

Understanding Wales-EU trade in goods since Brexit

International trade series

June 2026



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Since 1 January 2021, the UK and the EU's trade agreement has set the rules for trade between them. The agreement is called the Trade and Cooperation Agreement ("TCA"). In 2025, the EU accounted for 47% of Wales' international trade in goods by value and 60% by volume.

This guide is part of our international trade series. It explains:

- Where the EU ranks amongst Wales' trading partners;
- What goods Wales trades with the EU;
- Which Welsh sectors are most reliant on trading with the EU;
- Trade before and after Brexit;
- How many Welsh businesses trade with the EU;
- Why the previous Welsh Government believed that Wales was "disproportionately impacted" by Brexit compared to the rest of the UK.



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1. Wales' highest value trading partner

In 2025, the total value of Wales' trade in goods was £39.5 billion, £18.4 billion (46.6%) of which was with the EU.

This makes the EU its highest value trading partner, as shown on Figure 1 below. For context, Wales' second and third largest partners, the USA and China, are also shown with the rest of the world.

Figure 1: Wales' highest value trading partners (2025)



Source: [International goods trade: interactive dashboard](#) (Welsh Government, 2026)

Exports

The value of Welsh exports to the EU was £10.7 billion in 2025. Figure 2 shows the top five EU export destinations.

Figure 2: Top five highest value EU export destinations (2025)



Source: [International goods trade: interactive dashboard](#) (Welsh Government, 2026)

Imports

The value of EU imports into Wales was £7.7 billion in 2025. Figure 3 shows the top five importing EU Member States.

Figure 3: Top five highest value EU import destinations (2025)



Source: [International goods trade: interactive dashboard](#) (Welsh Government, 2026)

2. What does Wales trade with the EU?

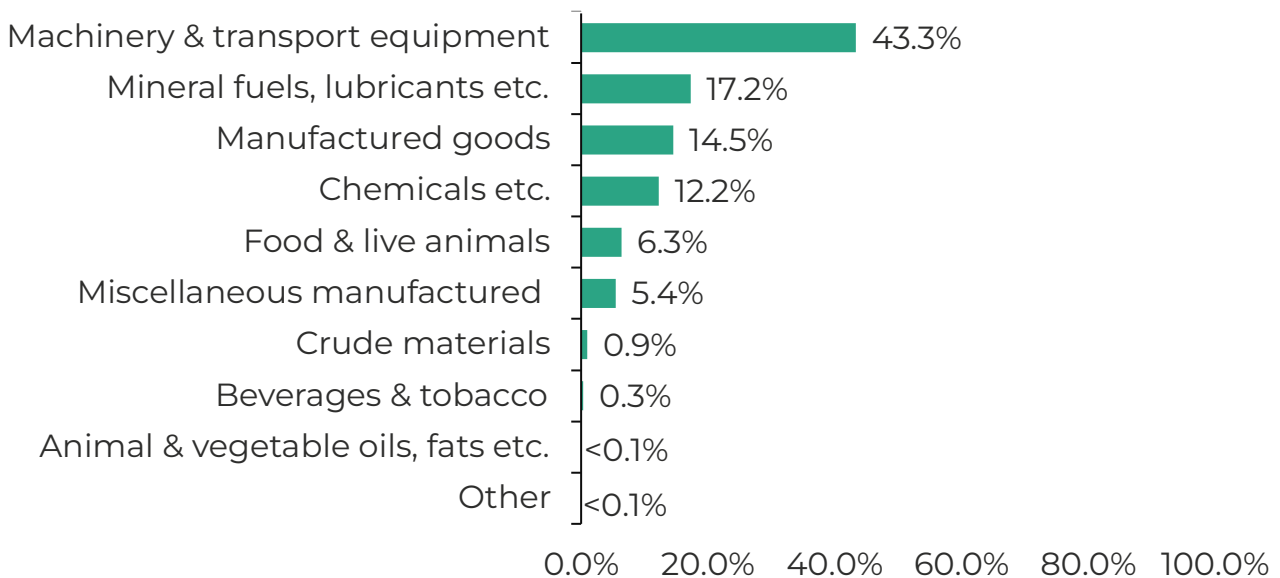
Wales-EU trade is dominated by machinery and transport equipment.

