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[Trade, Industry, and Public Affairs Newsletter] The U.S. Maritime Action Plan (MAP) and Korea–U.S. Shipbuilding Cooperation

2026.03.13

Featured Analysis

The U.S. Maritime Action Plan (MAP) and Korea–U.S. Shipbuilding Cooperation

Ⅰ. Overview: The U.S. Maritime Action Plan (MAP) – Background and Implications

Announced on February 13, 2026, the United States' Maritime Action Plan (MAP) is a comprehensive strategy that redefines shipbuilding not merely as a manufacturing sector but as a core pillar of national security and economic security. The MAP is structured around four key pillars: modernization of the shipbuilding industry, maritime workforce development, protection of the industrial base, and strengthening of security and economic resilience. It combines several policy tools, including the designation of Maritime Prosperity Zones (MPZs), the imposition of fees on foreign-built vessels, the expansion of federal ship financing programs, and a "Bridge Strategy" with allied nations—to drive a broader shift. These developments are likely to create near-term opportunities for new shipbuilding orders for the Korean shipbuilding industry, while simultaneously generating medium- to long-term pressure to make direct investments in the United States. Navigating this evolving and complex regulatory landscape will be critical for Korean companies.

Ⅱ. The U.S. MAP, MPZs, and the Korean Shipbuilding Industry

1. Strategic Objective of the MAP: Achieving Industrial Security through a Self-Reliant U.S. Shipbuilding Supply Chain

The U.S. MAP did not emerge in isolation. It should be understood alongside the U.S. National Security Strategy (NSS) released in December 2025 and the National Defense Strategy (NDS) published in January 2026 — documents that set the strategic context within which the MAP serves as an implementation plan for rebuilding industrial and military capabilities in the maritime domain. The MAP does not treat the decline of the U.S. maritime industry as simply a matter of market competitiveness. Rather, the United States views its structural dependence on foreign-built vessels and foreign-flagged shipping as a strategic vulnerability in times of crisis. In response, the United States has reframed shipbuilding as part of the "Maritime Industrial Base" — a concept grounded in national security — and elevated the rebuilding of that base to a national priority. The MAP accordingly integrates multiple policy dimensions: shipbuilding industrial policy, trade policy, defense procurement policy, and industrial finance policy. While the plan envisions cooperation with allied nations, its ultimate objective is to build production capacity and technological capability within the United States itself — making it, at its core, an industrial security policy aimed at deepening strategic self-reliance.

2. The Four Pillars of the MAP: Investment, Workforce, Industrial Base, and Maritime Security

The MAP outlines a strategy for rebuilding the U.S. shipbuilding industry through four key pillars.

The **first pillar** focuses on restoring shipbuilding capacity. Concerned by the relatively low level of U.S. commercial shipbuilding, the plan seeks to modernize shipyards and expand production — through improved federal ship financing programs, tax incentives, supply chain diversification, and investment from allied nations.

The **second pillar** addresses maritime workforce and education. By supporting educational institutions and strengthening certification and training systems, the United States aims to expand its pool of skilled workers and sustain the growth of shipbuilding production.

The **third pillar** focuses on protecting the industrial base. Through procurement and trade policies — including port fees on foreign-built vessels — the MAP seeks to prioritize and reinforce domestic production.

The **fourth pillar** aims to strengthen national security and industrial resilience. By expanding naval capabilities and securing a strategic merchant fleet, the plan seeks to establish the shipbuilding industry as a core national strategic asset.

3. The Bridge Strategy: Korea–U.S. Shipbuilding Cooperation and the Push for Korean Investment in the United States

The MAP explicitly outlines a Bridge Strategy with allied nations. Under this approach, ships may initially be built at allied countries' shipyards, provided that the companies involved simultaneously invest in U.S. shipyards or establish joint ventures — with the long-term objective of transitioning production to the United States.

This is not an optional arrangement. It is a structural pathway embedded in U.S. policy. The U.S. government is promoting domestic shipbuilding investment through federal ship financing programs and incentives tied to Maritime Prosperity Zones (MPZs), while also leveraging regulatory and procurement mechanisms to the same end — including the Berry Amendment (which requires the Department of Defense to procure domestically produced goods), the Federal Acquisition Regulation (FAR), the Defense Federal Acquisition Regulation Supplement (DFARS), and port fees on foreign-built vessels. This framework extends beyond Korea's three major shipbuilders: it requires the participation of first- and second-tier suppliers across the supply chain, including engine manufacturers, combat systems companies, steel and

forging firms, and LNG equipment suppliers. The result is likely to be a shipbuilding supply chain cluster in the United States — comparable to the ecosystem that formed around Hyundai Motor's Georgia plant. Korean shipbuilding companies may therefore face consequential strategic decisions about whether to acquire U.S. firms, establish joint ventures, or pursue greenfield investments.

4. The MPZ Investment Framework: Security and Regulatory Compliance Requirements for Companies Entering the United States

One of the MAP's most significant elements for the Korean shipbuilding industry is the Maritime Prosperity Zones (MPZs). Up to 100 zones may be designated across the United States, each operating for ten years, with concentrated tax incentives, infrastructure support, expanded financing access, and workforce development programs. MPZs are designed not only for shipyards but as industrial clusters encompassing maritime supply chain firms and educational institutions — making them likely investment destinations for Korean shipbuilding companies.

