This article discusses the development of the European Union’s (EU) international trade in goods. It considers the EU’s share in world import and export markets, intra-EU trade (trade between EU Member States), the EU’s main trading partners, and the EU’s most widely traded product categories.

The EU-28 accounts for around 15% of the world’s trade in goods. The value of international trade in goods significantly exceeds that of services (by about three times), reflecting the nature of some services which makes them harder to trade across borders.

This article is part of an online publication providing recent statistics on international trade in goods, covering information on the EU’s main partners, main products traded, specific characteristics of trade as well as background information.

The three largest global players for international trade: EU, China and the USA

The EU-28, China and the United States have been the three largest global players for international trade (see Figure 1) since 2004 when China passed Japan. In 2018, the total level of trade in goods (exports and imports) recorded for the EU-28 was EUR 3 935 billion (note this does not include intra-EU trade), which was EUR 16 billion lower than the estimated value for China and EUR 341 billion above the level recorded for the United States; Japan had the fourth highest level of trade in goods, at EUR 1 259 billion.
In 2018, the ratio of exports to imports (the cover ratio) was particularly high in favour of exports for Russia, Brazil and China (see Figure 2), while in absolute terms China and Russia had the largest annual trade surpluses. In 2018, the United States had the largest deficit (see Figure 3), continuing a pattern that has been apparent over the whole of the last decade for which data are available.
Figure 2: Cover ratio for international trade in goods, 2008 and 2018, (%)
Source: Eurostat (ext_lt_introle), Comtrade and UNCTAD
Looking at the flows of exports and imports, the EU-28 had the second largest share of global exports and imports of goods (see Figures 4 and 5) in 2018: the EU-28’s exports of goods were equivalent to 15.5 % of the world total, and in 2014 were surpassed for the first time since the EU was founded by those of China (16.1 % in 2014, rising to 17.0 % in 2018), but still ahead of the United States (11.2 %). The United States had a larger share of world imports (17.0 %) than either the EU-28 (15.2 %) or China (13.9 %) in 2018.
Figure 4: Shares in the world market for exports of goods, 2018 (% share of world exports)

Source: Eurostat (ext_lt_introle), Comtrade and UNCTAD
A small deficit for extra-EU trade in 2018 after five years of surpluses

EU-28 international trade in goods with the rest of the world (the sum of extra-EU exports and imports) was valued at EUR 3 936 billion in 2018 (see Figure 6). Both imports and exports were higher in comparison with 2017, with the increase for imports (EUR 123 billion) smaller than that for exports (EUR 77 billion). As a result, the EU-28’s small trade surplus of EUR 22 billion in 2017 turned into a small deficit of EUR 25 billion in 2018.

After experiencing a sharp fall in both exports and imports in 2009, the EU-28 saw its exports rise 58.7 % over four years to EUR 1 736 billion in 2013. Between 2013 and 2016 exports remained relatively stable but in 2017 they increased by 7.7 % compared to 2016 and in the following year increased by 4.1 %. Imports followed roughly the same pattern as exports; they increased 8.7 % from 2016 to 2017 and 6.6 % from 2017 to 2018. The result was that for the first time since 2013 the EU-28 had a small trade deficit.
Among the EU Member States, Germany had by far the highest share of extra EU-28 trade in 2018, contributing 28.0% of the EU-28’s exports of goods to non-member countries and accounting for almost one fifth (18.6%) of the EU-28’s imports (see Figure 7). The next three largest exporters, the United Kingdom (11.0%), Italy (10.5%) and France (10.4%), remained the same as in 2017 and were the only other EU Member States to account for a double-digit share of EU-28 exports. The Netherlands (14.9%), the United Kingdom (14.2%), France (8.9%) and Italy (8.7%) followed Germany as the largest importers of goods from non-member countries in 2018. The relatively high share for the Netherlands can, at least in part, be explained by the considerable amount of goods that flow into the EU through Rotterdam, which is the EU’s leading sea port.
The largest extra EU-28 trade surplus in goods, valued at EUR 360.9 billion in 2018, was recorded by Germany, followed by Ireland (EUR 70.0 billion) and Italy (EUR 67.5 billion). The largest trade deficits for extra-EU trade in goods were EUR 272.5 billion for the Netherlands and EUR 121.5 billion for the United Kingdom (see table B in the excel file attached below).

**Highest share for intra-EU trade in goods in Luxembourg and Slovakia**

Trade in goods between EU Member States (intra-EU trade) was valued — in terms of exports — at EUR 3 518 billion in 2018. This was 80 % higher than the level recorded for exports leaving the EU-28 to non-member countries of EUR 1 956 billion (extra-EU trade).

Intra EU-28 trade — again measured by exports — increased by 5.0 % across the EU-28 between 2017 and 2018. Considering exports, double digit growth between 2017 and 2018 was registered for Malta (23.3 %), Greece (13.9 %), Ireland (12.3 %) and Slovenia (10.8 %) while only Luxembourg (-1.9 %) saw a reduction of its intra-EU exports. In imports Malta (20.8 %) and Ireland (13.2 %) had double digit growth while no EU Member State saw a decline of its imports.