This includes road vehicles, power generating machinery (like boilers, engines and turbines), telecommunications equipment and specialised machinery.

Exports

Together with mineral fuels (like petrol), manufactured goods (like iron and steel) and chemicals (like medicines), these goods made up over 87% of Welsh exports to the EU in 2025. Figure 4 shows Welsh exports to the EU in 2025.

Figure 4: Wales-EU exports by category of goods (by percentage of value; 2025)

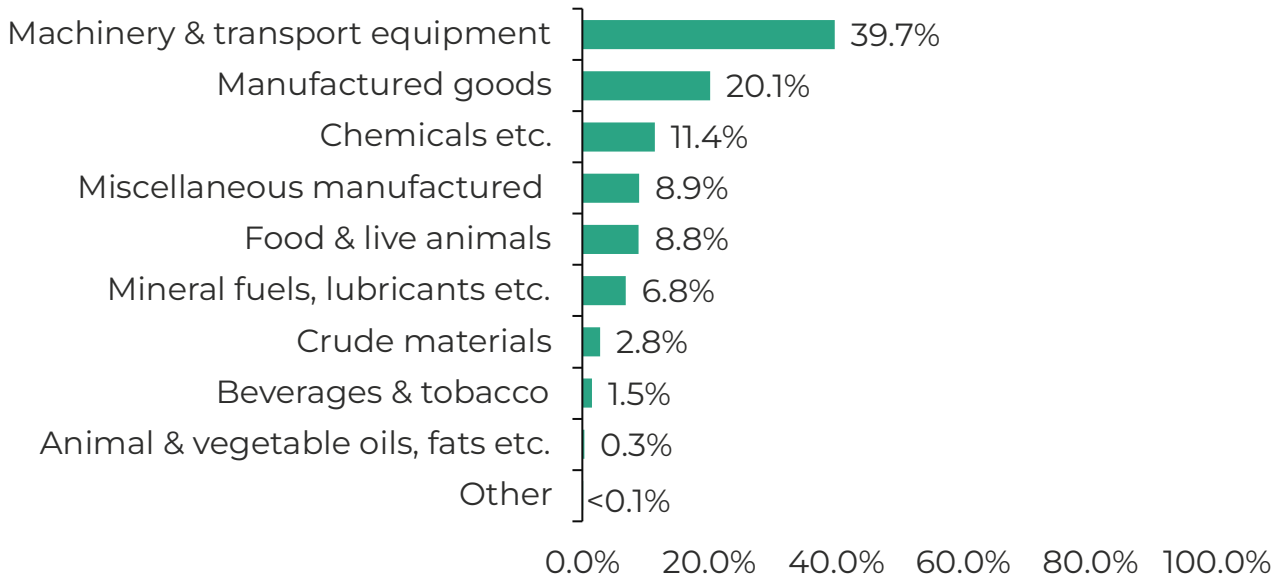


Source: [International goods trade: interactive dashboard](#) (Welsh Government, 2026)

Imports

Alongside manufactured goods and chemicals, machinery and transport equipment made up over 70% of EU imports into Wales in 2025. Figure 5 shows EU imports.

Figure 5: EU-Wales imports by category of goods (by percentage of value; 2025)



