August 4, 2026

Donald Trump Promised to Balance U.S. Trade to Rebuild American Manufacturing: Just Released First-Half Data Show It Isn't Happening

U.S. industrial employment down 75,000 since Trump's return, manufactured goods trade deficit bigger than pre-Trump as overall deficit narrowed mainly because of more silver, gold, LNG commodity exports. Shipments of U.S.-made goods only bright spot

Since hitting the campaign trail again in 2024, Donald Trump has promised to lower the U.S. trade deficit with goals of rebuilding U.S. manufacturing and creating more American industrial jobs. With trade and manufacturing data now available for the first half of 2026, we can begin to see how his policies are affecting key trade and manufacturing indicators and measure outcomes against his promise that "jobs and factories will come roaring back into our country."

- **U.S. manufacturing employment is still down 75,000 from when Trump was inaugurated for his second term and down 305,000 compared to the 15-year manufacturing employment peak in January 2023.**
- **Investment in manufacturing capacity, including spending on manufacturing construction, remains in free fall.**
- **The first half-year 2026 manufactured goods trade deficit is lower than in the first half of 2025, but higher than in the first half of 2024.**

The first-half 2026 data show modest progress back towards 2024 levels after a $63 billion increase in the U.S. manufactured goods trade deficit and the loss of 89,000 more American manufacturing jobs in 2025, Trump's first year back in office.

Other trade and manufacturing indicators show minor gains. **U.S. shipments of durable goods grew consistently, albeit modestly, throughout 2025 and continued to rise slowly in the first half of 2026. The first half of 2026 data show an improvement in both the overall U.S. goods and services trade balance and the goods trade deficit relative to the first half of 2025 and the first half of 2024 as silver, oil and gold commodities and services exports grew. (**Notably the large value in silver and gold exports consisted largely of re-exports, not U.S.-mined ores.)

In sum, the data do not show evidence of the broad-based resurgence in U.S. manufacturing promised by Trump, although are modestly improved relative to 2025 measures. (The data in this analysis are inflation-controlled, so some numbers may differ from what you see in the day-of data releases or in some press coverage.)

American Manufacturing Employment Has Declined by 75,000 Jobs Since Trump Returned to the White House:

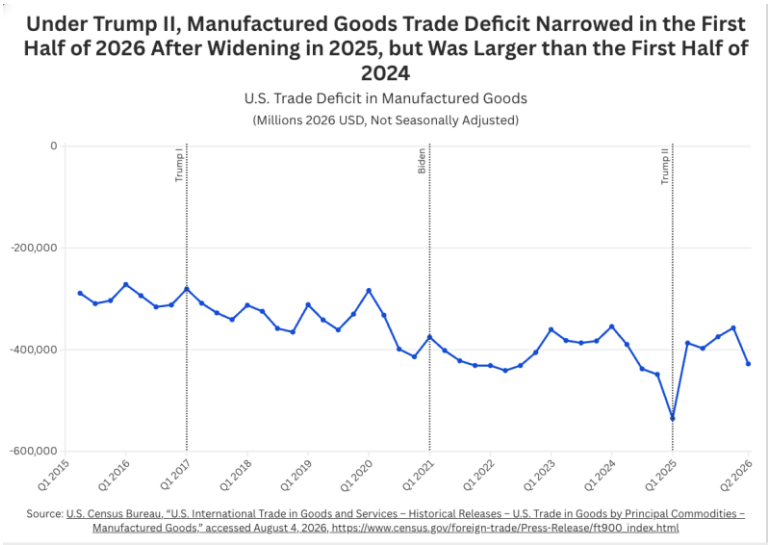
Total U.S. manufacturing employment reached 12,598,000 employees in June 2026, according to preliminary data from the U.S. Bureau of Labor Statistics. However, manufacturing employment declined every month in 2025, rose slightly in January and February 2026, and has since stagnated. While industrial jobs have stopped their steady decline, there have been no substantial gains to show for it—growth has remained essentially flat since March. The slight gains in industrial

employment during the first quarter of 2026 were not sufficient to reverse the job losses of Trump's first year in office, let alone approach the 15-year peak of 12,903,000 American manufacturing jobs reached in January 2023. **During Trump's first term, from 2017 to 2019 (excluding 2020 due to pandemic-related job losses), manufacturing employment increased on average more than 36,000 jobs quarter-over-quarter. During Trump's second term, manufacturing employment has *decreased* on average, with an average loss of 15,830 jobs quarter-over-quarter.**

