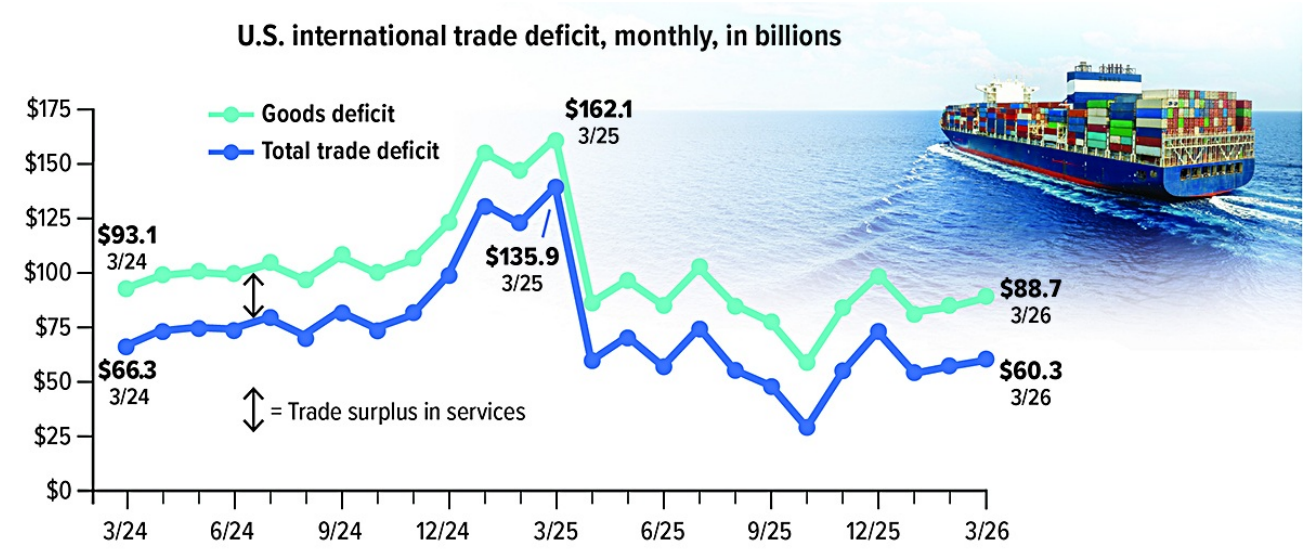
Tariffs Helped Drive Decline in Trade Deficit

The U.S. trade deficit in goods — the target of tariffs — increased by about 2% in 2025. However, the annual data was skewed by heavy import activity in late 2024 and early 2025 as businesses stockpiled foreign goods in anticipation of increased tariffs.

The monthly goods deficit began to decline with new tariffs in April 2025 and was 4.7% lower in March 2026 than in March 2024. Over the same period, the monthly total trade deficit dropped by 9.0% due to the declining goods deficit and a growing U.S. surplus in services.



Source: U.S. Bureau of Economic Analysis, 2026

This content has been reviewed by FINRA.

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