



CPA Domestic Market Share Index

Data Release

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Technical Information: amayoral@prosperousamerica.org

Media Contact: nick@prosperousamerica.org

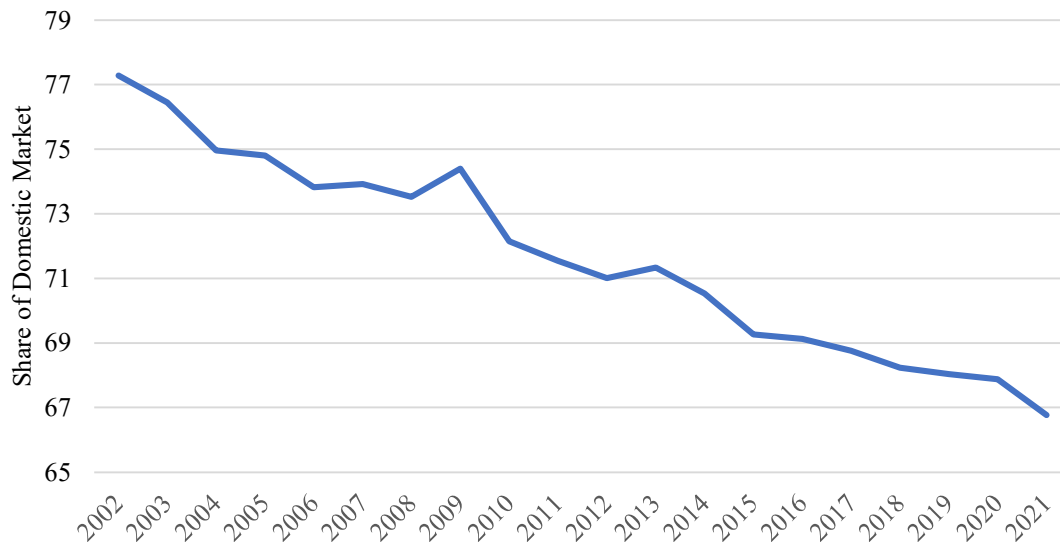
DMSI Falls in Q4 2021 As U.S. Manufacturing Loses Share to Imports

The CPA Domestic Market Share Index (DMSI) fell to 66.4 in Q4 2021, down slightly from 66.6 in the previous quarter, indicating that imports increased their share of U.S. consumption of manufactured goods in Q4 by 0.2 percentage points to 33.6%. The loss of domestic share in Q4 was likely due to increased imports at U.S. ports as the shipping industry began to overcome some of the delays and snafus restraining imports last year.

The CPA Domestic Market Share Index (DMSI) is a new indicator measuring the success of U.S. manufacturing producers in the U.S. home market. The U.S. market for manufactured goods is the world’s largest, worth over \$7 trillion last year. Over the past two decades, imports have gained a larger share in the U.S. market, leading to millions of lost jobs and industrial decline in many regions and

On a full-year basis, the annual DMSI fell by a full percentage point from 67.9 in 2020 to 66.8 in 2021, its lowest annual level since data sources became available in 2002. The 2021 decline in domestic share, and rise in imports, was due to the shift of U.S. consumer spending in 2021 away from services and towards goods spending, including sectors where imports are dominant such as computers and

Figure 1: U.S. Share of Domestic Manufacturing Market



Source: U.S. BLS, U.S. Census; CPA Calculations

The U.S. DMSI has declined since 2002 when the U.S. had 77.3% of the manufacturing base (earliest data available). Figure 1 above shows the general decline in U.S. share of manufacturing over time, a loss of over 10 percentage points equivalent to more than \$700 billion in today's dollars.

DMSI by Manufacturing Sub-Sectors

On a sectoral basis, several sub-sectors lost considerable share to imports in 2021. Apparel and leather fell to a domestic share of 8.1 last year, indicating that over 91% of U.S. consumption in this sector went to imports. Computer and electronics fell by 3 points to 28.2, as the popularity of work-from-home, videoconferencing and video classrooms led U.S. consumers and U.S. network providers to purchase computer equipment which is predominantly imported from Asia.

Table 1: U.S. Domestic Market Share by Sector, Change

Sector	DMSI	Previous Quarter	Full Year	Previous Year
	2021 Q4	2021 Q3	2021	2020
Manufacturing	66.4	66.6	66.8	67.9
Apparel and leather	7.3	7.2	8.1	9.2
Chemical	67.1	66.8	67.1	68.2
Computer/electronics	23.8	29.3	28.2	31.6
Electrical equipment	35.2	34.4	35.3	36.9
Fabricated metals	80.1	79.2	79.8	81.5
Food and beverage and tobacco	88.5	88.5	88.8	89.9
Furniture	55.6	54.2	54.4	60.0
Machinery	58.4	57.2	57.6	59.9
Miscellaneous manufacturing	42.0	42.6	44.3	50.7
Motor Vehicles	67.0	67.1	66.2	65.7
Nonmetallic minerals	81.7	80.5	81.9	84.8
Other transportation equipment	73.0	75.3	73.7	73.0
Paper	87.8	88.1	88.6	89.6
Petroleum and coal	90.1	88.5	89.1	89.7
Plastics and rubber	75.6	75.0	74.8	77.5
Primary metals	61.0	61.7	60.0	55.5
Printing/related activities	91.9	91.9	92.7	93.8
Textiles	49.4	48.8	49.5	44.7
Wood	81.8	80.2	79.4	83.2

Source: U.S. BLS, U.S. Census; CPA Calculations

DMSI by Sources of Imports

On an import source basis, many major nations and regions exporting manufactured goods to the U.S. increased their share of the U.S. market last year and in Q4 of 2021 as U.S. businesses and consumers increased spending on industrial and consumer goods. China continued to rank first as the leading source of U.S. manufacturing imports, with an 8% share of the U.S. market in Q4. Vietnam's share rose to new highs of 1.5% in 2021 and 1.6% in Q4 2021.

Table 2: Sources of U.S. Manufactured Imports with Largest U.S. Market Share

Location	DMSI	Previous Quarter	Full Year	Previous Year
	<i>2021 Q4</i>	<i>2021 Q3</i>	<i>2021</i>	<i>2020</i>
China	8.0	7.5	7.3	7.2
European Union	6.5	6.7	0.0	0.0
Mexico	5.3	5.3	5.3	5.1
Canada	3.7	3.6	3.6	3.4
Germany	1.9	2.0	2.0	1.9
Japan	1.9	2.1	2.0	2.1
Vietnam	1.6	1.5	1.5	1.4
Korea	1.4	1.5	1.5	1.3
Taiwan	1.3	1.2	1.2	1.0
India	1.1	1.1	1.1	0.8

Source: U.S. BLS, U.S. Census; CPA Calculations

The CPA DMSI is based on the value of production, imports, and exports in U.S. manufactured goods. It is calculated as the inverse of the import share: $DMSI = 100 * (1 - (\text{imports} / (\text{output} + \text{imports} - \text{exports})))$. For more detailed information on the U.S. DMSI including downloadable data please see <https://prosperousamerica.org/domestic-market-share-index/>.