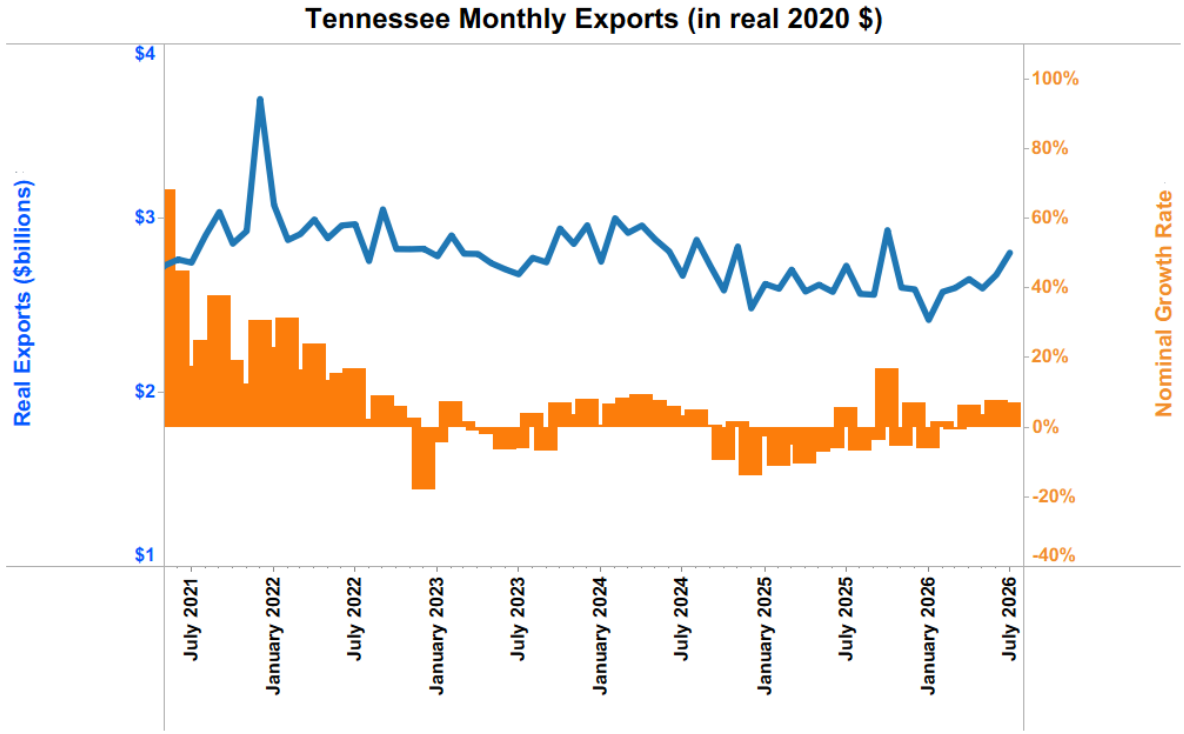
MIDDLE TENNESSEE STATE UNIVERSITY

JONES COLLEGE OF BUSINESS

Business and Economic Research Center

Tennessee International Trade Report
2nd Quarter 2026

Tennessee exported just over $9.9 billion in goods during the second quarter of 2026. This was a gain of 5.3 percent from 2025's second quarter. On the one hand, this was good news. It was the best gain of any quarter since the second quarter of 2024. On the other hand, the state continued to lag national export growth. American exports grew 14.5 percent for the quarter and Tennessee ranked a not very impressive 35th among all states in its export growth.



It Was Steady As She Goes

It was a quarter featuring few dramatic changes. Of the state's larger export sectors, only two, aircraft and medical instruments, saw large gains. Excepting the flukey collapse of electric storage battery parts, the only products to suffer sizable losses were those linked to textiles, with both cotton and artificial filament tow shipments substantially down for the quarter. (Out of nowhere, the state exported over $81 million in electric storage battery parts in last year's second quarter, almost all of it to Mexico, but returned to shipping virtually nothing this past quarter. Hence the "flukey" designation.)

