

Tennessee International Trade Report 4th Quarter 2025

Tennessee exports rose to \$9.7 billion in the fourth quarter of 2025, a gain of over \$400 million from the fourth quarter of a year earlier. But this 4.7% increase still lagged America's overall export gain of 9.3%. Tennessee ranked #22 among all states in its quarterly percentage gain. The quarter caps a rather disappointing year for exporters. State exports for the entire year were down nearly \$2 billion from 2024.

It was not a good quarter for the Tennessee Auto Industry

One of 2025's most unfortunate trends continued in the 4th quarter: a major decline in automotive sector exports. The state's shipments of SUVs declined by more than half, to only \$65 million. We might remember that a mere four years ago, Tennessee was shipping some \$400 million in SUVs a quarter. Car exports (sedans) did gain \$30 million, a partial recompense. But automotive engine exports were down \$100 million, while a wide variety of automotive-related exports such as tires, auto bodies, drive axles, and steering wheels also suffered a bad quarter. These losses, bad as they were, were dwarfed by collapses in the exports of lithium-ion batteries and parts for electric storage batteries. Exports of these were just \$7 million for the quarter, as opposed to \$217 million a year ago. Not all of these go into automobiles, but an estimated ninety percent do. In total, automobiles and products that go into them account for a loss of about \$400 million this past quarter.

... but it was a great quarter for the Communications and Computer Sectors

If the automotive sector was the bad news, computers and communications equipment were the major good news. Smartphones were the quarter's undoubted star. The value

Figure 1: Tennessee Monthly Exports

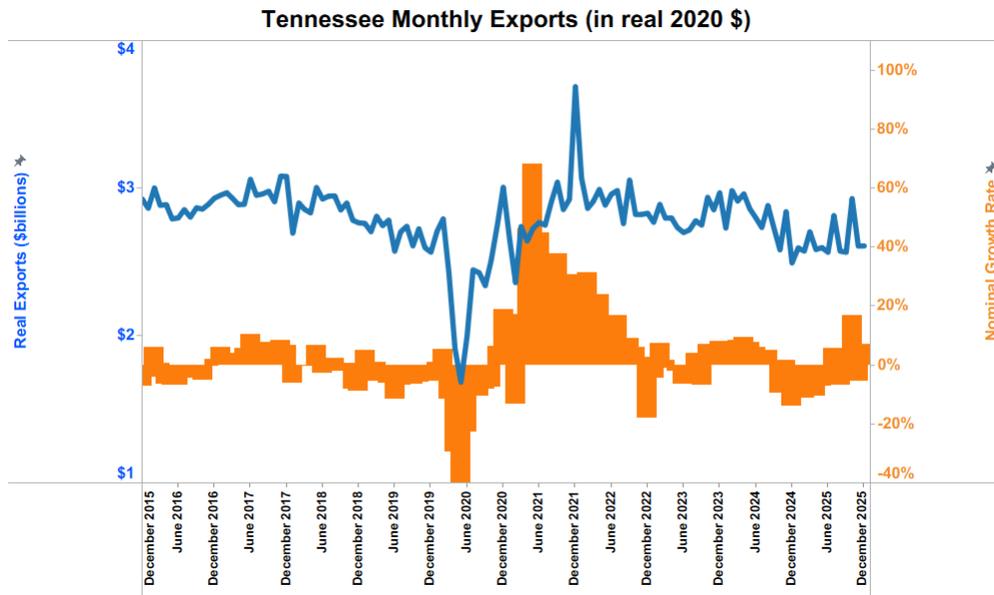


Figure 2: Tennessee's Largest Export Sectors

	Exports	Change from Last Quarter	Change from Last Year
Medical Equipment	\$1,142,427,758	17.12%	-3.31%
Communications Equipment	\$902,022,835	50.47%	49.76%
Computer Equipment	\$872,889,875	48.07%	-13.08%
Navigation/Measuring/Medical/Contr..	\$684,069,309	12.02%	-1.52%
Motor Vehicle Parts	\$514,357,147	-12.50%	-0.65%
Pharma and Medicines	\$444,263,707	85.82%	62.93%
Aerospace	\$400,921,321	44.35%	17.15%
Basic Chemicals	\$382,076,246	-16.96%	-12.01%
Plastics	\$288,153,147	-25.46%	-9.31%
Waste and Scrap	\$285,787,296	67.63%	-31.66%

Figure 3: Fastest Changing Exports

		Exports	Growth	Decline
Fastest Growing	Semiconductor Inspection Instrum..	\$38,979,976	270782.4%	
	Misc. Computer Storage Units	\$88,044,974	2554.4%	
	Immunological Products	\$16,025,948	502.5%	
	Gold	\$16,750,248	409.6%	
	Computer Networking Equipment	\$141,523,934	232.1%	
Largest Declines	Turbojets Exceeding 25 Kn	\$0		-100.00%
	Electric Storage Battery Parts	\$677,020		-99.29%
	Lithium Ion Batteries	\$6,163,311		-94.93%
	Misc. Computers (except laptops)	\$11,592,716		-77.02%
	Indicator panel & Alarm Parts	\$4,273,677		-72.87%

Among the state's top 100 exported goods (at 6-digit HS level).

of smartphone exports soared \$200 million to \$742 million for the quarter. This was enough for the sector to surpass medical instruments as the single largest Tennessee export sector (at the 6-digit hs). Additionally, the collection of technologies involved in receiving and transmitting communications (routers, modems, switching gear, etc.) had a similarly big quarter, growing from \$43 million to \$142 million, a gain of a cool \$100 million. By the way, the rise of smartphones to the top export was not because medical instruments had a bad quarter! Medical instrument exports themselves were very strong, growing by \$170 million.

