



## **U.S. LAGS AS AN EXPORTER OF MANUFACTURED GOODS**

### ***Exports Less than Half of World Average and Ranks 13<sup>th</sup> out of top 15***

The United States is seriously under-performing as an exporter of manufactured goods. It exports only 45 percent as much of its manufacturing output as the world average, according to a National Association of Manufacturers (NAM) benchmarking analysis based on recently-released 2009 data from the United Nations Statistics Division.

The United States is the world's largest manufacturer, producing one in every five dollars of manufactured goods in the entire world. But it is lacking in export orientation, and among the 15 largest manufacturing economies, the United States ranks 13<sup>th</sup> in terms of the proportion of its manufacturing output that it exports (export intensity). Only Brazil and the Russian Federation have a lower export intensity, as is seen in the graph below.

The 15 major producers together accounted for approximately 80 percent of all world manufacturing in 2009. Taiwan led major economies in export intensity, followed by Germany and Korea.

At 45 percent of the world average, the United States is exporting less than half as much of its manufacturing output as is the world norm. If the United States were to export only at the average, manufactured goods exports in 2009 would have been more than \$700 billion larger than they were, and the United States would not have had a deficit in its merchandise trade – including oil imports.

The NAM also benchmarked “import intensity,” comparing imports of manufactured goods relative to the size of domestic manufacturing industries around the world. The analysis shows that while in absolute terms our imports of manufactured goods are very large, relative to the size of the U.S. manufacturing industry, they are only 75 percent of what they would have been had we imported at the average rate for the world.

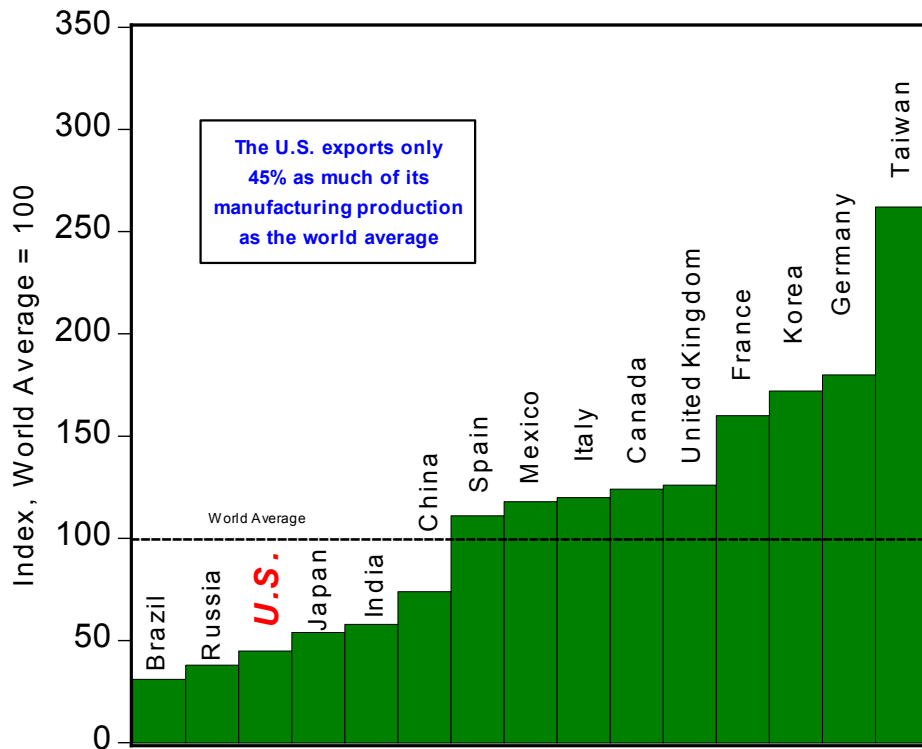
Importing at 75 percent of the world average and exporting at 45 percent of the world average explains why the United States has a large manufactured goods trade deficit. These data show that relative to the size of the U.S. manufacturing industry, the United States is exporting considerably less than it is importing. The Administration's National Export Initiative to double exports in five

years is badly needed and deserves the most serious attention by both the Executive Branch and the Congress.

The mature domestic market for manufactured goods is unlikely to grow rapidly enough to outpace productivity increases and create jobs. Job creation is going to depend on faster export growth – with the United States joining the major league of “power exporters,” and the time to start achieving that goal is now.

One of the key imperatives if U.S. exports are to grow more rapidly and elevate the U.S. export performance is greater access to foreign markets. This can only come from “playing-field-leveling” trade agreements such as the three pending agreements with Colombia, Korea, and Panama – and then an expansion in the negotiation of trade agreements with all significant markets. U.S. trade agreements have proven their worth, as newly-released trade data show that 2010 marked the third year in a row of a U.S. manufactured goods trade surplus with U.S. free trade partners – a surplus cumulating to \$70 billion.

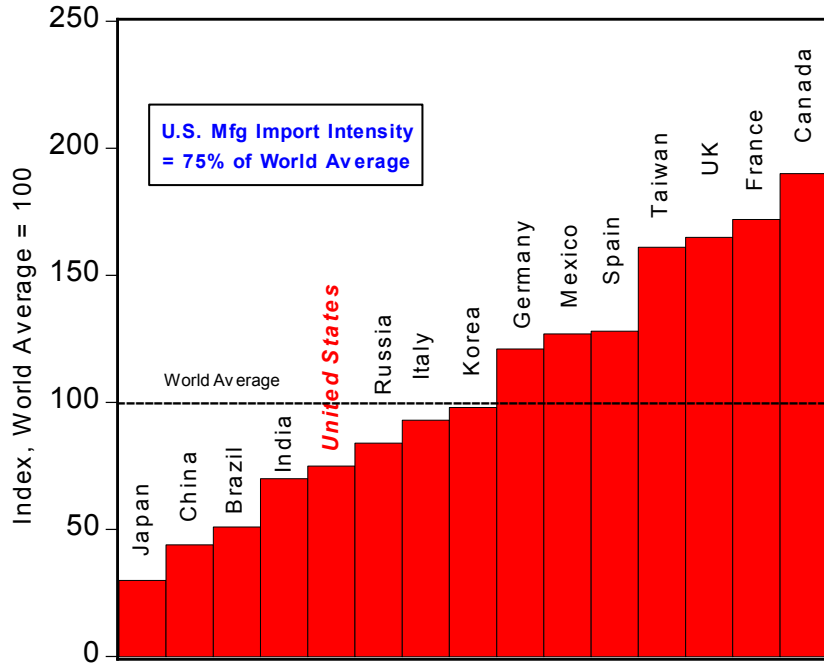
## Manufactured Goods Export Intensity, 2009



**The United States ranks 13th out the top 15 manufacturing economies in terms of the proportion of manufacturing production exported**

Source: National Association of Manufacturers calculations of manufactured goods exports relative to Manufacturing Value-Added, utilizing United Nations Statistical Division National Accounts Database and UNCTADSTAT

## Manufactured Goods Import Intensity, 2009



The United States is close (slightly below) to the world average in terms of the relationship between manufactured goods imports and production.

Source: National Association of Manufacturers calculations of manufactured goods imports relative to Manufacturing Value-Added, utilizing United Nations Statistical Division National Accounts Database and UNCTADSTAT

**NATIONAL ASSOCIATION OF MANUFACTURERS  
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