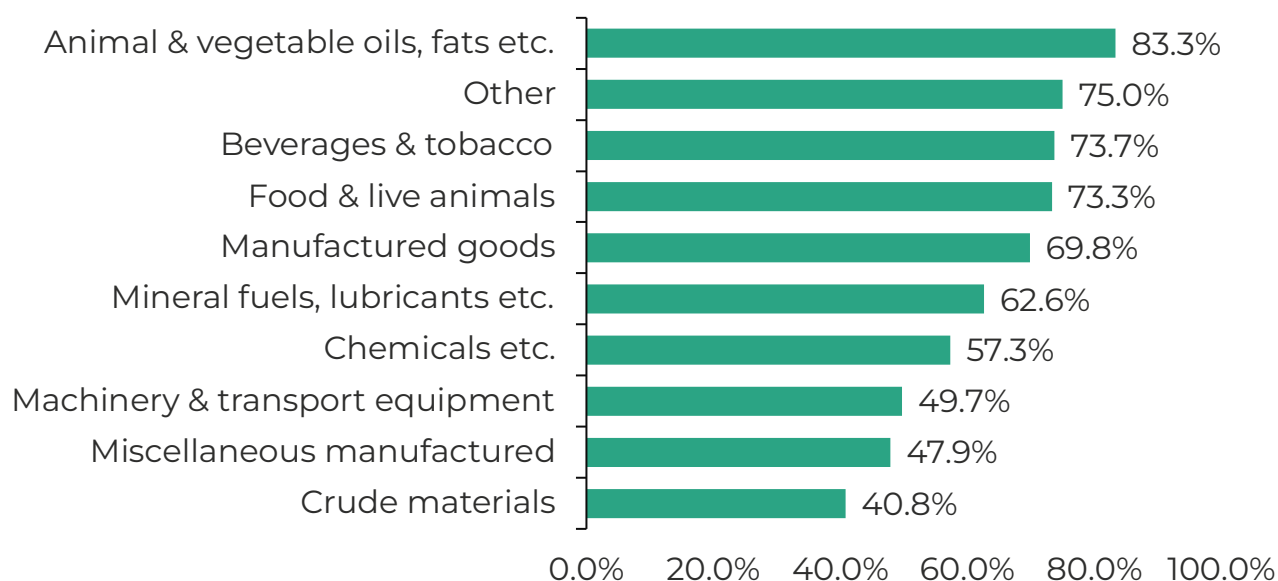
Source: [International goods trade: interactive dashboard](#) (Welsh Government, 2026)

3. Which sectors are most reliant on trading with the EU?

Some Welsh industries are more reliant on trading with the EU than others.

Figure 6 shows the percentage of EU exports by category of goods. In 2025, over 83% of animal and vegetable oils, fats and waxes exported from Wales went to the EU, making this the category most reliant on trading with the EU. Even the lowest percentage was still high, with 43% of crude materials exported from Wales bound for the EU.

Figure 6: Percentage of EU exports by category of goods (2025; by value)



Source: [International goods trade: interactive dashboard](#) (Welsh Government, 2026)

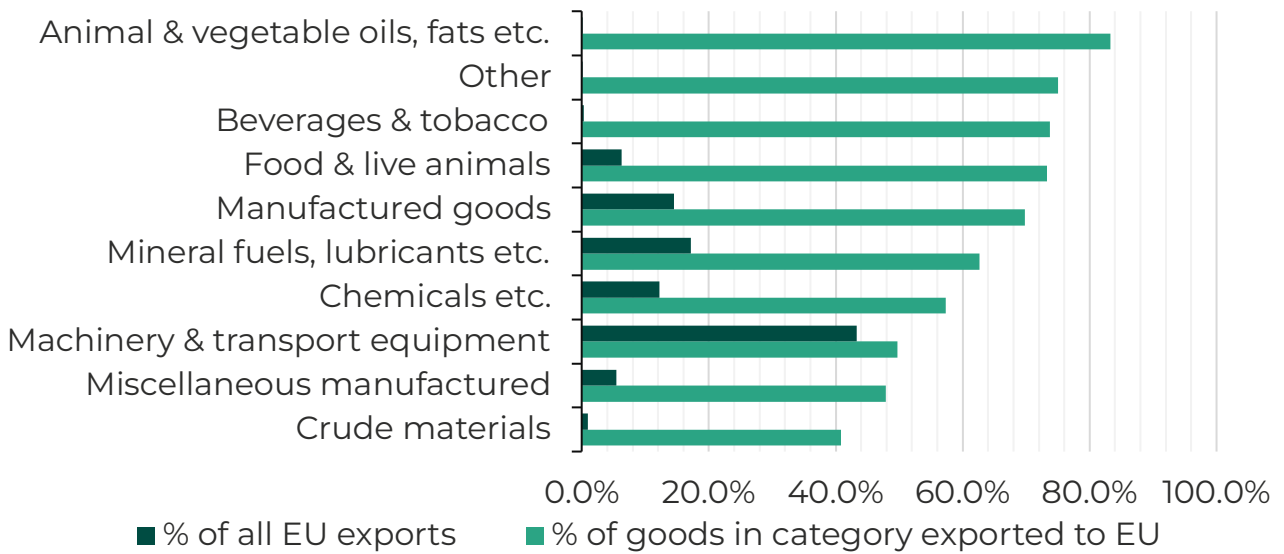
This provides important insight into how reliant different sectors are on exporting to the EU.