As with extra EU-28 trade, Germany was also the EU Member State with the highest level of intra-EU trade in 2018, contributing 22.2 % of the EU-28’s exports of goods to other Member States and also just over one fifth (20.9 %) of the EU-28’s imports of goods from other Member States (see Figure 8). The Netherlands (13.0 %) was the only other Member State to contribute more than one tenth of intra-EU exports, again a consequence of the Rotterdam effect, while France (11.5 %) was the only other Member State to account for more than one tenth of intra-EU imports.
The importance of the EU’s internal market is underlined by the fact that intra-EU trade in goods (exports and imports combined) was higher than extra-EU trade (exports and imports combined) for each EU Member State (see Figure 9). The proportion of total trade in goods that was accounted for by intra-EU and extra-EU flows varied considerably across the Member States, reflecting to some degree historical ties and geographical location. The highest shares of intra-EU trade (around 80% of total trade) were recorded for Hungary, Czechia, Slovakia and Luxembourg with this ratio falling to 50.3% in the United Kingdom.
Between 2008 and 2018, the development of the EU-28’s exports of goods by major trading partner varied considerably. Among the main trading partners, the highest growth rate was recorded for exports to China which almost trebled, while exports to South Korea almost doubled (see Figure 10). Exports to Norway grew more slowly and were only 23 % higher in 2018 than they had been in 2008, while there was a decline of 19 % in the level of EU-28 exports to Russia over the period under consideration.

On the import side, between 2008 and 2018 the EU-28 saw a decrease in the value of its imports of goods from Norway (-13 %), Japan (-8 %) and Russia (-7 %); for Norway and Russia these changes reflect, at least in part, changes in the price of oil and gas. The greatest increases were registered for imports from Turkey (+64 %), China (+58 %) and India (+55 %).
The United States remained, by far, the most common destination for goods exported from the EU-28 in 2018 (see Figure 11). Its share of 20.8% was more than that of the next two countries combined. China was the second most important destination market for EU-28 exports in 2018 (10.7% of the EU-28 total), followed by Switzerland (8.0%). As in previous years, Russia (4.4%) and Turkey (4.0%) had almost equal shares. The seven largest destination markets for EU-28 exports of goods — the United States, China, Switzerland, Russia, Turkey, Japan and Norway — accounted for more than half (53.9%) of all EU-28 exports of goods.
The seven largest suppliers of EU-28 imports of goods were the same countries as the seven largest destination markets for EU-28 exports, although their order was slightly different (compare Figures 11 and 12). These seven countries accounted for a larger share of the EU-28’s imports of goods than their share of EU-28 exports of goods: three fifths (59.1 %) of all imports of goods into the EU-28 came from these seven countries. China was the origin for almost one fifth (19.9 %) of all imports into the EU-28 in 2018 and was the largest supplier of goods imported into the EU-28. The United States’ share of EU-28 imports of goods was 13.5 % which was two thirds of that of China. The top seven also included Russia (8.5 %), Switzerland (5.5 %), Norway (4.2 %), Turkey (3.8 %) and Japan (3.6 %).
Main trading partners for imports of goods, EU-28, 2018
(% share of extra EU-28 imports)

Figure 12: Main trading partners for imports of goods, EU-28, 2018 (% share of extra EU-28 imports)
Source: Eurostat (ext_lt_mainEU)

Large trade surplus for machinery & vehicles and chemicals

Between 2013 and 2018, the value of the EU-28’s extra-EU exports increased for most product groups shown in Figure 13, with the exception of exports of energy which fell by 6.4 %. The highest growth rate for exports was reported for chemicals for which an increase of 30.2 % was observed, while double-digit growth rates were also recorded for food & drink (16.6 %), other manufactured goods (14.8 %), machinery vehicles (14.0 %) and raw materials (11.9 %).

On the import side, there was a similar pattern observed, with a large overall reduction in the level of extra-EU imports of energy (-17.3 %) between 2013 and 2018; note that some of the losses may be attributed to price changes and/or exchange rate fluctuations, with oil being priced on global markets in US dollars. By contrast, extra-EU imports of machinery vehicles rose by 41.4 % overall between 2013 and 2018, with relatively high growth rates also recorded for other manufactured goods (29.6 %), chemicals (20.4 %) and food & drink (20.4 %).
The EU-28’s extra-EU trade deficit for goods of EUR 24.6 billion in 2018 was driven by a large trade deficit in energy (EUR 299.1 billion) together with smaller deficits in other manufactured goods (EUR 55.7 billion) and raw materials (EUR 30.8 billion). These could not be offset by the trade surpluses in machinery & vehicles (EUR 189.5 billion), chemicals (EUR 152.2 billion) and food & drink (EUR 9.1 billion).

