

# 1 Trade in Goods

Transatlantic merchandise trade is the exchange of goods between the United States and Europe. When politicians talk about trade, they usually mean just trade in goods. When you see a chart about trade in the media, it usually depicts just trade in goods. Goods trade has become a standard shorthand for commercial connections between countries. But goods trade is just a subset of international commercial interactions, and often not the most valuable. It is important, however, so let's start here.

The United States and its NATO allies are not just committed to each other's defense, they are significant trading partners. Goods trade between the United States and its NATO allies totaled a record \$1.8 trillion in 2024.

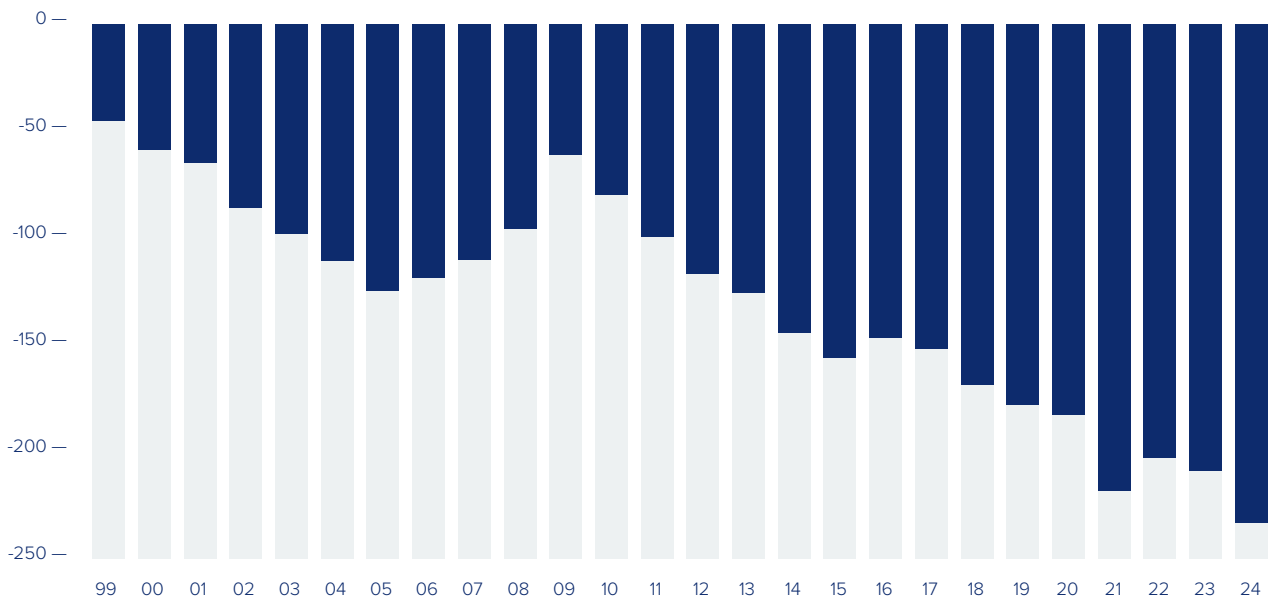
U.S. goods trade with Europe broadly defined was \$1.3 trillion in 2024. Most of that consisted of U.S. goods trade with the EU+UK of \$1.1 trillion.

The United States and the European Union are key partners for each other when it comes to international trade in goods. U.S.-EU goods trade

reached a record high of \$976 billion in 2024. The U.S. exported \$370 billion in goods to the EU and imported \$606 billion. This generated a U.S. trade deficit in goods with the EU of \$236 billion in 2024, about \$27 billion more than its 2023 trade deficit of \$209 billion (Table 1). The overall U.S. trade deficit is much lower, however, since the U.S. has a surplus in services trade with the EU. More on that in the next section.

Almost three-fourths (71%) of the U.S. goods trade deficit with the EU in 2024 was with two EU member states: Germany and Ireland. Germany is America's leading European goods trading partner. Bilateral goods trade totaled \$236 billion, about a quarter of overall U.S.-EU goods trade. The U.S. exported \$76 billion in goods to Germany and imported \$160 billion total, resulting in a U.S. goods trade deficit of \$84 billion, 36% of the U.S. goods trade deficit with the EU. U.S. goods trade with Ireland was also substantial at \$119 billion. The U.S. goods trade deficit with Ireland of \$87 billion was larger than that with Germany and represented 37% of the overall U.S. goods trade deficit with the EU.

**Table 1. U.S. Merchandise Trade Balance with the EU (\$Billions)**



Source: U.S. Census Bureau.

Among America's key European goods trading partners, the U.S. recorded goods trade surpluses with the Netherlands (+\$56 billion), the UK (+\$12 billion), Belgium (+\$6 billion) and Spain (+\$3 billion) (Table 2). The sizable trade surplus with the Netherlands represents surging U.S. LNG exports to Europe; the Netherlands is the largest single recipient of U.S. LNG in the world. Much of that is re-exported elsewhere within the EU.

