

1 Trade in Goods

Transatlantic merchandise trade is the exchange of goods between the United States and Europe. Goods trade has become a standard shorthand for commercial connections between countries. When political leaders speak about trade, they usually are talking only about trade in goods. Charts about trade in the media usually depict just trade in goods. It is important to understand, however, that goods trade is just a subset of international commercial interactions, and often not the most valuable. It is important, though, so we begin here.

U.S. goods trade with Europe broadly defined was \$1.46 trillion in 2025. Most of that consisted of U.S. goods trade with the EU+UK+Switzerland of \$1.39 trillion.

U.S.-EU goods trade reached a record high of \$1.05 trillion in 2025.

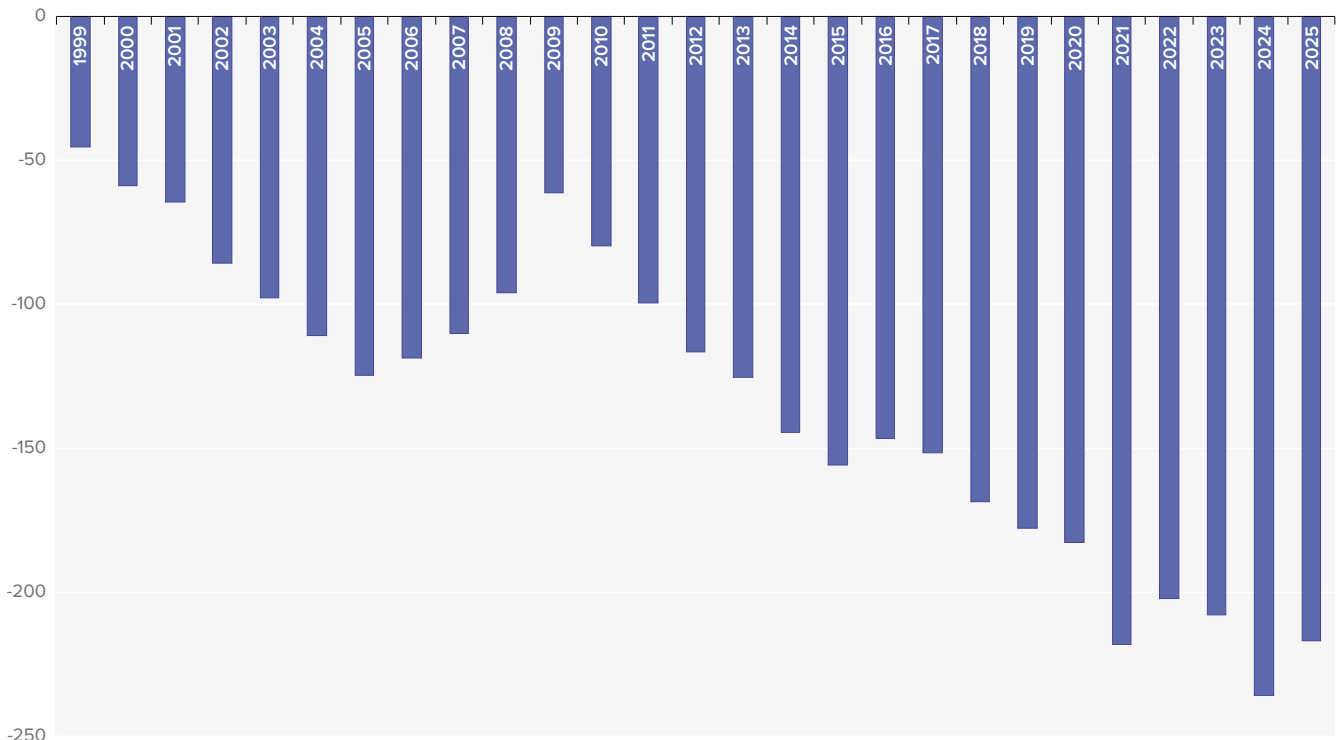
The United States and the European Union are key partners for each other when it comes to international trade in goods. U.S.-EU goods trade reached a record high of \$1.05 trillion in 2025. The U.S. exported \$414 billion in goods to the EU and imported \$633 billion. This generated a U.S. trade deficit in goods with the EU of \$219 billion in 2025, about \$17 billion (7%) less than its 2024 trade deficit of \$236 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.

Just two EU member states – Ireland and Germany – accounted for 86% of the U.S. goods trade deficit with the EU in 2025. Germany is America’s leading European goods trading partner. Bilateral goods trade totaled \$239 billion, 23% of overall U.S.-EU goods trade. The U.S. exported \$83 billion in goods to Germany and imported \$156 billion total, resulting in a U.S. goods trade deficit of \$76 billion,

TABLE 1.

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



Source: United States Census Bureau.

