

WISCONSIN'S SHIFTING IMPORT ECONOMY

Wisconsin consumers and businesses purchased \$38.9 billion worth of imported goods in 2024, with machinery, pharmaceuticals, and vehicles among the top imports by value. Recent increases to U.S. tariffs seek to boost domestic manufacturing, but their cost and retaliation by major trading partners raise concerns about potential inflation, decreases in product availability, and unintended impacts to state manufacturers.

Wisconsin residents purchased \$38.9 billion of imported goods in 2024, equivalent to about 8.6% of the state's [total GDP](#). Since 2016, the inflation-adjusted value of the state's imports has grown 32.4%.

These imports consist of a variety of goods, from t-shirts and furniture to industrial machinery and medical instruments. Wisconsinites import goods from dozens of countries, but China, Canada, and Mexico are the state's biggest trade partners. Figure 1 shows the top 35 countries of origin for state imports.

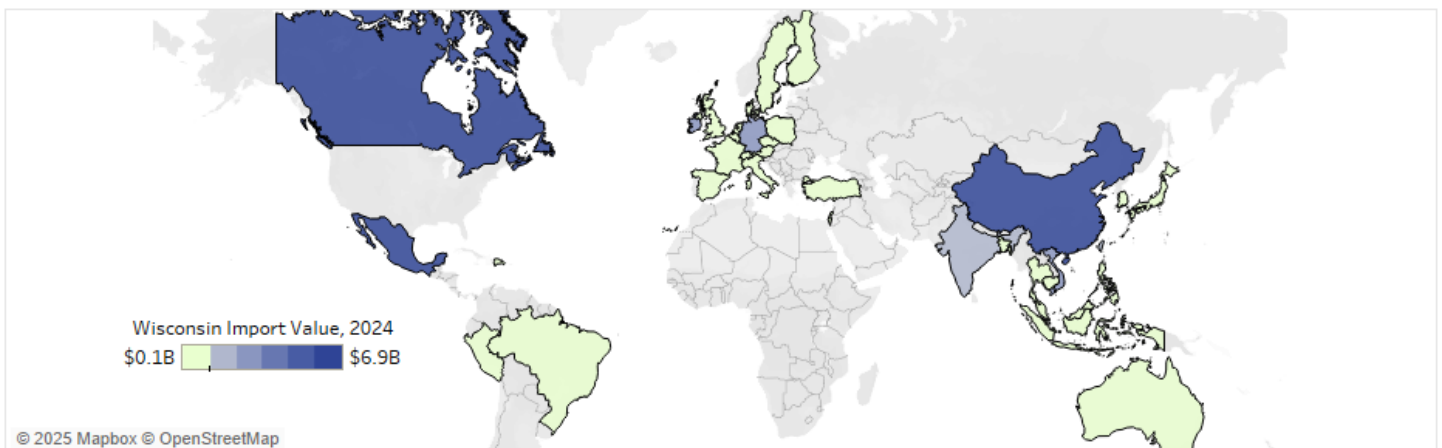
With higher U.S. tariffs now imposed on all of the state's major trade partners, and the end of the Trump administration's [90-day pause on reciprocal tariffs](#) looming, now is a critical time to review the state's import activities. This brief complements our earlier report on [Wisconsin's exports](#) by examining the state's import trends and exploring what types of goods flow into the state from international markets and from where.

To do so, we use [imports data](#) from the International Trade Administration within the U.S. Department of Commerce. In these data, imports consist only of the physical merchandise sold across international borders, so products like agricultural commodities, manufactured goods, and raw materials are included, while the value of services purchased by consumers and businesses in the state are excluded.

The International Trade Administration uses reports submitted by importers when products are shipped into the country to determine their value and final destination. Determining where imports come from can be difficult given the global nature of manufacturing. Generally, the U.S. Customs and Border Protection considers a product to be from a country if it is either completely grown or manufactured in that country, or if the product has been [transformed substantially](#) there through the manufacturing process. For this report, we use the U.S. Custom's determinations on product origins.

Figure 1: North America and China Are Biggest Producers of Wisconsin Imports

Top 35 sources for state imports by value, 2024



Source: U.S. Department of Commerce, International Trade Administration

In this report, we use the [Consumer Price Index](#) to adjust previous year values for inflation. Readers should be aware that adjusting these values by an [inflation index](#) specifically designed to account for changes in international trade would make the 2022 import peak appear sharper.