That said, MPZs are not simply special economic zones, and investments in them should not be treated as ordinary foreign direct investment. Korean shipbuilding companies operating in MPZs will need to address a range of regulatory requirements in establishing and running their U.S. entities, including:

- review by the Committee on Foreign Investment in the United States (CFIUS);
- compliance with U.S. labor and immigration regulations; and
- environmental permits and approvals.

Companies must also comply with a range of national security–related regulatory regimes, including:

- the Berry Amendment, which requires the Department of Defense to procure domestically produced goods;
- the Federal Acquisition Regulation (FAR);
- the Defense Federal Acquisition Regulation Supplement (DFARS);
- the International Traffic in Arms Regulations (ITAR), administered by the Department of State;
- the Export Administration Regulations (EAR), administered by the Department of Commerce; and
- the Cybersecurity Maturity Model Certification (CMMC).

Given the complexity of securing incentives and maintaining compliance across these frameworks, managing such requirements through internal legal and compliance capabilities alone is likely to be difficult.

III. Conclusion: Structural Transformation of the Industry and Implications for Korean Companies

In sum, the MAP is a comprehensive policy document outlining the United States' strategy to reposition shipbuilding as a national security sector. Its four pillars — shipbuilding capacity, workforce development, industrial base protection, and national security resilience — form an integrated framework. Through instruments such as Maritime Prosperity Zones (MPZs) and the Bridge Strategy, the plan also channels investment by allied countries' companies into the United States.

For Korean shipbuilding companies, this presents near-term opportunities for new orders, while raising longer-term

strategic questions about whether to establish production bases in the United States. That transition will involve a complex regulatory environment shaped by both national security and trade policy considerations.

Companies in the sector will therefore need to move beyond traditional legal counseling and incorporate both industrial policy and national security–related regulatory compliance into their strategic planning. The MAP is not a temporary policy shift — it marks the beginning of a structural transformation of the shipbuilding industry likely to unfold over the next decade or more. Corporate strategies will need to reflect that horizon.

☞ How We Can Help

To support companies facing these challenges, the TIPA Center at Shin & Kim LLC provides counseling across three key areas.

First, we serve as a **Deal Architect** at the investment structuring stage, accounting for a range of regulatory considerations — including CFIUS review, export controls, procurement regulations, and tax and financing issues. We work closely with U.S. counsel to develop transaction structures that reflect regulatory requirements in both jurisdictions.

Second, we provide packaged compliance support for supply chain partners. Engine manufacturers, combat systems suppliers, steel and forging companies, and LNG equipment manufacturers are likely to face recurring compliance issues related to export controls, rules of origin, and cybersecurity certification — creating a need for compliance frameworks tailored to each company's regulatory exposure.

Third, we assist companies in aligning policy incentives with financing structures. Companies in this sector will require comprehensive, long-term strategic guidance to design investment structures that integrate federal ship financing programs, tax incentives, Korean policy financing, and the benefits available through Maritime Prosperity Zones (MPZs).

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Global Trade and Industry Focus

The European Union (EU) Tightens Electric Vehicle Regulations – Unveils Industrial Accelerator Act (IAA)

On March 4, 2026, the European Commission introduced the draft Industrial Accelerator Act (IAA).[1] By linking public procurement and subsidy eligibility to domestic production, the IAA mirrors the structural approach of the United

States' Buy American Act and the "Build America, Buy America" (BABA) provisions under the Infrastructure Investment and Jobs Act (IIJA). The key elements of the proposal are as follows:

1. Companies exporting electric vehicles to Europe must source at least 70% of non-battery components from European suppliers to qualify for subsidies and meet public procurement requirements.
2. The EU has set a target to increase manufacturing's share of GDP — currently 14% — to 20% by 2035.
3. Strategic sectors have been designated, including chemicals, automotive, artificial intelligence, space, and defense.
4. In strategic manufacturing sectors, foreign investments exceeding €100 million will be subject to requirements such as technology transfer, local workforce hiring, and joint ventures with European companies.

This legislation is structurally similar to the United States' Buy American Act and the "Build America, Buy America" (BABA) provisions under the Infrastructure Investment and Jobs Act (IIJA). Enacted in 1933, the Buy American Act has long favored U.S.-produced goods in public procurement and has been progressively strengthened across successive administrations. Under the Biden administration, the required domestic content threshold was gradually raised from 55% in 2022 to 65%, with a target of 75% by 2029. In 2021, the IIJA mandated the exclusive use of U.S.-produced steel, construction materials, and other components for federally funded infrastructure projects — a requirement that has remained in effect under the second Trump administration. The IAA marks the first time the EU has institutionalized a domestic content preference policy of this kind, departing from its prior adherence to the non-discrimination principle under the WTO Government Procurement Agreement (GPA). This is therefore not merely an extension of existing regulations but a fundamental shift in the EU's trade and industrial policy.