This reliance can also be compared with an industry's contribution to Wales' EU exports overall. For example, around 73% of Wales' food and drinks exports went to the EU but they made up just over 6% of the total value of its EU exports. Conversely, around 50% of machinery and transport equipment exports went to the EU in 2025 and made up just over 43% of the value of EU exports overall.

Although these industries may not make up a significant proportion of the total value of EU exports, they are often key industries that have wider significance to Wales. Their reliance on exporting to the EU is most exposed to changes in trading conditions.

Figure 7 looks at how industry reliance compares with its corresponding contribution to EU exports overall.

Figure 7: Sectoral reliance on exporting to the EU with contribution to overall EU exports (2025; by value)



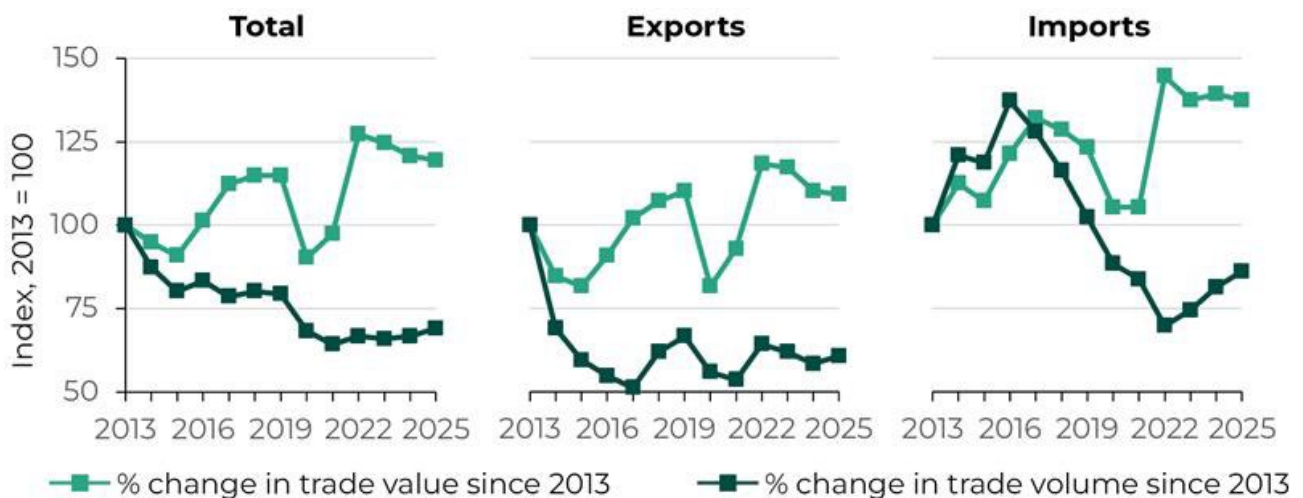
Source: [International goods trade: interactive dashboard](#) (Welsh Government, 2026)

4. Trade before and after Brexit

Comparing trade statistics before and after Brexit is challenging because changes were made at the time to accommodate new customs procedures and data collection methods.

