

Secondly, while most sections of the "U.S. Industry Outlook" address the entire sector, others address specific products or product groups. Forecasts made at both levels should be assessed carefully, as they may differ significantly from the prospects of any individual product included within them. It is therefore recommended that outlook data be used only as a general indication of sectoral prospects in the near term.

Power-Driven Hand Tools

The U.S. Department of Commerce (USDOC) compiles information on the power-driven hand tool industry in the publication *1988 U.S. Industrial Outlook*. Products in this sector include rotary drills, rotary and demolition hammers, sanders, grinders, automatic screwdrivers, mitre boxes, table saws, cordless tools and gasoline-powered chain saws. Both consumer and industrial tools are included.

In 1987, shipments of power tools grew to \$2.6 billion (U.S.), an increase of 1% in constant dollars over 1986. Overall imports of power-driven hand tools rose to \$815 million (U.S.) in 1987, an increase of 7%. Almost 50% of all U.S. power tool imports were supplied by Japanese exporters, despite retaliatory tariffs of 100% on some items as a result of Japan's failure to keep an agreement on the sale of semi-conductor chips. West Germany was second among U.S. import sources with approximately \$130 million (U.S.) in imports, ahead of other major suppliers such as Taiwan, South Korea, Sweden and Canada.

Although exports rose by 15% to reach \$315 million (U.S.) in 1987, the U.S. trade deficit for the power-driven hand tool industry rose to \$500 million (U.S.) in 1987. Real growth in 1988 in U.S. hand tool shipments is projected by the USDOC at 1%, while U.S. imports of power-driven hand tools are expected to increase by about 5% in the same period to \$857 million (U.S.). Although exports are expected to continue to rise by approximately 10% in 1988 in response to the increased price competitiveness of U.S. products due to the lower value of the U.S. dollar, the U.S. trade deficit for this industry is expected to exceed \$500 million (U.S.) for the second consecutive year.