

Demand for printed products is determined by a number of factors, including general economic activity, disposable personal income, advertising expenditures, business formations and transactions, and appropriations for schools, libraries and institutions. The United States is the world's largest market for printed products and a favorable set of demographic factors over the period 1993-98 should reinforce this preeminent position. The U.S. population should reach 270 million in 1998, an increase of more than 12 million over 1993. The number of U.S. households should expand to 101 million in 1998, a gain of almost 5 million from 1993. School enrollments—elementary, secondary and college—should expand by close to 5 million, to 68 million in 1998, from 63 million in 1993.

Growing competition from the electronic media and a squeeze on leisure time are forcing U.S. printers and publishers to reappraise their traditional markets. Printed products originally issued as books, directories, newsletters, and reference materials increasingly appear in the form of audio books, laser disks, compact disks, software, facsimile, and on-line information. To date, these electronic products supplement rather than supplant demand for printed products, but inroads by these electronic media should become more evident by the close of the decade. Gains by the electronic media are well perceived by leading U.S. printers, several of whom have established facilities to produce electronic materials such as compact disks for their publishing customers.

ENVIRONMENTAL PROFILE

Meeting environmental challenges is affecting the cost structures of both printers and publishers. Printers' concerns with toxins, carcinogens, and volatile organic compounds (VOCs) have led to increased use of alcohol-free fountain solutions, water-based inks, and solvent-less developers and finishers. More use of recycled paper and greater care in the disposal of materials now classified as hazardous result in higher printing production costs. Publishers' environmental issues center on the nation's dwindling space for landfills. Greater use of recycled paper throughout the printed product spectrum, coupled with growing legislative efforts to separate more printed products for recycling purposes from the stream of consumer waste, add to publishers' costs.

INTERNATIONAL COMPETITIVENESS

Since the United States is the world's largest market for printed products, most U.S. printers and publishers have at best a peripheral interest in international trade. Yet the United States is the second largest exporter of printed products (exceeded only by Germany), with 1993 shipments of slightly more than \$4 billion. Major markets for U.S. printed product exports are Canada, the United Kingdom, Japan, and Mexico, with combined purchases accounting for two-thirds of the total. Approximately 60 percent of U.S. printed product exports consist of books and periodicals, but a wide variety of other items, including greeting cards, catalogs, labels, posters, decals, playing cards, calendars, and other trade advertising materials contribute to export markets totaling \$1.6 billion in 1993.

Imports of printed products reached \$2.2 billion in 1993, with combined shipments from Canada, the United Kingdom, Hong Kong, and Germany representing approximately 54 percent of the total. Shipments of books constituted 46 percent of all U.S. printed product imports in 1993, with some U.S.

U.S. Trade Patterns in 1992 Printing and Publishing SIC 27

(in millions of dollars, percent)

Exports			Imports		
	Value	Share		Value	Share
Canada and Mexico	1,940	50.8	Canada and Mexico	473	22.6
European Community	794	20.7	European Community	695	33.2
Japan	295	7.7	Japan	173	8.3
East Asia NICs	203	5.3	East Asia NICs	633	30.2
South America	94	2.4	South America	32	1.5
Other	507	13.2	Other	87	4.1
World Total	3,833	100.0	World Total	2,093	100.0

Top Five Countries

	Value	Share		Value	Share
Canada	1,721	44.9	Canada	396	18.9
United Kingdom	408	10.6	United Kingdom	302	14.4
Japan	295	7.7	Hong Kong	251	12.0
Mexico	219	5.7	Japan	173	8.3
Australia	187	4.9	Singapore	120	5.7

See "Getting the Most Out of Outlook '94" for definitions of the country groupings.
SOURCE: U.S. Department of Commerce; Bureau of the Census; International Trade Administration.

publishers contracting with Pacific Rim or Mediterranean suppliers who offer attractive pricing.

The next five years should provide significant opportunities for those U.S. printers and publishers seeking an international presence. Successful conclusion of the North American Free Trade Agreement (NAFTA) and the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) will reduce or eliminate trade barriers to exports of U.S. printed products and strengthen protection of international copyrights. By addressing the information requirements of global markets—and assisted by the dominance of English as the world's language of commerce and the professions—the U.S. printing and publishing industry should dominate in providing information services to an increasingly international clientele.—William S. Lofquist, *Office of Consumer Goods* (202) 482-0379, September 1993.

NEWSPAPERS

Although newspaper industry receipts continued to show a loss in constant-dollar terms in 1993, they fell at a slower rate than in the past five years, declining less than 1 percent from 1992. Receipts totaled about \$35.9 billion.

First-quarter 1993 newspaper advertising was on a strong upward swing, but slowed by the second quarter. For the year, newspaper advertising revenues were expected to show a gain of 3 to 4 percent, coupled with a slight loss in advertising pages. Still uncertain about the economy and their employment prospects, consumers spent more cautiously in 1993. With local retail markets soft in many areas of the country, businesses, especially large retail chains and supermarkets, held back on their advertising. In addition, newspapers' classified advertising (employment, real estate, and auto) recovered at a slower pace in 1993 than newspaper publishers anticipated earlier in the year. While both local retail and classified newspaper advertising receipts showed some gain in 1993, national advertising receipts continued to drop.

Circulation revenue gains were largely due to increases in newsstand and subscription prices. Total newspaper circulation remained nearly flat in 1993, although morning and Sunday