CHART OF THE WEEK

9 July 2026

WHEN INTRA-EU TRADE FINDS A NEW BALANCE

Guillaume Derrien with the help of Maëlys Biot (intern)

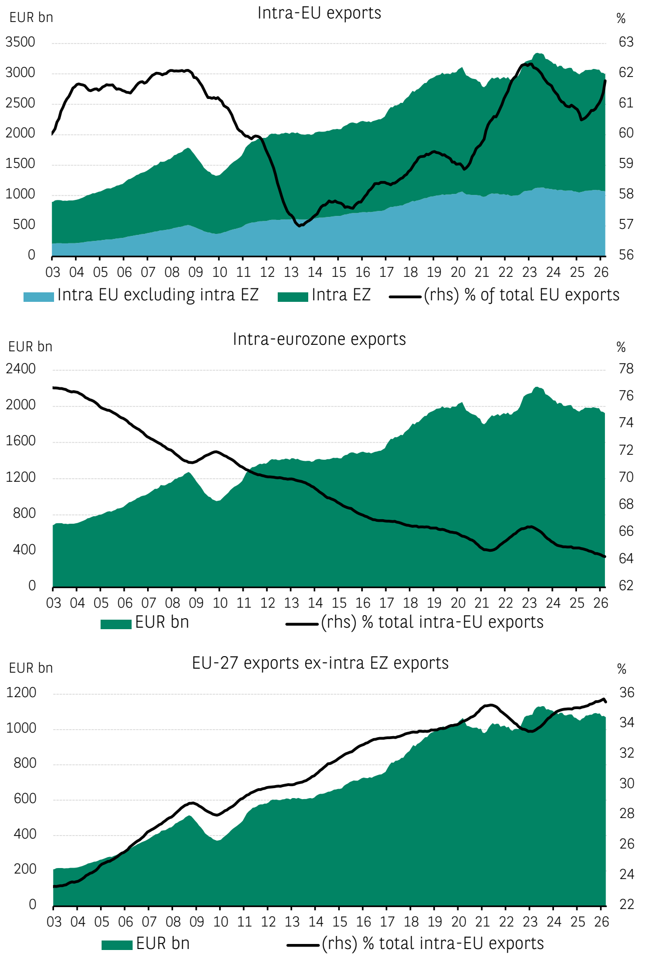
The share of intra-EU exports in total European exports currently stands at around 62%, a level comparable to that seen in the early 2000s. Behind this apparent stability, however, lies a deep reshuffling of the major blocs that make up the European Union. The share of trade within the Eurozone in total intra-EU exports has declined almost continuously. It fell from about 77% in the early 2000s to just over 64% today (April 2026). Conversely, the share of flows between the Eurozone and the rest of the European Union (31.5%), along with, to a lesser extent, trade among the six countries[1] outside the Eurozone (4.0%), has risen symmetrically. There is little doubt that the growth gaps expected between the Eurozone and the more dynamic economies of Central Europe and Scandinavia by the end of the decade, according to IMF projections[2], will fuel this trend.

This rebalancing stems first and foremost from EU enlargement. The Central European countries, whose EU integration began in 2004 (2007 for Romania), have gradually climbed up European industrial value chains. This is particularly true in machine tools, transport equipment, and, more recently, defense (Poland), a sector in which Sweden is also a major player. Foreign direct investment flows from the Eurozone and from outside Europe (China[3]) have accompanied this upgrading, anchoring these economies as central players in European value chains.[4]

The Eurozone remains by far the EU's main export market, and most of the industrial value added remains concentrated there. This gradual shift in trade patterns is nonetheless not politically neutral, and it is progressively redrawing the balance of power within the EU. The ongoing negotiations over the next Multiannual Financial Framework (2028-2034) are one of the current illustrations of this.

This reorientation is slow and uneven, but it remains an important signal. At a time when global trade tensions and Chinese competition are undermining opportunities outside the EU, this internal redeployment of trade acts as a buffer for European exports, which is positive for the continent's economic growth. It is also, and above all, one more argument—if one were needed—for strengthening the European single market, the only framework capable of turning these new synergies into lasting competitiveness gains for the whole continent. Hence the importance for European leaders of making the 'One Europe, One Market' plan a success.

In intra-EU trade, the eurozone is losing ground to the other member states



Note: Constant price, 2020. Data are deflated using unit value index of imports

CHARTS

SOURCE: EUROSTAT, BNP PARIBAS

1 Denmark, Hungary, Poland, Romania, Sweden, Czech Republic.
2 According to April 2026 forecasts, average annual growth in the Eurozone is expected to be 1.2% over 2026-2030, versus 2.1% for the six non-Eurozone countries.
3 See Rhodium Group's latest report on this topic: Chinese Investment in Europe Rises to Seven-Year High: Chinese FDI in Europe 2025 Update – Rhodium Group
4 See C. Kalasopatan Antoine, Central Europe: Moving up the value chain, BNP Paribas, February 4, 2025.

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