The substantial increase in medical instrument shipments was perhaps the most impressive sectoral performance. Already Tennessee's largest single export sector, global shipments grew from $707 million to $890 million, an increase of 26 percent. Belgium, the Netherlands, and China accounted for most of these gains. Retail pharmaceuticals also had a strong quarter, growing from $49 million in exports to $110 million.

Shipments of aircraft (and parts) were more widely distributed globally. Overall, this industry more than doubled its exports (from $192 million to $403 million). Brazil accounted for $91 million of this amount.

We have noted over our past several quarterly trade reports that the state's communication-industry and hi-tech exports are becoming a more important part of Tennessee's trade picture and that trend continued. Though smartphone shipments retreated by about ten percent, the growth in exports of routers, ethernet switches and other communications apparatuses more than made up for this.

Automobiles: the Most Closely Watched Sector

Over the past two years, much of the state's lagging export performance has been due to difficulties in the automotive sector. This past quarter saw much better numbers, though it was still a mixed bag. Auto parts exports nearly doubled (to $225 million) while car shipments were also strong ($155 million to $201 million). Shipments of both diesel and gas engines also increased. But EV exports continued their sharp decline (losing $80 million, to $28 million in shipments) and SUVs saw another tough quarter with exports falling from $72 million last spring to $58 million this second quarter.

Tennessee's Largest Export Sectors (2nd Quarter)

	Exports	*Change from Last Quarter*	*Change from Last Year*
Medical Equipment	$1,194,351,707	8.91%	0.70%
Auto, Medical, and Electric Instruments	$774,724,128	2.35%	6.49%
Computer Equipment	$766,536,425	36.32%	8.67%
Motor Vehicle Parts	$661,240,023	9.74%	22.63%
Communications Equipment	$627,631,104	-33.29%	-2.85%
Basic Chemicals	$464,279,684	9.74%	1.18%
Aerospace Products	$405,273,259	-22.38%	109.23%

Tennessee's Most Rapidly Growing and Declining Exports (2nd Quarter)

		Exports	*Growth*	*Decline*
Fastest Growing	Zinc Ash and Residue	$44,361,610	5902.9%	
	Retail Immunological Products	$49,007,023	2209.0%	
	Computer Drives	$79,474,311	706.4%	
	Lithium Ion Batteries	$19,398,099	416.0%	
	Non-Platinum Precious Metal Scrap	$187,670,553	304.1%	
Largest Declines	Rechargeable Battery Parts	$1,119,175		-98.62%
	Smartphone Parts	$5,399,702		-85.42%
	Electronic Sound Apparatus Parts	$4,206,025		-77.89%
	Filter Parts	$4,143,527		-76.31%
	Platinum Scrap	$44,712,400		-75.47%

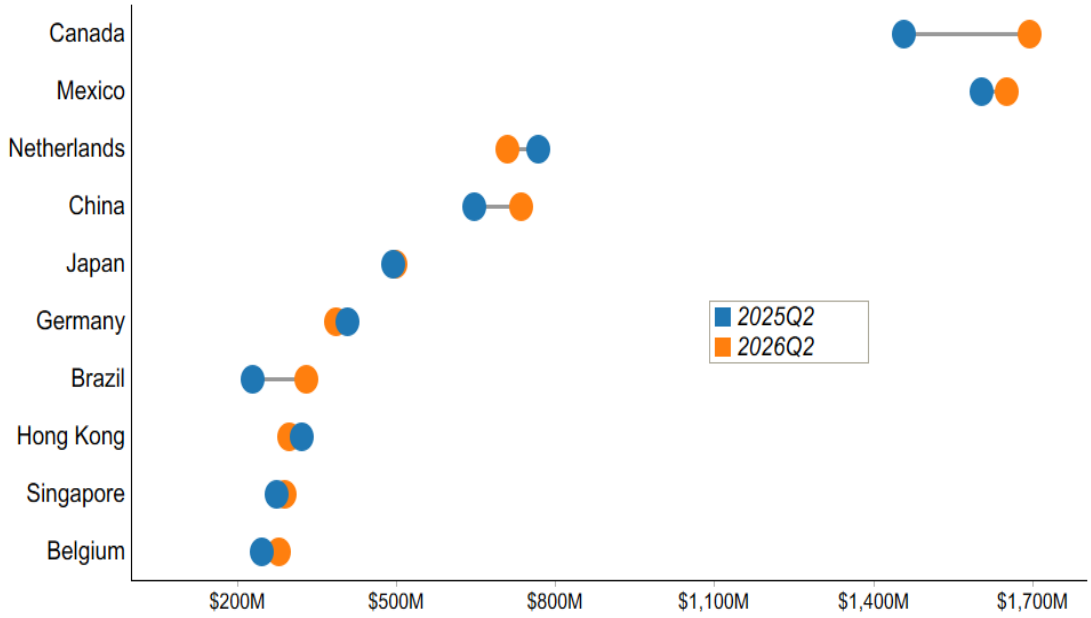
Among the state's top 100 exported goods (at 6-digit HS level).