The draft must still undergo review and approval by both the European Parliament and the Council of the European Union, representing the governments of the 27 member states, before entering the trilogue process among the Commission, the Parliament, and the Council. Specific numerical targets and exemption provisions may be amended during that stage. The full legislative process is expected to take approximately one to two years. Once formally adopted, the law will be published in the Official Journal of the EU and will have direct legal effect across all member states from the specified effective dates, with major provisions expected to apply by 2029.

☞ How We Can Help

The IAA is currently moving through the legislative process, with its effective date anticipated between 2028 and 2029. Against this backdrop, the TIPA Center is committed to helping clients take preemptive action in three key areas.

First, legislative monitoring and scenario analysis. Key provisions — such as the methodology for calculating the 70% origin requirement and the scope of battery application — may shift during trilogue negotiations. We will build scenarios around likely negotiation variables and assess their implications for Korean companies in advance.

Second, supply chain and investment structure design across the U.S. and EU regulatory environments. For companies operating in both markets — particularly automotive and battery manufacturers — this means accounting for U.S. tariff rules alongside EU subsidy and state aid eligibility requirements. We will design integrated supply chain structures and investment location strategies calibrated to both jurisdictions.

Third, battery sector–specific analysis. Batteries are excluded from the 70% EV local content calculation, and cells receive separate exemptions — creating a distinct regulatory track for batteries relative to finished vehicles. We will assess the practical implications for Korean battery manufacturers' European investment strategies, including their positioning under the Critical Raw Materials Act (CRMA) and the Net-Zero Industry Act (NZIA).

USTR Report Cites South Korea's Commitment to Prohibit Digital Discrimination

In the 2026 Trade Policy Agenda and 2025 Annual Report submitted to Congress on March 3, the Office of the United States Trade Representative (USTR) explicitly referenced South Korea's government commitment to prohibit digital discrimination. Against this backdrop, the Korean government's response to the massive data breach affecting 33.7 million Coupang[2] customers in November 2025 has become a key flashpoint. U.S. investors in Coupang have initiated ISDS arbitration proceedings, on grounds that Korea has violated the Korea-U.S. FTA, alleging the Korean government's actions constitutes that the Korean government's actions constitute discriminatory enforcement against a U.S. companies. And they have separately petitioned the USTR for a Section 301 investigation. However, on March 9 the investors voluntarily withdrew their petition, citing expectations that the USTR would pursue a broader Section 301 investigation. Two days later, on March 11, the USTR did in fact announce the initiation of Section 301 investigations targeting 16 economies including Korea, focusing on structural excess capacity and production in manufacturing sectors. This forms part of a broader effort to rebuild the tariff framework on a Section 301 basis following the IEEPA ruling, with the scope of the investigations covering unfair trade practices at large—including subsidies, state-directed industrial policies, market access barriers, and currency practices. A second investigation relating to forced labor has also been announced, and the possibility of further investigations targeting digital regulations remains open. The ISDS arbitration proceedings, meanwhile, continue separately. The USTR has also warned that the Fair Trade Commission's proposed Online Platform Act could breach Korea's digital non-discrimination commitments, and has signaled a Section 301 investigation as a potential pressure tool. Digital regulation is accordingly expected to emerge as a central issue in Korea-U.S. trade relations.

☞ How We Can Help

Given the current focus on Korea's digital regulatory environment in Korea-U.S. trade relations, the TIPA Center is committed to supporting clients in two key areas.

For **Korean companies**, we preemptively assess the likelihood that domestic regulations — such as the Online Platform Act and the Personal Information Protection Act — could trigger U.S. Section 301 investigations or trade retaliation, and analyze the downstream effects on their U.S. market strategies.

For **foreign companies operating in Korea**, we evaluate all legal options available under the Korea-U.S. FTA and ISDS

framework in the event that Korean regulatory enforcement escalates into a trade dispute, and develop proactive compliance strategies informed by ongoing legislative monitoring.

Center for Trade, Industry and Public Affairs

The Center for Trade, Industry and Public Affairs ("**TIPA Center**") at Shin & Kim LLC is a **strategic counseling practice** that goes beyond conventional legal risk assessment to help companies navigate rapidly evolving geopolitical, trade, and industrial dynamics — and turn them into opportunities. The Center analyzes the impact of national regulatory regimes — including economic security measures, export controls, and tariffs — within their broader policy contexts, and integrates these insights into clients' overseas expansion strategies, investment structures, and supply chain decisions. The Center focuses on strategic industries including defense, energy and infrastructure, shipbuilding, batteries, semiconductors, and artificial intelligence, and offers an integrated approach to managing regulatory risks across the three major economic blocs — the United States, the European Union, and China — as well as other key jurisdictions.

[1] European Commission, Regulation of the European Parliament and of the Council on establishing a framework of measures for accelerating industrial capacity and decarbonisation in strategic sectors and amending Regulation (EU) 2018/1724, Regulation (EU) 2024/1735 and Regulation (EU 2024/3110 (the Industrial Accelerator Act) (Brussels, 2026, Leaked Draft)

[2]Coupang is South Korea's largest e-commerce platform and a NYSE-listed company majority-owned by U.S. investors.

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