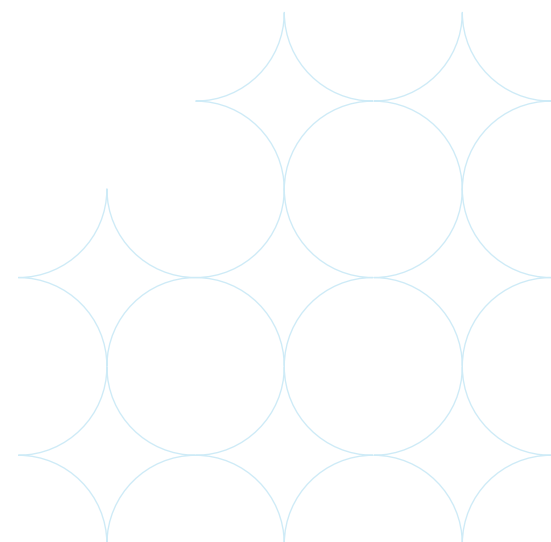
U.S. goods trade with USMCA partners Canada and Mexico of \$1.6 trillion in 2024 was 40% higher than U.S.-EU goods trade. The U.S. exported \$349 billion to Canada and \$334 billion to Mexico. It imported \$413 billion from Canada and \$506 billion from Mexico. The U.S. goods trade deficit with its USMCA partners of \$172 billion was lower than its goods trade deficit with the EU (Table 3).

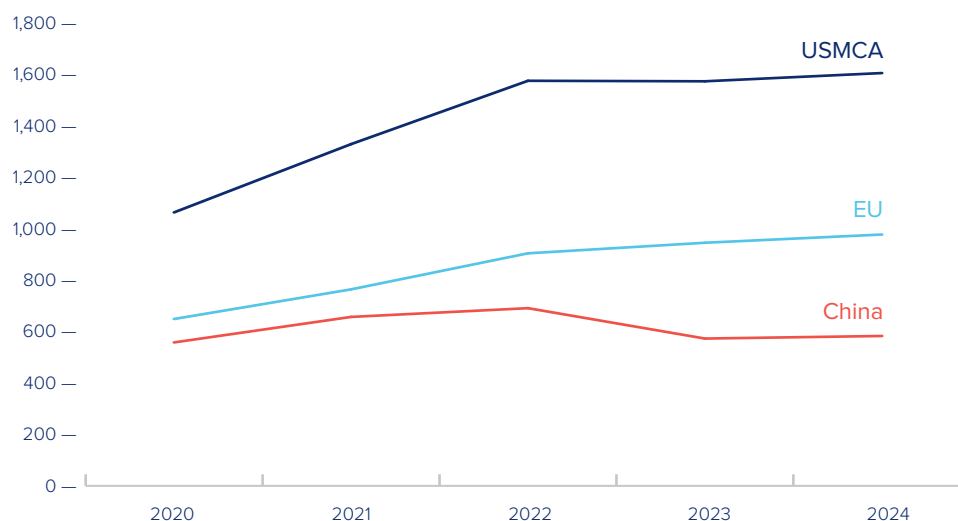
China's rise as a global goods powerhouse can easily lead one to conclude that China is the main trading partner of the United States and the EU. This is not true. U.S.-EU goods trade in 2024 (\$976 billion) was 60% higher than U.S.-China goods trade (\$583 billion) and 20% higher than EU-China goods trade (\$786 billion). The U.S. exported \$144 billion in goods to China and imported \$439 billion from China in 2024. This means that the U.S. goods trade deficit with China (\$295 billion) was higher than its goods trade deficit with the EU (\$236 billion), reflecting a considerable imbalance in U.S.-China goods trade, since the overall volume of U.S.-China trade is smaller than U.S.-EU goods trade.

**Table 2. U.S. Goods Trade with Europe, 2024**  
(\$Billions)

Partner	U.S. Goods Exports	U.S. Goods Imports	Balance
<b>European Union</b>	<b>370.2</b>	<b>605.8</b>	<b>-235.6</b>
Austria	4.5	17.6	-13.1
Belgium	34.2	27.8	+6.4
Bulgaria	0.5	1.5	-1.0
Croatia	1	1	0
Cyprus	0.2	0.1	+0.1
Czech Republic	4.3	8.1	-3.8
Denmark	5.8	10	-4.2
Estonia	0.4	1.1	-0.7
Finland	2.6	8	-5.4
France	44	59.9	-15.9
Germany	75.6	160.4	-84.8
Greece	2.6	2.2	+0.4
Hungary	3.3	12.7	-9.4
Ireland	16.5	103.3	-86.8
Italy	32.4	76.4	-44
Latvia	0.5	0.6	-0.1
Lithuania	1.9	2	-0.1
Luxembourg	1.1	0.7	+0.4
Malta	0.4	0.2	+0.2
Netherlands	89.6	34.1	+55.5
Poland	12	13.7	-1.7
Portugal	3	6.6	-3.6
Romania	1.3	3.9	-2.6
Slovakia	0.6	8.2	-7.6
Slovenia	0.3	6.3	-6.0
Spain	23.9	21.3	+2.6
Sweden	8.2	18	-9.8
<b>Non-EU Europe</b>			
Norway	46	65.8	-19.8
Switzerland	25	63.4	-38.4
Türkiye	15.3	16.7	-1.4
Ukraine	1.7	1.2	+0.5
United Kingdom	79.9	68.1	+11.8

Source: U.S. Census Bureau.



