

In 1988, exports rose 24% over 1987 levels to \$915 million (U.S.) largely due to the low value of the U.S. dollar. The major U.S. export markets were Canada, Australia, Japan, and the United Kingdom. Canada accounted for almost one third of U.S. export sales. Adult and juvenile trade books account for half of the product sales. In 1988, U.S. imports grew by 10% to an estimated \$860 million (U.S.).

The USDOC notes that the low-valued U.S. dollar was a factor in merger and acquisitions activity in the domestic publishing industry. Publishers in the United Kingdom, West Germany and France participated in this activity. The USDOC maintains that such activity is likely to continue as long as the U.S. dollar remains low relative to other currencies. It also predicts that, as a result of the low relative value of the U.S. dollar, exports are likely to remain strong in 1989 increasing over 1988 levels by 17.5%. It is expected that the dollar value of imports will increase in 1989 by 19% to \$1.03 billion (U.S.)

In terms of the industry's long-term prospects, the USDOC projects that book publishers' shipments over the next five-year period should average 4% annually. It believes that technological change will significantly affect this industry. Desktop publishing and electronic editing systems are mostly likely to increase U.S. title output. The need for more instructional materials customized to local and regional conditions will require that publishers provide numerous editions of basic texts. The USDOC notes that because this would be an expensive task, publishers will seek assistance from U.S. book printers to manufacture diverse editions by the most economical means. However, the USDOC indicates that technology can be a threat, as well as an advantage, to the book publishing industry.

The USDOC notes that publishers are likely to increase the use of tapes, computer discs, and other new media as substitutions for printed paper. According to the USDOC, the market for audio books (books available in cassette format) is rapidly growing. It also notes that the market for books in digital format is growing as the consumer acceptance of the compact disc becomes more widespread.

Commercial Printing

The USDOC reports that the sales of advertising materials, magazines and periodicals and catalogs and directories account for more than 68% of all U.S. commercial printing. The remainder of the industry's sales volume is accounted for by sales of advertising materials consisting of direct mail