Nevertheless, some trends can be observed. For example, there was a sharp drop in trade by value and volume between 2019-2020 during the Covid-19 pandemic and as Brexit approached. The volume of trade with the EU has not recovered since, even though its value has fluctuated. Figure 8 shows changes in Wales-EU trade values and volumes between 2013-2025 relative to 2013.

Figure 8: Changes in Wales-EU trade values (£bn) and volumes (kg) (2013-2025) relative to 2013



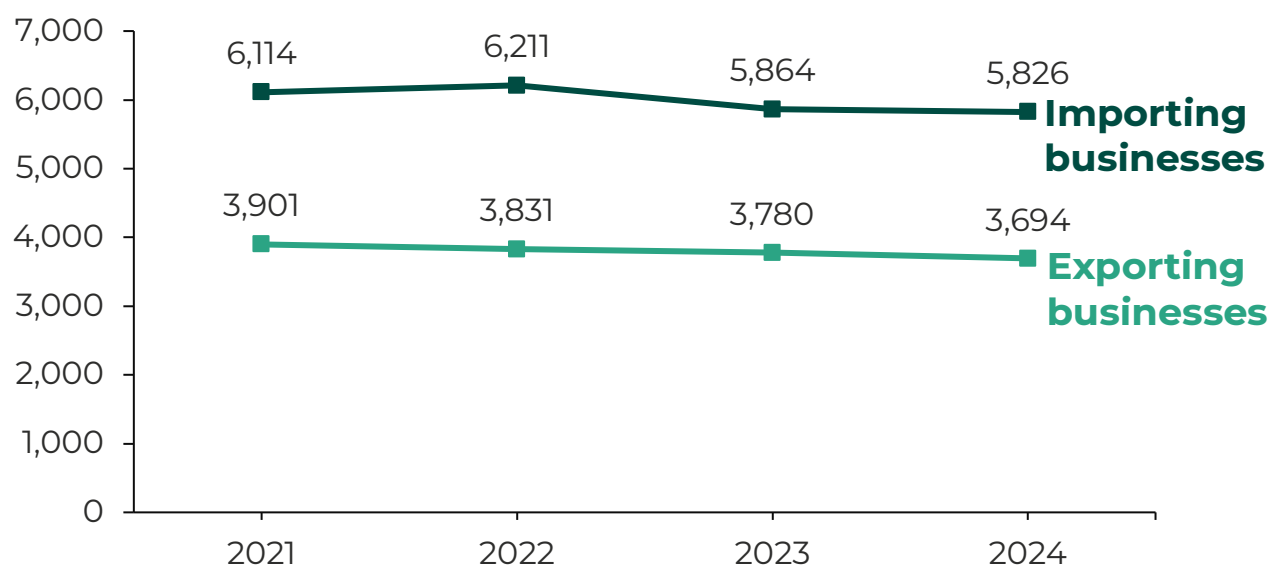
Source: [International goods trade: interactive dashboard](#) (Welsh Government, 2026)

5. How many Welsh businesses trade with the EU?

The number of Welsh businesses trading with the EU decreased after 2021, when the post-Brexit UK-EU trade deal entered into force.

By 2024, 207 businesses were no longer exporting to the EU (a 5.3% drop) and 289 fewer businesses were bringing in EU imports (a 4.7% drop). This can be seen on Figure 9. Due to **changes to data sources**, these numbers aren't comparable to years prior to 2021.

