

Trump Trade Actions Affect U.S. Exports and Imports

Canada Slips as Largest U.S. Export Market

U.S. exports rose more than 6 percent in the second quarter of 2025 compared with 2024. Canada has been the largest market for U.S. goods exports for decades. But in the second quarter of 2025, it slipped to second, as U.S. exports to our northern neighbor dropped 9 percent from the second quarter of 2024. During the same time period, U.S. exports to Mexico also fell, but only by 2 percent, making it the top market for U.S. goods.

For years, the North American market (Canada and Mexico) has accounted for approximately one-third of the U.S. export market. But in the second quarter of this year, North America’s market share shrank to only 30 percent. China long has been the third-largest market for U.S. goods; however, it dropped to fifth as American exports to China, the second-largest consumer economy globally, plunged 29 percent in the second quarter of 2025 from the comparable period in 2024. In fact, all top 10 export markets have shifted their ranking from the second quarter of 2024 to the same quarter this year.

Top 10 Markets for U.S. Exports, 2 nd Q. 2024 vs. 2 nd Q. 2025					
Q2 2024 Rank	Q2 2025 Rank	Country	Q2 2024 Exports	Q2 2025 Exports	Change
		World	\$518 B	\$551 B	6%
#2	#1	Mexico	\$86 B	\$84 B	-2%
#1	#2	Canada	\$91 B	\$83 B	-9%
#4	#3	Netherlands	\$22 B	\$25 B	17%
#6	#4	United Kingdom	\$19 B	\$25 B	29%
#3	#5	China	\$34 B	\$24 B	-29%
#7	#6	Germany	\$19 B	\$21 B	12%
#5	#7	Japan	\$20 B	\$21 B	3%
#21	#8	Switzerland	\$6 B	\$20 B	235%
#8	#9	South Korea	\$17 B	\$17 B	2%
#11	#10	Taiwan	\$11 B	\$14 B	22%
Source: U.S. Census Bureau					

For now, U.S. businesses appear to be expanding sales to several markets outside of North America and China, including the Netherlands, the United Kingdom, Germany, Switzerland, and Taiwan. U.S. shipments of goods to these markets rose significantly in the second quarter of 2025. It remains to be seen whether this pattern holds through the remainder of 2025.

Chinese Imports to the United States Shrink

Like export markets, Trump’s tariffs are significantly affecting U.S. import markets by imposing higher tariffs on most countries in recent months. U.S. import shipments rose about 1 percent in the second quarter of this year compared to 2024.

Taken together, more than a third of all imports are shipped to the United States from Canada, Mexico, and China. Imports climbed a modest 3 percent from Mexico, the U.S.’s largest import market. At the same time, shipments from Canada slipped 15 percent. U.S. manufacturers are working to “derisk” their supply chains by moving away from China to sourcing from factories located in other Asian countries. U.S. government data show Chinese import shipments fell 36 percent from China in the last quarter of 2025, while shipments expanded from Taiwan (+72 percent), Vietnam (+50%), and India (+22%).

Top 10 Markets for U.S. Imports, 2 nd Q. 2024 vs. 2 nd Q. 2025					
Q2 2024 Rank	Q2 2025 Rank	Country	Q2 2024 Imports	Q2 2025 Imports	Change
		World	\$812 B	\$818 B	1%
#1	#1	Mexico	\$129 B	\$133 B	3%
#2	#2	Canada	\$104 B	\$89 B	-15%
#3	#3	China	\$101 B	\$65 B	-36%
#7	#4	Vietnam	\$33 B	\$49 B	48%
#8	#5	Taiwan	\$28 B	\$48 B	72%
#4	#6	Germany	\$41 B	\$38 B	-9%
#5	#7	Japan	\$37 B	\$38 B	2%
#6	#8	South Korea	\$35 B	\$33 B	-7%
#9	#9	Ireland	\$25 B	\$31 B	24%
#10	#10	India	\$23 B	\$29 B	22%
Source: U.S. Census Bureau					

Trump Trade Effect Creates Business Uncertainty

This year, President Trump has imposed stiff retaliatory tariffs on many countries, including Canada, China, the European Union, Japan, South Korea, and India. Some of our trading partners are becoming increasingly vocal in their opposition. The backlash in Canada has led to ‘Buy Canadian’ calls, souring the relationship with our once-largest international export market. The Trump Administration’s recent trade arrangements raise many more questions than offer answers. What we do know is Trump’s extensive new tariff regime, the effects of which have yet to be fully felt, has already shaken many U.S. businesses, disrupted supply chains, will surely increase costs for businesses and ultimately prices for U.S. consumers. The legality of Mr. Trump’s unilateral tariff regime is being challenged in U.S. courts.