34% of the U.S. goods trade deficit with the EU as a whole. U.S. goods trade with Ireland was also substantial at \$153 billion. The U.S. goods trade deficit with Ireland of \$115 billion was larger than that with Germany, and represented 52% of the overall U.S. goods trade deficit with the EU.

U.S. goods exports to Switzerland almost tripled to \$72 billion and imports almost doubled to \$106 billion from their 2024 levels. U.S. imports from Ireland (\$134 billion) increased by about one-third over 2024 (\$103 billion).

Among America's key European goods trading partners, the U.S. recorded goods trade surpluses with the Netherlands (+\$60 billion), the UK (+\$31 billion), Belgium (+\$9 billion) and Spain (+\$4 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 \$1.59 trillion in 2025 was 50% higher than U.S.-EU goods trade. The U.S. exported \$337 billion to Canada and \$338 billion to Mexico. It imported \$383 billion from Canada and \$535 billion from Mexico. The U.S. goods trade deficit with its USMCA partners of \$243 billion was higher 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 2025 (\$1.05 trillion) was 2.5 times larger than U.S.-China goods trade (\$415 billion) and 24% higher than EU-China goods trade (\$858 billion). The U.S. exported \$106 billion in goods to China and imported \$308 billion from China in 2025. This means that the U.S. goods trade deficit with China (\$202 billion) was

less than its goods trade deficit with the EU (\$219 billion). The EU exported 2.8 times more goods to the United States than to China and imported 1.6 times more goods from China than from the

United States. The EU imported \$632 billion in goods from China and exported \$226 billion to China in 2025, leaving an EU goods trade deficit with China of \$406 billion.

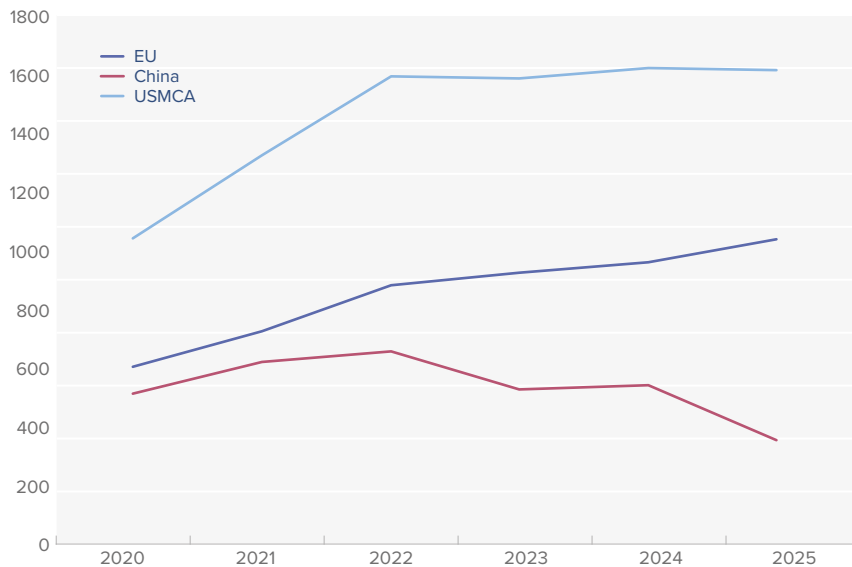
TABLE 2.

U.S. Goods Trade with Europe, 2025 (\$Billions)

	U.S. Goods Exports	U.S. Goods Imports	Balance
European Union	414.4	633.2	-230.2
Austria	5.4	18	-12.6
Belgium	36.4	27.7	8.7
Bulgaria	1.1	1.5	-0.4
Croatia	0.8	1	-0.2
Cyprus	0.2	0.1	0.1
Czech Republic	4.4	8.4	-4
Denmark	4.6	12.4	-7.8
Estonia	0.4	1	-0.6
Finland	2.8	8.3	-5.5
France	50	69.2	-19.2
Germany	83.1	159.2	-76.1
Greece	2.5	2.4	0.1
Hungary	3.4	12	-8.6
Ireland	19.3	133.9	-114.6
Italy	43.7	76.4	-32.7
Latvia	0.5	0.7	-0.2
Lithuania	2.6	2	0.6
Luxembourg	1.4	1	0.4
Malta	0.7	0.3	0.4
Netherlands	95.6	35.8	59.8
Poland	14.2	14.5	-0.3
Portugal	2.7	6.5	-3.8
Romania	1.4	4	-2.6
Slovakia	1	6.7	-5.7
Slovenia	0.5	3.2	-2.7
Spain	26.1	22.1	4
Sweden	9.2	16.5	-7.3
Non-EU Europe			
Norway	4.6	6.9	-2.3
Switzerland	71.7	106.4	-34.7
Türkiye	20.4	17.5	+2.9
Ukraine	2.4	1.5	+0.9
United Kingdom	97	66	+31

Data as of February 2026. Source: U.S. Bureau of Economic Analysis.

