while deferring historical debates reflects his newfound centrist instinct that differs from progressive predecessors, in addition to Lee himself when he was leader of the Democratic Party.

Like the relationship with the United States, more will likely be known after the upcoming summit. But unless Lee and Ishiba can begin codifying some sort of formal institutional framework on trade, the goodwill between their two countries risks ebbing away when domestic political incentives become too attractive to ignore. Regular and reliable meetings and dialogues on supply chains, coordination and codified agreements on export controls, and regular diplomatic talks at various levels of government—not just summit-level meetings every so often—are necessary to ensure South Korea and Japan can move their relationship forward.

The More Things Change

If Lee's Japan policy reflects pragmatism, his approach to North Korea suggests path dependence. His invocation of mutual and peaceful coexistence of two different Koreas was presented as a new direction, contrasting with previous President Yoon Suk Yeol's emphasis on freedom and liberal values. Yet the language is not new; it echoes decades of progressive inter-Korean policies.

Lee pledged to honor all past inter-Korean accords, including the 2018 Comprehensive Military Agreement, and committed to refraining from unspecified "hostile acts." Like former President Moon Jae-in, Lee stated his administration would pursue de-escalation

and coexistence rather than confrontation. He also reiterated support for denuclearization of the Korean Peninsula, an objective that will test Lee's pragmatism given the strident rejections of that objective from North Korea's top leadership.

A day prior to Lee's speech, the North Korean leader's powerful sister Kim Yo Jong belittled South Korea's attempts at de-escalation and claimed North Korea had "no interest" in changing its military conduct or softening its aggressive posture at the inter-Korean border.

While only a few months old, the Lee administration appears prepared to make the first steps or concessions that past progressives have made toward North Korea in an effort to initiate another period of detente. However, it is unclear how permanent such a period might be without buy-in from the Kim Jong Un regime.

Unlike his overall direction toward Japan, Lee appears ready to concede to his party's preferences on North Korea policy. This decision may be tested soon, as the United States and South Korea are currently conducting Ulchi Freedom Shield, the allies' largest annual military drills that Kim typically responds to with missile and other provocations.

Conclusion

President Lee's Liberation Day speech suggests that on trade and foreign policy, he is truly the pragmatic leader he claimed to be on the campaign trail. Early signs on North Korea, however, suggest he and his administration are reverting to familiar narratives and approaches. At present, trade and Japan policy are areas where compromise carries relatively low domestic political costs and offers tangible economic returns in South Korea. The Lee administration may feel bound by partisan expectations on inter-Korean relations, however, as well as the weight of precedent.

Looking ahead at Lee's summits in Tokyo and Washington this month, the questions will be whether South Korea is able to translate early pragmatism into an actionable trade strategy, institutionalize goodwill with Japan, and demonstrate flexibility in its North Korea policy if and when confronted by a potential contingency.

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Photo courtesy of the South Korean Presidential Office.

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