The other big sector this quarter was computers. Shipments of computer components (motherboards, etc.) grew by 84%, to \$499 million, from a year ago. Exports of computer storage devices (hard drives, etc.) also increased dramatically, from \$3 million to \$88 million. In total, Tennessee exported over \$740 million in computer equipment last quarter. (This included \$154 million of laptops. The state is not a major exporter of all-in-one type desktops.)

A Tough Quarter in North America, A Good Quarter Almost Everywhere Else

Turning from products to countries, most of Tennessee's auto related shipments go to Mexico and Canada, so it should be no surprise that state's two major markets both performed poorly. Exports to Canada lost about \$200 million (an 11% decline), while those to Mexico, where auto-related exports are even more dominant, dropped by a bit more than that, a nearly 25% decline.

Things were much better elsewhere. Powered by large gains in Germany and the Netherlands, Tennessee exports to the euro market rose from \$1.44 billion to \$1.78 billion. The story in Germany was precious metal waste and scrap, an odd "sector" that includes used catalytic converters which can be recycled. Computers, medical instruments, and laboratory reagents were the big gainers in the Netherlands. Outside the euro zone, exports to the U.K. were also very strong, up 20%, despite the failure to repeat the 2024 4th quarter's large sale of turbojets. That failure led turbojets to being the state's worst performing exported good for the quarter. Its global sales fell to flat zero.

Asian markets were also strong. Though shipments to China fell \$41 million for

Figure 4: Tennessee's Largest Export Markets

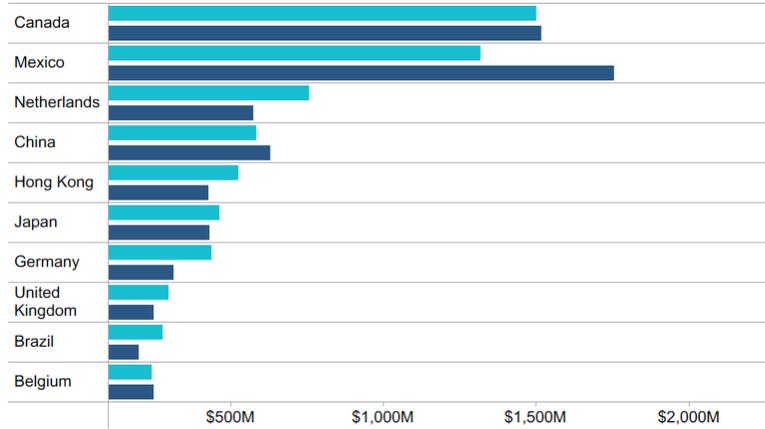
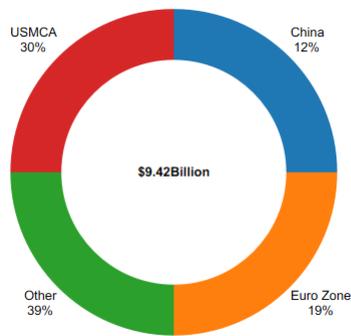


Figure 5: Exports by Region



the quarter, shipments to Hong Kong more than compensated for this, growing by \$97 million. Taiwanese purchases of Tennessee goods increased from \$84 million to \$143 million. Like in many other countries around the globe, Taiwan's performance was owing to a big increase in computer-related exports. Exports to South Korea were up 18%, to Japan 7%. Even better than Asia were the numbers coming out of South America. There 4th quarter Tennessee exports grew by \$275 million, to approach the \$1 billion mark. Almost one-third of this 40% gain (\$80 million) was in Brazil. Across much of the continent the story was the same: smartphones. Smartphone shipments rose \$76 million in Peru, \$38 million in Colombia, and \$16 million in Uruguay.

Questions Ahead

Though there were other goods that struggled, including basic chemicals (cellulose in particular), man-made fibers, and whiskey, it generally was a pretty good quarter espe-

cially given the headwind coming out of the auto industry. Perhaps the major question mark going forward is when and if that sector, long an export powerhouse, regains its footing. Of course that question mark must now compete with large uncertainties arising from events outside of Tennessee and outside of the country.

Figure 6: Largest Market Changes

		Exports	Growth	Decline
Fastest Growing	Oman	30,636,403	937.51%	
	Ukraine	24,805,368	728.58%	
	Peru	124,123,789	206.22%	
	Ireland	55,562,418	196.39%	
	Nigeria	18,748,242	174.98%	
Largest Declines	Angola	460,845		-93.14%
	Bangladesh	5,190,534		-70.97%
	Pakistan	13,672,216		-55.09%
	Lithuania	4,031,299		-48.15%
	Poland	46,098,584		-41.53%

Among countries averaging more than \$5m in sales per quarter.