STATE IMPORTS TRAIL 2022 PEAK

The inflation-adjusted value of Wisconsin’s imports peaked in 2022 at \$43.9 billion and has fallen by 11.5% since (see Figure 2). State imports were relatively flat between 2012 and 2016, jumped in 2018 as the economy finally fully recovered from the Great Recession, then fell again in 2019. International trade dropped precipitously in 2020 in the face of the COVID-19 pandemic, but bounced back rapidly over the next two years as pent-up consumer demand and high inflation resulted in rapidly climbing import values. State imports had dropped closer to 2018 levels as of 2024.

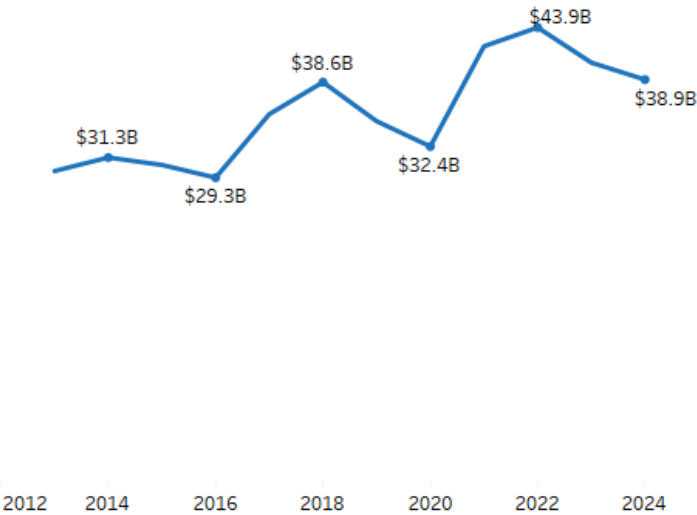
Our previous research on exports found that, between 2012 and 2016, Wisconsin exported about \$30 billion in goods each year, approximately equal to the state’s imports in those years. By 2024, the state’s export value had fallen to \$27.5 billion, while imports grew to \$38.9 billion. In other words, the value of state imports topped exports by \$11.4 billion. Once again, it is worth noting that this imbalance in the value of exported and imported goods does not account for the value of services being bought and sold by Wisconsin residents and businesses.

The reasons for, and impact of, global [trade imbalances](#) like this are complex. The contributing factors range from the industrial bases and natural resources of various countries to their currency values, savings rates, and investment needs. A trade imbalance is not necessarily good or bad, just as borrowing is not necessarily good or bad. Ultimately, it depends on the larger circumstances.

WHAT DO WE IMPORT?

Industrial and electrical machinery dominate Wisconsin imports, together accounting for one-third of the state’s total. Machinery tends to dominate both Wisconsin imports and exports when using value as the measurement, in part because these products are costly and often represent long-term capital investments. For example, a combine harvester (classified as industrial machinery) used for row

Figure 2: Wisconsin’s Imports Have Grown Since 2013
Total value of Wisconsin imports, adjusted for inflation, 2013-2024



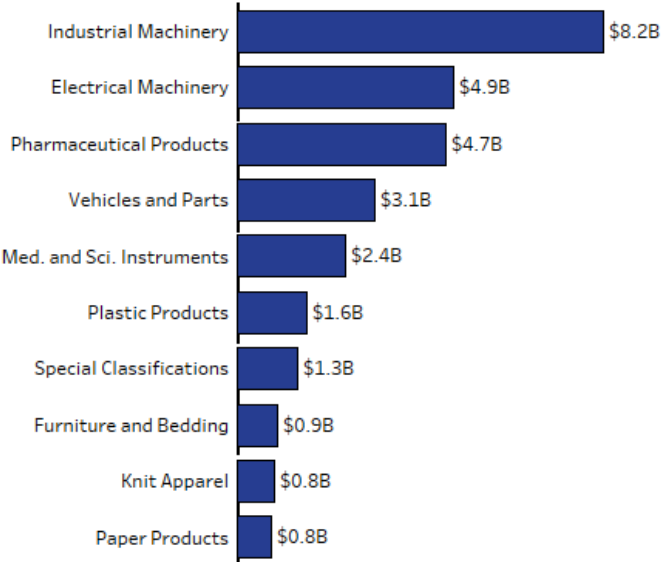
Source: U.S. Department of Commerce, International Trade Administration

cropping may cost nearly [\\$1 million](#). Figure 3 shows the value of the state’s top 10 import categories in 2024.

It’s worth mentioning that Wisconsin businesses also import raw materials valued in the [billions](#). These materials are vital to the state’s industrial economy, even if they don’t show up on the list of its most valuable import products.