Figure 13: Extra EU-28 trade by main products, EU-28, 2013 and 2018 (billion EUR)

Source: Eurostat (ext_lt_intertrd)

The structure of the EU-28’s exports of goods did not change much between 2013 and 2018 (see Figure 14) apart from a 2.5 percentage points (p.p.) increase for chemicals rising from 15.7 % in 2013 to 18.2 % in 2018 and a similar decrease for other products.
For the structure of the EU-28's imports there were changes for the three largest product groups between 2013 and 2018. The largest change was for other manufactured goods, whose share fell by 8.7 p.p. from 29.6% to 20.9% (see Figure 15). By contrast, over the same period the share of machinery & vehicles rose with 5.4 p.p. from 25.9% to 31.3% and the share for chemicals rose with 2.4 p.p. from 22.6% to 25.0%.
Figure 15: Main imports by product, EU-28, 2013 and 2018 (% share of extra EU-28 imports) Source: Eurostat (ext_lt_intratrd)

Figure 16 contrasts the structure of the EU-28’s imports and exports in 2018: it should be borne in mind that the overall level of exports was 1.3% lower than the level of imports. The most notable differences is in the share of energy which was 3.6 times as high for imports as exports. This was balanced by lower import shares for machinery & vehicles and for chemicals.
Figure 16: Main exports and imports by product, EU-28, 2018(% share of extra EU-28 exports/imports)Source: Eurostat (ext_lt_intratrd)

Source data for tables and graphs
- International trade in goods: tables and figures

Data sources
Statistics on the international trade of goods measure the value and quantity of goods traded between EU Member States (known as intra-EU trade) and goods traded by Member States with non-member countries (known as extra-EU trade). These statistics are the official source of information about imports, exports and the trade balance in the EU, its Member States and the euro area.

Statistics are published for each declaring country with respect to each partner country, for several product classifications. One of the most commonly used product classifications is the standard international trade classification (SITC Rev. 4) of the United Nations (UN); this allows a comparison of international trade statistics to be made on a worldwide basis.

In extra-EU trade statistics, the data shown for the EU-28 treat this entity as a single trading block. In other words, the data for exports relate only to those exports from the EU-28 that leave the trading block and are destined for the rest of the world, while extra-EU imports relate to imports from the rest of the world (non-member countries) coming into the EU-28. By contrast, when reporting data for individual EU Member States, international trade flows are generally presented in terms of world trade flows (including both intra-EU and extra-EU partners). Statistics on trade between the EU Member States (intra-EU trade) cover imports and exports of goods recorded by each Member State.

The statistical values of extra- and intra-EU trade are recorded at their free-on-board (FOB) value for ex-
ports and their cost, insurance and freight (CIF) value for imports. The values reported comprise only those subsidiary costs (freight and insurance) which relate, for exports, to the journey within the territory of the EU Member State from which the goods are exported and, for imports, to the journey outside the territory of the Member State into which the goods are imported.

EU data come from Eurostat’s COMEXT database, the reference database for international trade in goods. It provides access not only to both recent and historical data from the EU Member States, but also to statistics for a significant number of non-member countries. Aggregated and detailed statistics for international trade in goods as disseminated through Eurostat’s website are compiled from COMEXT each month. As COMEXT is updated on a daily basis, data published on the website may differ from the data found in COMEXT (in case of recent revisions).

Context
Statistics on the international trade of goods are used extensively by decision makers at an international, EU and national level. Businesses may use international trade data to carry out market research and define their commercial strategy. Statistics for international trade in goods are also used by EU institutions in their preparation of multilateral and bilateral trade negotiations, for defining and implementing anti-dumping policies, for the purposes of macroeconomic and monetary policies, and in evaluating the progress of the single market, or the integration of European economies.

The development of trade can be an opportunity for economic growth. The EU has a common trade policy, whereby the European Commission negotiates trade agreements and represents the EU’s interests on behalf of its 28 Member States. The European Commission consults EU Member States through an advisory committee which discusses the full range of trade policy issues affecting the EU including multilateral, bilateral and unilateral instruments. As such, trade policy is an exclusive power of the EU — so only the EU, and not individual Member States, can legislate on trade matters and conclude international trade agreements. More recently, this scope has been extended beyond trade in goods, to cover trade in services, intellectual property and foreign direct investment (in chapter 4).

Globally, multilateral trade issues are dealt with under the auspices of the World Trade Organisation (WTO). The WTO has 164 members (as of March 2017), with several candidate members in the process of joining. The WTO sets the global rules for trade, provides a forum for trade negotiations, and for settling disputes between members. The European Commission negotiates with its WTO partners and participated in the latest round of WTO multilateral trade negotiations, known as the Doha Development Agenda (DDA).

Other articles
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- Regulation (EC) No 471/2009 of 6 May 2009 on Community statistics relating to external trade with non-member countries


External links

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