Given the obvious lack of gains in actual industrial employment, the Trump administration has begun touting the significant number of manufacturing job *openings*, with a May 2026 total of 529,000. However, it is important to note that this indicator has historically been a poor gauge of the strength of a particular sector since openings could reflect either a booming sector expanding capacity or a sector churning out workers due to poor working conditions and wages. Notably, manufacturing job openings first surpassed the 500,000 benchmark—last seen in May 2024—in January of this year. However, the fact that increased job openings in the sector has not translated into more actual manufacturing jobs highlights two additional challenges facing the industry that the Trump administration has done little to address: insufficient wage incentives and lack of apprenticeships and training programs.

Trump II, Manufactured Goods Trade Deficit Narrowed in the First Half of 2026 After Widening in 2025, but Was Larger than the First Half of 2024:

The manufactured goods trade deficit was $785 billion in the first half of 2026, according to data from the U.S. Census Bureau. This deficit is smaller than the first half of 2025, but higher than the first half of 2024, and higher than the first-half deficits from 2015 to 2021. In inflation-adjusted terms, this deficit is 15% smaller than the first half of 2025, but 5% higher than the first half of 2024. (Because importers were rushing in goods to stockpile before tariffs hit, Q1 2025 data are skewed: Q1 2025 includes the only three months in American history with monthly imports of more than $400 billion.) Comparing the first half of 2024 to the first half of 2026, manufactured goods exports increased $38 billion, but the gap widened because manufactured goods imports increased $78 billion.

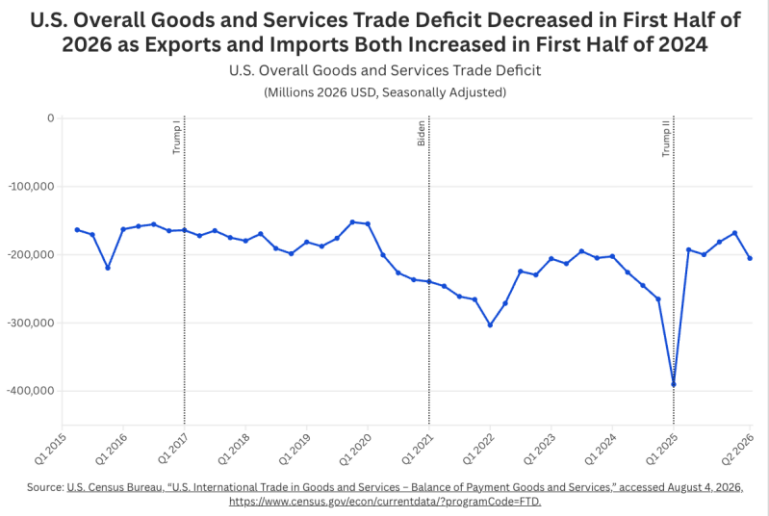


After the record-high import flood in Q1 2025, the overall U.S. manufactured goods trade deficit increased $63 billion in 2025 relative to 2024. The increase in the deficit in the first half of 2026 relative

to the first half of 2024 raises questions about whether Trump's trade policies are actually helping to achieve more balanced trade in manufactured goods.

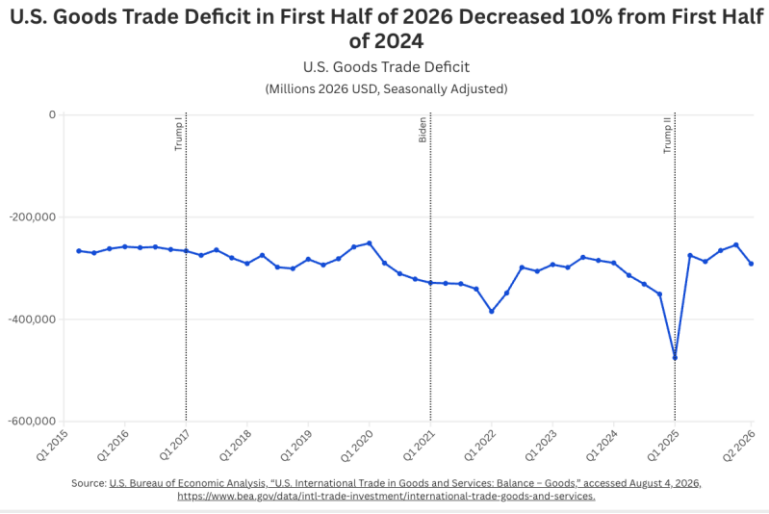
U.S. Overall Goods and Services Trade Deficit Decreased in First Half of 2026 as Exports Outpaced Imports Over the First Half of 2024:

The overall goods and services trade gap declined to $373 billion in the first half of 2026 relative to $583 billion in the first half of 2025 and $428 billion in the first half of 2024. This decline is a decrease of 36% from the first half of 2025 and a decrease of 13% from the first half of 2024, based on data from the U.S. Census Bureau. The decrease in the first six months of 2026 is the outcome of a decline of $58 billion or 10% in the goods deficit and a decrease of $3 billion or 2% in the services surplus relative to the first six months of 2024.



The narrowing of the trade deficit mostly reflects a faster increase in exports when comparing 2026 figures with those from 2024. In inflation-adjusted terms, goods and services imports in the first half of 2026 were $143 billion higher than in the first six months of 2024, while exports were $198 billion higher in the first six months of 2026 than in the first six months of 2024.

The goods trade deficit in the first half of 2026 declined to $545 billion relative to $750 billion in the first half of 2025 and $603 billion in the first half of 2024. This decline is a decrease of 27% from the first half of 2025 and a decrease of 10% from the first half of 2024, based on data from the U.S. Bureau of Economic Analysis.

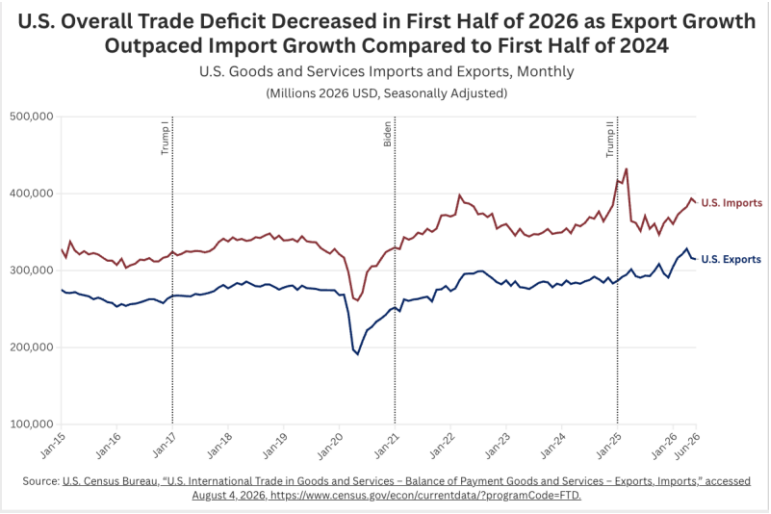


It is unsurprising that the trade deficit was much lower in the first half of 2026 than in the first half of 2025 given the surge in imports before Trump's "Liberation Day" tariffs, which were imposed in April 2025.

However, most of the goods export gains were not related to manufacturing. Increased export value in the first five months of 2026 (product level June 2026 data is not available yet), relative to the same period in 2024, was driven by growth in exports of gold, civilian aircraft, and oil and gas products—when adjusted for inflation, exports in just these three categories increased by $93 billion. Also, exports of silver have exploded from $467 million in the first 5 months of 2024 to $15 billion in the first half of 2026 (an increase of 3,156%).