**Table 3. U.S. Top Goods Trading Partners (\$Billions)**

Source: U.S. Census Bureau.

### Europe: A Key Goods Trading Partner for the 50 U.S. States

Europe is a key goods trading partner for every U.S. state. Various European countries serve as key export markets for many U.S. states, a dynamic that creates and generates growth across the United States. Table 4 ranks the top 20 U.S. state goods exporters to Europe in 2023, the last year of available of full-year data. Texas easily ranked number one, followed by California, New York, and Louisiana. Texas alone exports more goods to Europe than the UK, France or Italy export to the United States – another sign of the important roles that energy and technological innovation play in the transatlantic economy.

U.S. merchandise exports to Europe are more than three times U.S. exports to China (Table 5). Forty-eight of the fifty U.S. states exported more goods to Europe than to China. New York's goods exports to Europe of \$34.6 billion were 9 times more than its exports to China of \$3.8 billion. Florida exported nearly 9 times more and Texas 4.5 times, while the largest state in the union, the Pacific coast state of California, exported roughly twice the amount of goods to Europe than to China.

These figures underestimate Europe's importance as an export destination for U.S. states because they do not include U.S. state exports of services, as we discuss next.

**Table 4. Ranking of Top 20 U.S. States Total Goods Exports to Europe, by Value (\$Billions)**

U.S. State	2023	2000	% Change from 2000	% Change from 2022
Texas	96.9	12.3	689	-2
California	35.3	27.9	26	1
New York	34.6	15.3	126	-23
Louisiana	31.9	6.4	400	-15
Massachusetts	16.7	13.1	28	41
Indiana	16.2	1.3	1110	48
Illinois	16.1	4.7	245	8
Pennsylvania	15.7	7.3	114	3
New Jersey	14.0	2.8	401	1
Florida	13.4	8.0	68	3
Kentucky	13.2	3.9	239	20
Georgia	13.1	3.3	300	16
North Carolina	11.9	4.6	159	23
South Carolina	11.8	4.0	197	13
Washington	9.9	5.0	97	12
Utah	9.5	3.1	210	3
Ohio	8.7	3.1	177	-8
Alabama	8.4	--	--	6
Tennessee	8.0	2.7	196	-12
Michigan	7.9	5.0	58	2
<b>U.S. Total</b>	<b>491.6</b>	<b>187.4</b>	<b>162</b>	<b>27</b>

Source: Foreign Trade Division, U.S. Census Bureau. Data as of January 2025.

**Table 5. U.S. State Exports of Goods to Europe and China, 2023** (\$Millions)

U.S. State	Europe	China
Alabama	8,393	3,742
Alaska	1,116	1,169
Arizona	6,515	1,603
Arkansas	1,257	348
California	35,281	16,866
Colorado	2,290	895
Connecticut	7,192	990
Delaware	1,115	417
Florida	13,399	1,659
Georgia	13,135	3,930
Hawaii	49	16
Idaho	339	181
Illinois	16,136	4,412
Indiana	16,234	4,876
Iowa	3,282	1,122
Kansas	2,641	873
Kentucky	13,192	2,858
Louisiana	31,907	13,936
Maine	471	123
Maryland	7,632	1,019
Massachusetts	16,733	3,325
Michigan	7,927	2,447
Minnesota	5,412	2,166
Mississippi	2,390	778
Missouri	2,889	594
Montana	348	112
Nebraska	1,074	666
Nevada	2,506	787
New Hampshire	3,291	350
New Jersey	14,004	2,280
New Mexico	383	262
New York	34,595	3,838
North Carolina	11,931	5,753
North Dakota	439	33
Ohio	8,701	2,767
Oklahoma	1,715	221
Oregon	3,672	4,032
Pennsylvania	15,651	3,055
Rhode Island	1,236	94
South Carolina	11,782	3,880
South Dakota	262	147
Tennessee	7,979	2,963
Texas	96,905	26,708
Utah	9,509	1,220
Vermont	423	150
Virginia	6,357	1,975
Washington	9,907	10,906
West Virginia	1,316	528
Wisconsin	6,390	1,493
Wyoming	71	85
<b>Total United States</b>	<b>496,459</b>	<b>147,778</b>

Source: Foreign Trade Division, U.S. Census Bureau.  
Data as of January 2025.

Putting goods and services trade together helps us understand the significance of overall transatlantic trade.