Most state imports of [industrial machinery are purchased by businesses that](#) use the equipment for a wide range of activities including food processing,

Fig. 3: Machinery Dominates Wisconsin’s Top 10 Imports
Value of Wisconsin’s imports by product category, 2024



Source: U.S. Department of Commerce, International Trade Administration



agriculture, construction, and manufacturing. Goods produced with this machinery are then sold through both domestic and international markets.

[Electrical machinery](#), the state's second largest import category, also covers a wide range of goods and products. Some are intended for household use, such as light bulbs, blenders, and stoves, while others are used in industrial or business settings to produce goods for domestic sale or export.

It is noteworthy that industrial and electrical machinery are also the state's two largest export categories. This suggests that Wisconsin's businesses are purchasing equipment vital to their operations and then using that machinery to build other valuable products for sale to customers both domestically and around the world. This shows the vital connection between the state's import and export activities.

Wisconsin's health care industry also relies on imports, as the state purchased a combined \$7.1 billion worth of international goods in 2024 in two related categories: [pharmaceutical products](#), and medical and scientific instruments. Pharmaceutical products, including both prescription and non-prescription drugs, were third in the state's import rankings, at \$4.7 billion. [Medical and scientific instruments](#) ranked fifth, with imports valued at \$2.4 billion. These instruments are used in health care provision, medical and other scientific research, and manufacturing of products like pharmaceuticals and other high-tech goods. This makes them vital to ensuring Wisconsin residents have access to medical care and important for manufacturing items like medical devices, machinery, and other products.

In 2024, state consumers purchased billions of dollars' worth of vehicles and parts (\$3.1 billion), plastic products (\$1.6 billion), household items like furniture and bedding (\$0.9 billion) and knit clothing (\$0.8 billion). These imports can help to decrease the cost of goods sold in the state and increase their variety.

IMPORTS FROM CHINA FALL, MEXICAN IMPORTS CLIMB

Wisconsin's top import sources have been relatively stable since 2018, though imports from certain trade partners have shifted considerably. For example, the inflation-adjusted value of state imports from China have fallen by 37.3%, from \$10.2 billion in 2018 to \$6.4 billion in 2024.

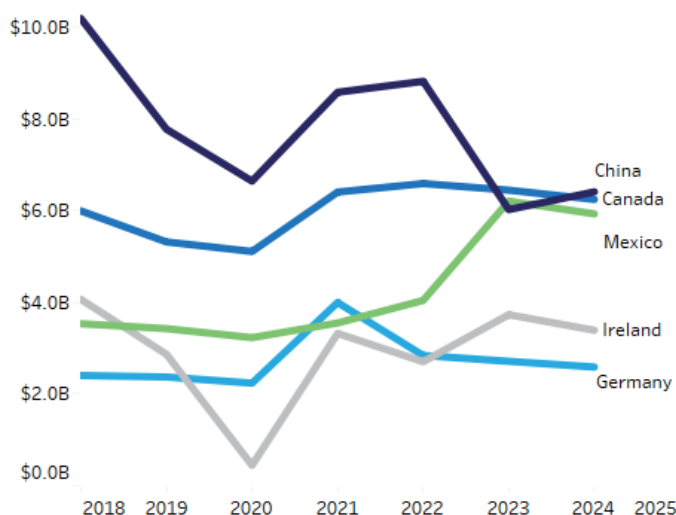
Wisconsin businesses and consumers purchase a diverse range of goods from China, with heavy machinery (\$1.4 billion), electric appliances (\$1.0 billion), and electronic devices (\$0.9 billion) leading the way.

The dramatic drop in imports from China is likely tied in part to U.S. [tariffs imposed in 2018](#) on some items from that country as well as to the larger shift in policymakers' views toward these imports. The tariffs and shifting climate likely resulted in Chinese companies shifting the origin of some goods sold to the United States from China to other [southeast Asian](#) countries, [like Vietnam](#), in an effort to avoid those additional costs. This partially explains the drop in Chinese goods, and contributed to the more than doubling of imports from Vietnam, from \$1.2 billion in 2018 to \$2.7 billion in 2024.

Canada ranks as the state's second largest source of imported goods at \$6.3 billion. Wisconsin imports a wide variety of goods from Canada, including paper (\$856.9 million), chemicals (\$559.4 million), and processed foods (\$563.6 million). The value of state imports from Canada has remained relatively consistent since 2018.