It is noteworthy that a large share of gold and silver U.S. exports are actually re-exports of products that are not mined or undergo substantial transformation in the United States. (USITC data differentiates between total and domestic exports. Total exports include both domestic exports and exports of goods of foreign origin that have previously entered the U.S. territory, but at the time of exportation, have not undergone any substantial change or any enhancement in value.) Indeed, while total gold exports in the

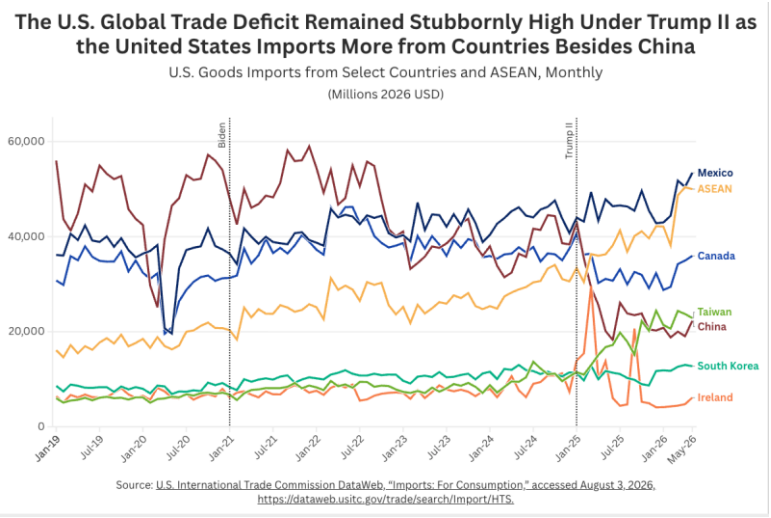
first five months of 2026 amounted to $62 billion, domestic exports account for only $32 billion of that total. Similarly, of the $15 billion in total silver exports recorded in this period, only around $6 billion were actual domestic exports. This indicates that these flows are, in reality, driven much more by capital movements than by actual trade in goods.



Exports of certain computers and computer parts (HTS 8471) also increased substantially from $14 billion in the first half of 2024 to $35 billion in the first half of 2026 (an increase of 140%). However, of the $35 billion recorded in the first five months of 2025, only $13 billion were domestic exports. This means that a large portion of supposedly U.S. exports of computers and computer parts are actually re-exports that probably originate in Mexico and other countries and pass through U.S. territory before being sent to their final destination.

Yet the decline relative to first-half of 2024 figures could indicate that, after months of record-high tariffs, the Trump administration may be making progress in reducing the large U.S. trade deficit with the rest of the world albeit perhaps not in a way that boosts U.S. manufacturing. Through the rest of 2026, we will be watching quarterly trends to try to ascertain whether the slowdown in imports and faster growth in exports represent lasting trends amid Trump's shifting trade regime.

The U.S. Global Trade Deficit Remains Stubbornly High Under Trump II as the United States Imports More from Countries Besides China:



As has been the trend since 2019, a decline in imports from China is being swamped by growing imports from other countries. This resulted in a large U.S. trade deficit with the world in 2025, although the figure over the first six months of 2026 indicates the deficit may be beginning to decline. Chinese manufacturing investment in countries such as Vietnam and Mexico and strategies to ship goods through other countries have created workarounds for Chinese firms to reach U.S. markets.

Comparing the first five months of 2026 with the same period of 2024, the United States imported significantly less from China, Canada, and Ireland while imports increased from ASEAN countries, Taiwan, Mexico, and South Korea. Increased imports from Ireland in 2025 seem to have been a fluke in reaction to repeated Trump threats to impose 100% tariffs on pharmaceuticals. **Imports from Taiwan in the first five months of 2026 jumped 161% compared with the same period in 2024.**

In the first five months of 2026, certain digital processing units (HTS 8471.50.0150) comprised nearly half of U.S. imports from Taiwan (in the first half of 2024, this tariff code made up only 13% of U.S. imports from this country). Imports under this tariff code are very likely core components used to build

the servers powering the AI infrastructure, including new data centers, now being deployed across the country. Indeed, a recent study by the Federal Reserve Bank of Minneapolis found that, absent the AI boom, the U.S. goods trade deficit in 2025 would have been nearly $200 billion smaller.

U.S. Census Bureau Manufacturing Indicators Positive: U.S. Manufacturers' Durable Goods and Nondefense Capital Goods Shipments Up in First Half of 2026:

Source: U.S. Census Bureau, "Manufacturers' Shipments, Inventories, and Orders – Durable Goods – Shipments," accessed August 4, 2026, https://www.census.gov/econ/currentdata/dbsearch?programCode=M3.

