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Fitch: Tariffs and AI Investment Drive Divergence in U.S. States' International Goods Trade

Fitch Ratings-New York-25 March 2026: Fitch Ratings expects elevated policy uncertainty to continue shaping U.S. goods trade through 2026, as tariffs and supply-chain realignment increasingly drive divergence across states and sectors. States benefiting from AI-related capital spending show stronger trade momentum, while those more exposed to tariff-sensitive auto supply chains lag.

"The growing divergence in state trade performance suggests tariff effects now feeding more directly into regional trade outcomes," said Olu Sonola, Head of U.S. Economics, Fitch Ratings. "States linked to AI-related investment show greater resilience, while states tied to auto supply chains face greater vulnerability to policy uncertainty."

Imports provided the clearest trade signal in 2025, led by machinery. Imports of nonelectrical machinery rose 25% YoY, the fastest gain among major trade categories. Imports of electrical machinery and electronics imports rose 6%. Fitch views this trend as consistent with firm demand for semiconductor-related equipment, computing infrastructure, and other AI-linked capital goods. Arizona's imports rose 36% YoY, while Nevada and New Mexico posted gains of 92% and 34%, respectively. Texas also benefited from the machinery upcycle, with imports rising 4%.

By contrast, autos and parts remained the clearest area of weakness, with imports falling 14% YoY. Michigan's imports declined 3%, driven mainly by autos and parts, which fell 7%. California and Tennessee also recorded 1% declines in imports, with imports of autos and parts contracting by 14% and 24%, respectively.

Exports showed a similar split. Auto-heavy states underperformed, with exports falling in Michigan, Tennessee, Ohio and Illinois. By contrast, Texas remained the largest export state, while New York posted strong export growth, driven largely by gold and precious metals trade rather than broad-based sector strength.