Figure 9: Number of Welsh businesses trading with the EU (2021-2024)



Source: **UK regional trade in goods statistics disaggregated by smaller geographical areas** (UK Government, 2026)

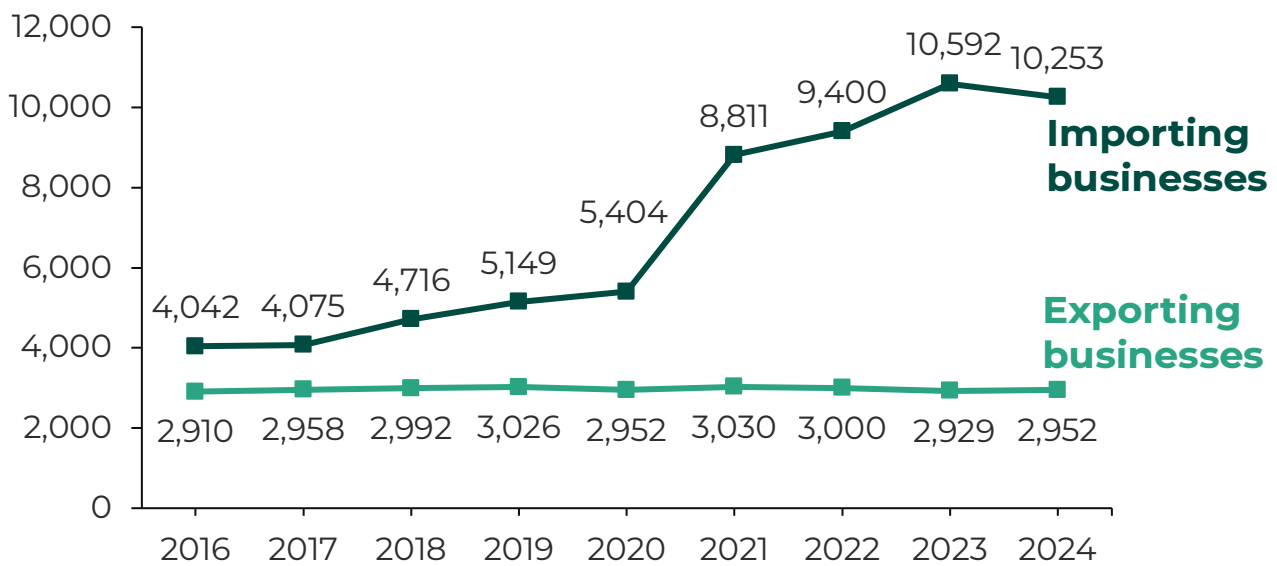
Welsh businesses trading with non-EU partners

Over the same period (2021-2024), the number of Welsh businesses importing from non-EU countries increased while the number of businesses exporting to non-EU countries remained steady.

78 Welsh businesses no longer exported to non-EU partners (a 2.6% decrease) but the number of businesses importing from non-EU partners increased sharply by 1,442 (a 16.4% increase).

Between 2020, when the UK left the EU and entered the Brexit transition period, and 2024, the number of businesses in Wales importing from non-EU countries almost doubled from 5,404 to 10,253 (a 89.7% increase). This can be seen on Figure 10.

Figure 10: Number of Welsh businesses trading with non-EU partners (2016-2024)



Source: [UK regional trade in goods statistics disaggregated by smaller geographical areas](#) (UK Government, 2026)

6. Why might Wales be “disproportionately impacted” by Brexit?

The previous Welsh Government believed that Welsh trade was “disproportionately impacted” by Brexit.

Two of the main reasons for this are: (i) Wales is more reliant on exporting goods to the EU than the UK as a whole; and (ii) geography places Wales in a unique position in UK-EU arrangements.

