

U.S. INDUSTRY OUTLOOK

This section is based on the *1988 U.S. Industrial Outlook* published by the USDOC. This information provides a general forecast of short-term prospects and gives an indication of expected trends and developments in the U.S. business machines sector. While such information may be of interest, readers should proceed with caution in utilizing the data for the following reasons.

Firstly, although the USDOC is the source of both the "U.S. Imports 1982-87" (summarized above) and the "U.S. Industry Outlook", two different systems of product classification are used. Differences may not be obvious. In some cases, slightly different titles reflect very similar sets of products; in others, similar titles for sectors or product groups encompass a slightly different mix of products. Thus the market forecasts in the "U.S. Industry Outlook" section may cover a slightly different mix of products than the rest of this report.

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.

Office or business machines and associated equipment encompass a wide variety of products including: adding machines, calculators, cash registers, typewriters, photocopiers, dictation machines, mail handling equipment and, increasingly, electronic computers and peripherals.

As continued developments in microelectronics and software result in the introduction of more powerful, faster, more effective and less expensive computer-based systems, the product category "business machines" will continue to evolve and merge with that of electronic computer equipment. Of the numerous types of business machines in use today, most incorporate microprocessors. Consequently, the outlook for business machines is, in large part, influenced by that of the computer industry.

In 1987, the U.S. computer equipment industry began to recover from a two-year stagnation in demand. An 8% increase in the dollar value of shipments to \$57.5 billion (U.S.) was spurred by significant price/performance improvements made by manufacturers, particularly those in the