Imports from Mexico have grown dramatically, from \$3.5 billion in 2018 to \$5.9 billion in 2024 (68.6%). Vehicles and vehicle parts are by far the largest category of state imports from Mexico, with those goods

Figure 4: Chinese Imports Have Fallen Sharply
Imports by country 2018-2024, 2024 dollars



Source: U.S. Department of Commerce, International Trade Administration



valued at \$2.1 billion in 2024, or 35.6% of imports from that country. Imports in that category have more than tripled in value from \$582.2 million in 2018. Like Vietnam, a portion of the increase can be attributed to the shift of final assembly for some goods previously manufactured in [China to Mexico](#) to avoid tariffs.

If taken together, the 27 countries that form the European Union would be Wisconsin's top source of imports, shipping goods valued at \$10.2 billion into the state in 2024. Somewhat surprisingly, Ireland (\$3.4 billion) was the state's largest European trading partner last year and its fourth largest trading partner overall.

Massive growth in Irish pharmaceutical production, almost exclusively vaccines, has pushed that country near the top of the list. Wisconsin's 2024 [imports from Ireland](#) were an astonishing 49 times higher than the \$68 million in goods imported from that country in 2014, when it was not even among the state's top 35 trading partners. Ireland became a major source for the state in 2015, when major investments in Ireland, combined with technological breakthroughs, caused a boom in [the vaccine industry](#).

CONTINUED TARIFF UNCERTAINTY

Over the past two months, the Trump administration has imposed 10% tariffs on goods from around the world, with additional taxes on cars, steel, and some agricultural products, and [exemptions](#) on certain items such as lumber, minerals like copper, semiconductors, and energy products. [Tariffs](#) are taxes levied on the value of imported goods that are paid by the individual or business making the purchase. While other tax changes can only be made by an act of Congress, U.S. tariffs can be imposed or changed by the President through executive action under an emergency declaration. Congress recently [voted against](#) limiting the president's power to adjust tariffs.

Most goods from China had faced a tariff rate of 145%, with some exemptions, but on May 12, an agreement between the United States and China was [announced](#) that will temporarily reduce the tariff rate on Chinese imports to 30% for 90 days. The new rate is still higher than in past years, however, and applies to a broader range of products. The President also removed an exemption on Chinese imports valued under \$800 (often direct-to-consumer purchases) and made

changes to the tax rate on these goods, [which now sits at 54%](#).

Goods from [Canada, Mexico, China, and the European Union](#) may see the return of import taxes ranging from 10% to 50%, as the administration's 90-day pause on reciprocal tariffs is set to expire in July.

As discussed in our previous brief, the Trump administration's stated goals in raising U.S. tariffs are to boost domestic manufacturing in Wisconsin and the nation, improve trade deals with U.S. trading partners, and raise tax revenue. Some commentators have noted that these goals are in some tension with one another.

While those are potential benefits, tariffs also could have negative impacts on state residents and business by increasing prices, disrupting the supply chain of consumer goods, or slowing growth in the global economy or even bringing on a recession. When tariffs are imposed on goods brought into the country, the additional costs are either passed on to consumers or accounted for by businesses through cost-cutting measures. Evidence suggests that nearly the entire cost of the tariffs imposed in 2018 was passed [on to consumers](#).

Consumer prices for domestically produced goods can also rise, in part because imported goods are used in the production of domestic products and services. Some companies have already attributed [price increases](#) on consumer goods to these tariffs, and the disruption could also limit the [goods available](#).

Businesses also can be affected by increased tariff rates through either higher costs for imported parts and materials or decreased [demand and sales](#).

The ultimate upshot of the tariffs is still unclear. But the [nation's current economic outlook](#) is less solid than it was [six months ago](#), with consumer [sentiment falling](#) and some economists predicting a recession.

CONCLUSION

The value of imports to Wisconsin has grown over the last decade, but U.S. tariffs may change that trend. Though the tariffs are meant to support U.S. manufacturing, they could also spur higher prices and interest rates, limit the availability of certain goods, and slow economic growth.



Local and state policymakers have limited options and resources to affect the powerful effects of these federal policies and global market forces. However, they may wish to consider both ways to help consumers and businesses cope with this changing environment even as they try to harden their budgets against the risk of economic turbulence.

For example, policymakers may wish to help those affected by job loss and dislocation, and work with business leaders to strengthen the state's workforce to appeal to companies seeking to re-shore production through training and apprenticeship programs or other incentives.

These rapid shifts in federal policy have created uncertainty about the price and availability of goods, and the economy in general. In response, state and local leaders may wish to project a stable and firm commitment to helping workers and businesses adjust.