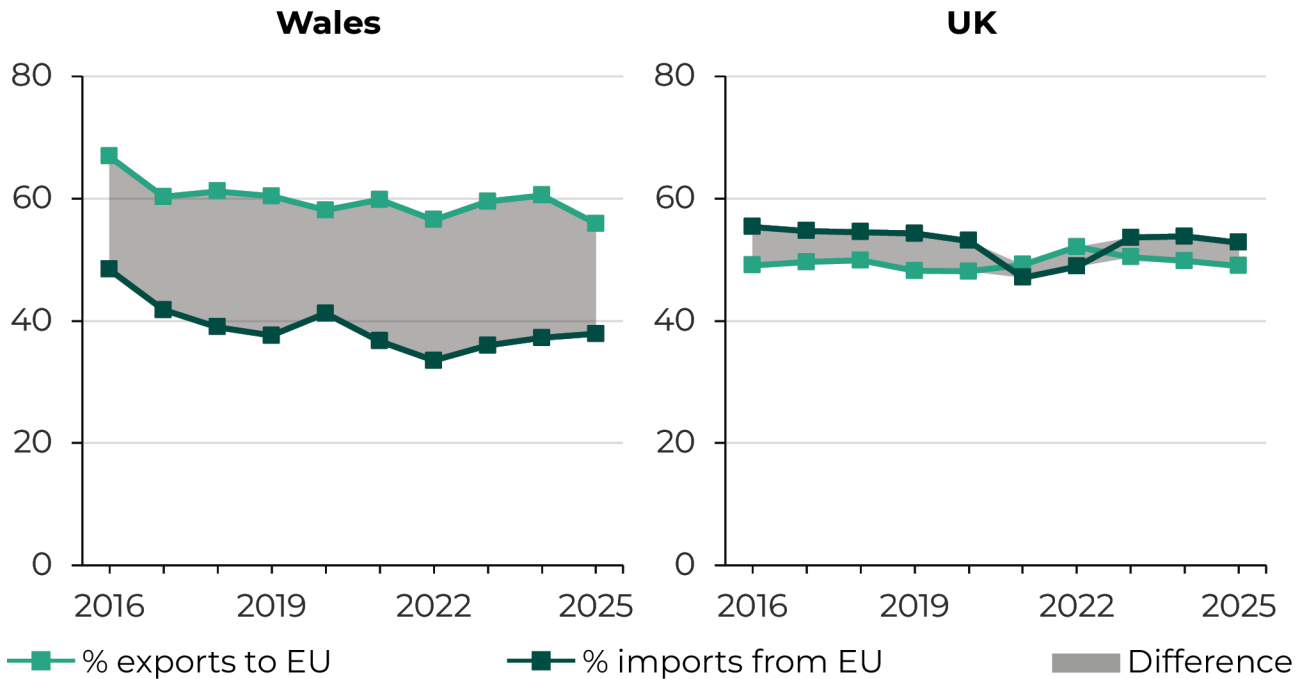
Reliance on exporting to the EU

Wales has a higher percentage of EU exports than the UK, and a lower percentage of EU imports. These percentage gaps have grown since Brexit. The gap between Wales’ EU exports and imports has also remained wide.

Figure 11 illustrates these factors and the extent of Wales’ large trade surplus with the EU (i.e. exporting more than it imports). This brings opportunities and risks, including greater exposure to UK-EU arrangements and to EU trade policy.

This is one of the reasons why the stakes are high for Wales when it comes to UK-EU relations. The new Welsh Government will also need to consider EU developments in light of the UK Government’s commitment to follow some of its rules.

Figure 11: Percentage of EU exports and imports compared to the UK (by value; 2016-2025)



Source: [Welsh international goods trade](#) (Welsh Government, 2016-2026)

Geography

As illustrated on Figure 12, geography places Wales in a unique position in UK-EU arrangements, particularly when it comes to the island of Ireland.

Firstly, unlike England and Scotland, Wales doesn't have direct shipping routes to Northern Ireland. This means it can't take advantage of more frictionless trade routes under **the Windsor Framework**. Wales' direct links to Ireland mean that exports entering the EU in Ireland face more complex requirements under the UK-EU trade deal, the Trade and Cooperation Agreement ("TCA").

Secondly, Holyhead port's location on the UK Landbridge means Wales is vulnerable to issues such as **its partial closure** in December 2024. The value of trade going through the port was **almost half a billion less** than the previous year as a result.

Thirdly, the number of **direct shipping routes** between Ireland and the EU mainland have increased since Brexit – both in terms of new routes and established routes increasing capacity to meet demand.

For these reasons, Members of the Sixth Senedd closely followed trade diversions away from Welsh ports.

Figure 12: Key trade routes between Great Britain, the island of Ireland and the EU

