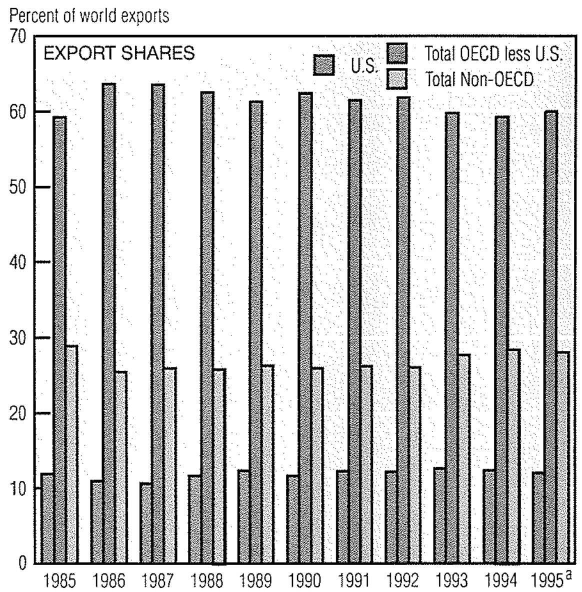
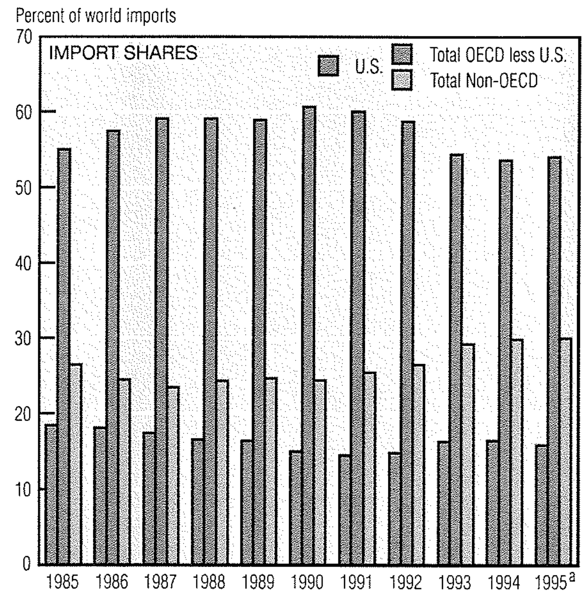
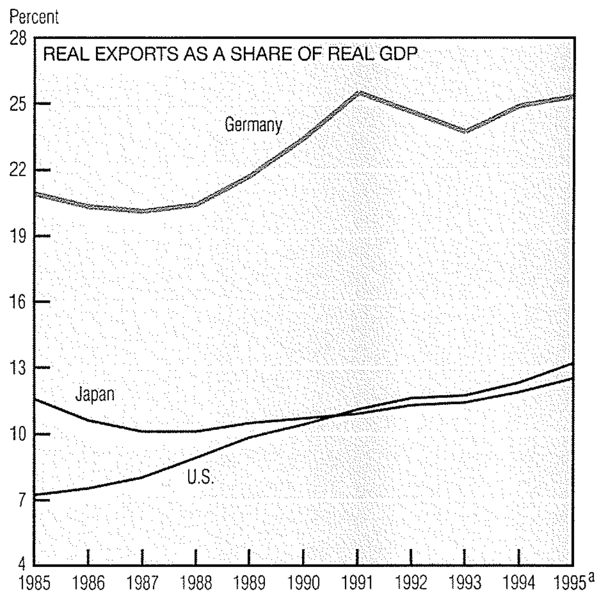
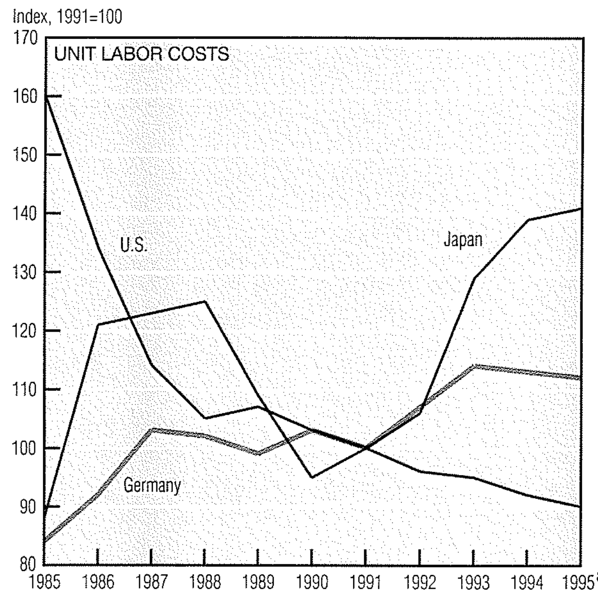
World Trade Patterns









a. OECD forecast.
SOURCES: Organisation for Economic Co-operation and Development (OECD); and DRI/McGraw-Hill.

According to the Organisation for Economic Co-operation and Development (OECD), the U.S. share of the world's export trade has inched up over the last decade. U.S. shipments amounted to approximately 11% of total export trade between 1985 and 1987, and to more than 12% between 1993 and 1995. Over this same period, the export share of other OECD countries (relatively developed nations) fell from 62% to under 60%, and the export share of non-OECD countries (developing nations) expanded from 27% to 28%.

Despite the growing U.S. trade deficit, our share of world imports actually declined over the past 10 years, falling from 18% to 16% between 1985 and 1995. Similarly, the share of other OECD countries dropped from 57% to 54%. Thus, developing countries' share rose from 25% to nearly 30% over this period.

As the U.S. has captured a larger share of the world markets, exports have become more important to our economic performance. In 1995, exports accounted for 13.2% of U.S. GDP, up from 7.2% in 1985. This puts us roughly on a par with Japan, where exports account for 12.5% of total output, but below Germany, where exports make up 25% of GDP.

In part, our export gains may reflect trends in U.S. labor costs—a major factor in international competitiveness. Over the last 10 years, U.S. labor costs have fallen 15.9%.