Markets Were Stable As Well

Just as with goods, there were no huge changes among the state's major export markets. Exports to Canada were up nicely (12.4 percent, to $1.71 billion). This is where the car and auto parts gains were concentrated. Mexico grew 3.8 percent, even after that collapse of storage battery shipments. The Eurozone was almost unchanged ($1.776 to 1.788 billion). Latin American exports were up less than 5

percent (to $884 million) though this included a massive $134 million gain in Brazil, probably the best single market for Tennessee exporters for the quarter, and a very large loss in Peru ($34 million). Given all the talk about China, it continued to be a very strong market for the state. The state exported $741 million to China and Hong Kong, 13.9 percent more than in the second quarter of 2025. Japan barely budged ($497 million to $503 million.) Exports to southeast Asia were up by about ten percent (to $661 million).

Change in Exports to Tennessee's Top Markets (2nd Quarter)

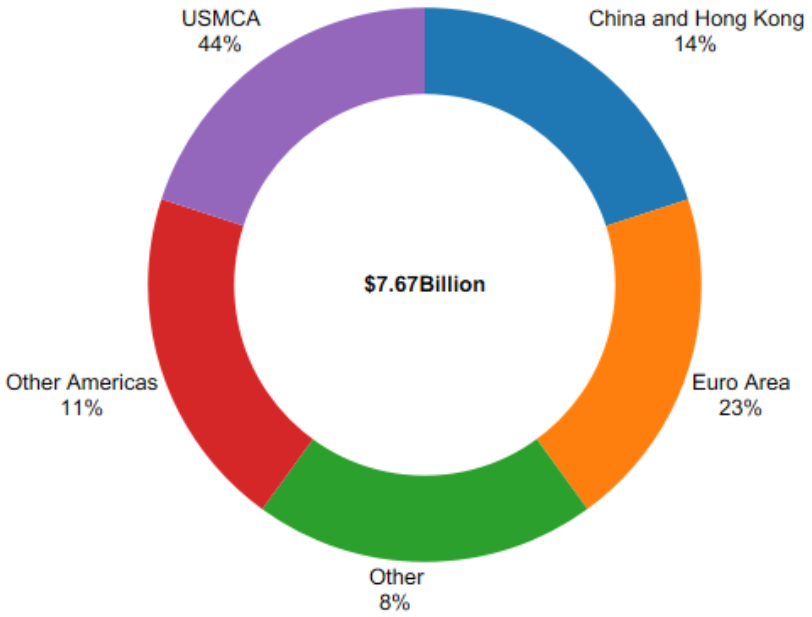


Tennessee's Most Rapidly Growing and Declining Markets (2nd Quarter)

		Exports	*Growth*	*Decline*
Fastest Growing	Egypt	59,290,549	656.76%	
	Ireland	78,980,440	156.44%	
	Czech Republic	34,866,511	140.75%	
	Sweden	23,298,532	115.47%	
	Bahamas	9,815,928	110.36%	
Largest Declines	Oman	2,648,532		-64.88%
	Qatar	3,910,973		-57.18%
	Peru	66,046,644		-40.22%
	Kuwait	6,085,589		-43.35%
	Bangladesh	14,775,863		-44.27%

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

Tennessee Exports by Global Region (2nd Quarter)



If no news is good news, it was, in sum, a comforting quarter. One wishes that automotive exports would rebound, and that some of the hi-tech exports weren't so volatile. But given all the uncertainties in trade policies and in the global economy, that might be a lot to ask?