TABLE 3.
Top U.S. Goods Trade Partners (\$Billions)



Sources: U.S. Bureau of Economic Analysis.



EUROPE: A KEY GOODS TRADING PARTNER FOR THE 50 U.S. STATES

Europe is a key goods trading partner for every U.S. state. European countries serve as key export markets for many U.S. states, a dynamic that generates growth across the United States. European countries also supply a range of imports critical to U.S. domestic supply chains, helping to lower costs and expand choices for American companies and consumers. Table 4 ranks the top 20 U.S. states trading goods with Europe in 2024, the last year of available of full-year data. Texas easily ranked number one, followed by New York, California, Indiana, and New Jersey. Texas is also the top U.S. state exporter to Europe. In fact, 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. California, New York, Louisiana, and Indiana follow as top exporters. New Jersey is the number one U.S. state importer of goods from Europe, followed by Indiana, New York, Pennsylvania and Texas. Eight of the top 20 states enjoyed double-digit annual growth in trade with Europe over the sixteen years between 2009 and 2024, led notably by Indiana, whose trade with Europe is growing by an average 24% per year.

TABLE 4.
Top 20 U.S. States Total Goods Trade with Europe, 2024 (\$Billions)

U.S. State	Total	Exports	Imports	% Change of Total	
				from 2023	from 2009
Texas	151.1	102.7 (1)	48.4 (5)	3%	186%
New York	87.4	30.8 (3)	56.6 (3)	0%	93%
California	84.1	37 (2)	47.1	0%	79%
Indiana	78.5	19.8 (5)	58.7 (2)	24%	385%
New Jersey	73.8	13.5	60.3 (1)	4%	59%
Pennsylvania	63.9	14.9	49 (4)	17%	172%
Illinois	56.2	17.2	39	-5%	127%
North Carolina	54.7	11.5	43.2	18%	204%
Georgia	52.9	14.1	38.8	28%	140%
Kentucky	50.8	16.3	34.5	25%	310%
Florida	47.6	14.5	33.1	8%	137%
Tennessee	38.3	8.7	29.6	5%	177%
South Carolina	34.5	12	22.5	3%	107%
Louisiana	32.8	27.3 (4)	5.5	-12%	190%
Ohio	30.1	9.3	20.8	7%	80%
Massachusetts	29.7	14.8	14.9	-6%	56%
Puerto Rico	29	14.1	14.9	-5%	15%
Maryland	24.2	7.2	17	-7%	216%
Michigan	23	7.4	15.6	-6%	132%
Wisconsin	17.1	5.8	11.3	-11%	145%
U.S. Total	1,273.7	502.9	770.8	4%	116%

Parentheses denote top 5 state exporters to and importers from Europe. Source: Foreign Trade Division, U.S. Census Bureau. Data as of February 2026.

The United States exports 3.5 times more goods to Europe than 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 \$30.8 billion were 10 times more than its exports to China of \$3 billion. Florida exported nearly 9 times more and Texas 4.6 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, which we discuss next.



U.S. GOODS EXPORTS TO EUROPE

3.5x

greater than goods exports to China

TABLE 5.

U.S. State Exports of Goods to Europe and China, 2024 (\$Millions)

	Europe	China
Alabama	7,376	4,192
Alaska	1,330	1,514
Arizona	7,829	1,717
Arkansas	1,607	226
California	36,962	15,025
Colorado	2,377	759
Connecticut	6,800	1,456
Delaware	1,192	532
Florida	14,527	1,696
Georgia	14,111	3,055
Hawaii	55	20
Idaho	386	179
Illinois	17,238	4,711
Indiana	19,798	5,058
Iowa	2,783	927
Kansas	2,620	815
Kentucky	16,311	4,315
Louisiana	27,262	10,034
Maine	695	139
Maryland	7,233	1,169
Massachusetts	14,765	3,890
Michigan	7,419	2,063
Minnesota	5,093	2,006
Mississippi	2,376	591
Missouri	3,177	671
Montana	420	96
Nebraska	968	653
Nevada	2,793	889
New Hampshire	3,126	369
New Jersey	13,453	2,166
New Mexico	377	1,969
New York	30,841	2,958
North Carolina	11,466	5,920
North Dakota	292	36
Ohio	9,329	2,990
Oklahoma	2,096	215
Oregon	3,599	5,829
Pennsylvania	14,918	3,450
Rhode Island	1,367	125
South Carolina	12,005	3,417
South Dakota	215	153
Tennessee	8,676	3,550
Texas	102,724	22,486
Utah	10,576	1,143
Vermont	382	139
Virginia	6,723	1,376
Washington	8,091	11,874
West Virginia	1,064	443
Wisconsin	5,804	1,554
Wyoming	90	128
Total United States	502,853	143,227

Data as of January 2026. Source: U.S. Census Bureau, Foreign Trade Division.