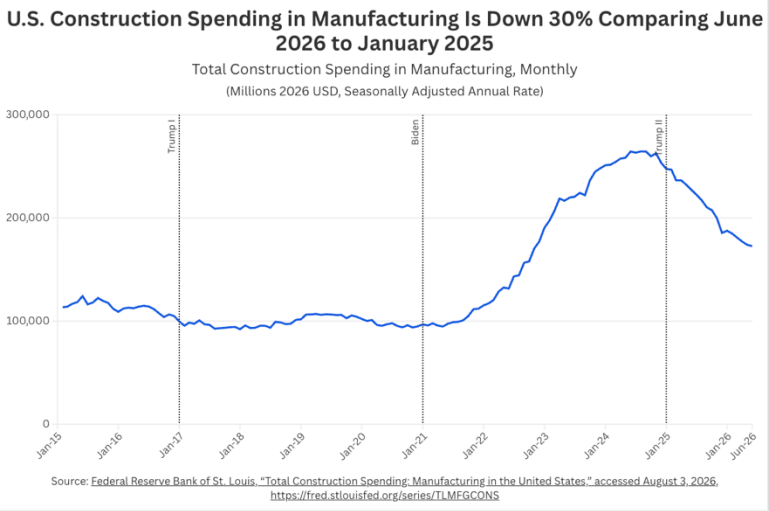
Durable goods shipments measure the dollar value of products designed to last three years or more sold by U.S. manufacturers. Growth in the U.S. Census Bureau's "Manufacturers' Shipments, Inventories, and Orders" data, specifically the "American Manufacturers' Shipments for Durable Goods" data, can be considered an indicator of growth in manufacturing activity. **Durable goods shipments have increased steadily each quarter since Q4 2024, reaching $983 billion in the second quarter of 2026, according to the U.S. Census Bureau. In inflation-adjusted terms, durable goods shipments increased by $85 billion (4.6%) from the first six months of 2025 to the first six months of 2026.** (Some analysts refer to New Orders in the manufacturing report to gauge economic activity. While these are interesting numbers, we believe shipments to provide a more accurate picture of U.S. manufacturing activity given new orders are based on intention to buy and may be canceled.)

The recent positive trend in durable goods shipments means that 2026 levels have surpassed the highs seen in 2022 and 2023 and are approaching the pre-pandemic highs reached in 2018. We will monitor durable goods shipments throughout 2026 to see if the trend continues or if, as tariffs shift, durable goods are sourced from foreign manufacturers instead.

Source: U.S. Census Bureau, "Manufacturers' Shipments, Inventories, and Orders – Nondefense Capital Goods Excluding Aircraft – New Orders," accessed August 4, 2026, https://www.census.gov/econ/currentdata/dbsearch?programCode=M3

Shipments of nondefense capital goods excluding aircraft also increased in the first half of 2026 relative to the first half of 2025. This data cut captures both equipment and inputs/supply chain purchases, making it a good indicator of investment in productive capacity. These capital goods shipments have increased slightly since Q4 2024, reaching a total of $488 billion in the first half of 2026. This is an inflation-adjusted increase of 3.7% over shipments during the first six months of 2025. However, the level reached in the first six months of 2026 is still below the higher value of these shipments attained during the Biden administration from 2021 to 2023, and significantly lower than pre-pandemic shipments. Investment in capital goods is unlikely to trend significantly upward until manufacturers are more certain of future trade and tariff policy.

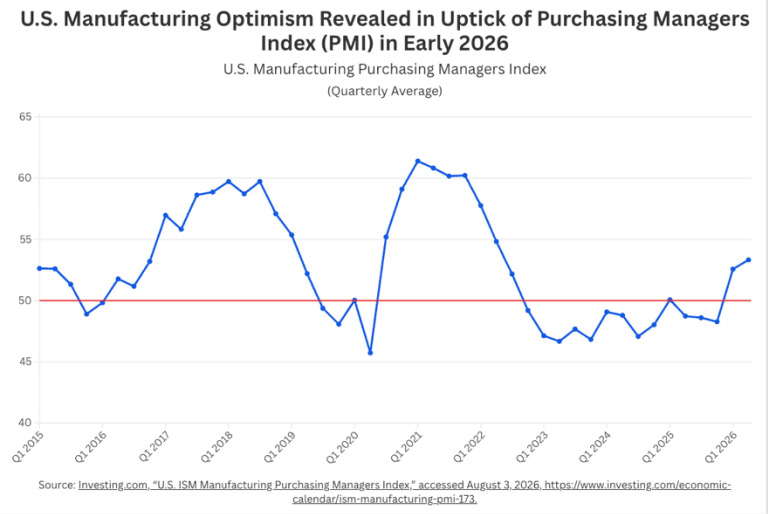
U.S. Construction Spending in Manufacturing Is Down 30% Comparing June 2026 to January 2025:



After peaking at $264.4 billion (adjusted for inflation) in August 2024, U.S. seasonally adjusted annual construction spending in manufacturing declined to $172 billion by June 2026, according to the U.S. Census Bureau. Comparing the $247.6 billion rate for January 2025—the month Trump took office for his second term—with the June 2026 figure, construction spending dropped $74 billion, a decline of 30%. Construction spending skyrocketed in 2022 and 2023 after the Infrastructure Investment and Jobs Act was signed into law in November 2021 and the Chips and Science Act and Inflation Reduction Act were signed into law in August 2022. Spending on manufacturing construction — including new factories and expanding or updating existing facilities — has fallen month-over-month ***each month since January 2025 except for January 2026*****, although it rose rapidly in 2022, hit the highest level in 30 years in 2024, and remains at historically high levels.** Construction spending in manufacturing was below $200 billion in each of the first six months of 2026 for the first time since February 2023.

The decline in this indicator, along with slow recovery of nondefense capital goods shipments, suggests that manufacturers have slowed or postponed investment projects, likely in response to uncertainty surrounding the volatile tariff outlook.

U.S. Manufacturing Optimism Revealed in Uptick of Purchasing Managers Index (PMI) in Early 2026:



Until recently, the U.S. manufacturing PMI had been steadily declining during the second Trump administration. A PMI above 50 points indicates the manufacturing economy is expanding while a PMI below 50 points indicates the manufacturing economy is declining. The Institute of Supply Management (ISM) index reached 50.9 points in January 2025 before declining, and remained between 47.9 and 49.1 from March to December 2025. However, **in Q2 2026, the PMI maintained an average of 53.33 points, according to Investing.com, which uses data from the ISM Report on Business.**

CONCLUSION: Mixed Industrial Data Do Not Yet Indicate Rapid and Booming Manufacturing Growth Trump Promised

No administration can quickly turn around decades of U.S. trade deficits and deindustrialization. But it is notable that while some indicators show slow improvements more than a year into Trump's second term, others remain at best mixed. Most notably, manufacturing employment shows worsening outcomes. While the U.S. trade deficit is lower in the first half of 2026 relative to the first half of 2024, the lack of certainty and stability on tariff rates and coverage likely are having a chilling effect on manufacturing activity and investment as is the termination of Inflation Reduction Act and CHIPS and Science Act industrial policy funding. The increase in the trade deficit for manufactured goods in the first half of 2026 relative to the first half of 2024 in particular indicates that, while U.S. exports of commodities like precious metals, oil, and liquefied natural gases are increasing, the manufacturing sector may not be benefiting from the Trump administration's claims of new export market access. As well, to date, the trade "agreements" the administration has announced do not include terms designed to change the underlying causes of surging imports from the countries that are the main sources of the structural imbalance, meaning that these deals do not meet the criteria that would be beneficial in addressing the U.S. trade deficit and deindustrialization.

This page will be updated quarterly (timely release of government data allowing). These data will provide a look at the most important manufacturing indicators and trade and jobs data — including the manufactured goods trade balance — to measure real outcomes against the Trump administration's promises. We will continue to carefully track the trend of the U.S. trade deficit, particularly the trade deficit in manufactured goods, in future trade reports to determine if the decrease in the first half of 2026 indicates lasting improvement. We will also monitor U.S. manufacturing employment to determine if, as Trump promised, his trade policy will reshore U.S. production and create new jobs.