

CPA Domestic Market Share Index

Data Release

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DMSI Rises to 66.5 as U.S. Manufacturers Increase Home Market Share

The CPA Domestic Market Share Index (DMSI) increased slightly to 66.5 in Q3 2022, an increase of 0.3 percentage points from the previous quarter. The DMSI measures the share that U.S. domestic producers hold of the U.S. market for manufactured goods. A DMSI of 66.5 means that foreign producers (imports) hold just over one third of the U.S. market for manufactured goods. The U.S. market for manufactured goods, worth over \$7 trillion a year, is the world's largest market.

The slight increase in Q3 comes after Q2 2022 matched a historic low of 66.2% for the DMSI. In Q3, durable goods increased by 0.4 percentage points to 58.1% while nondurable goods increased 0.4 points to 76.4%. Domestic shares continue to be affected by the supply chain disruptions which have impacted domestic production of goods including motor vehicles and imports from countries affected by Covid lockdowns, shipping delays, and other snafus.

Among sectors as shown in Table 1, furniture manufacturers grew domestic market share the most in Q3 by 4.6 percentage points to 60.2%. Also among manufacturing sectors with large gains were producers of wood products with an increase of 4 percentage points and chemical manufacturers with an increase of 2.1 percentage points.

Producers of apparel lost 1.3 percentage points of market share and fell to a two-year low of 7.7% domestic market share, the lowest of among 19 manufacturing sectors. Motor vehicle producers gained 0.7 points to reach 68.3% in Q3.

Despite the slight quarterly increase, 2022 DMSI remains below the previous year's level of 66.6 in 2021. As Figure 1 shows, the DMSI has steadily declined over the past two decades. Since 2002, U.S. manufacturers have decreased from 77.3% of market share to a nearly 11-percentage point decrease of 66.5% in Q3 2022. Compared to a year ago, 13 of the 19 manufacturing sectors have lost market share.

By import source, China increased by half a percentage point to 7.3% of the U.S. domestic market share in Q3. China continues to rank first among the largest source of U.S. manufacturing imports, accounting for about 20% of the foreign-sourced market share. In Q3, China grew its

market share most among apparel products by 3.9 percentage points and miscellaneous manufactured goods by 5.8 percentage points.

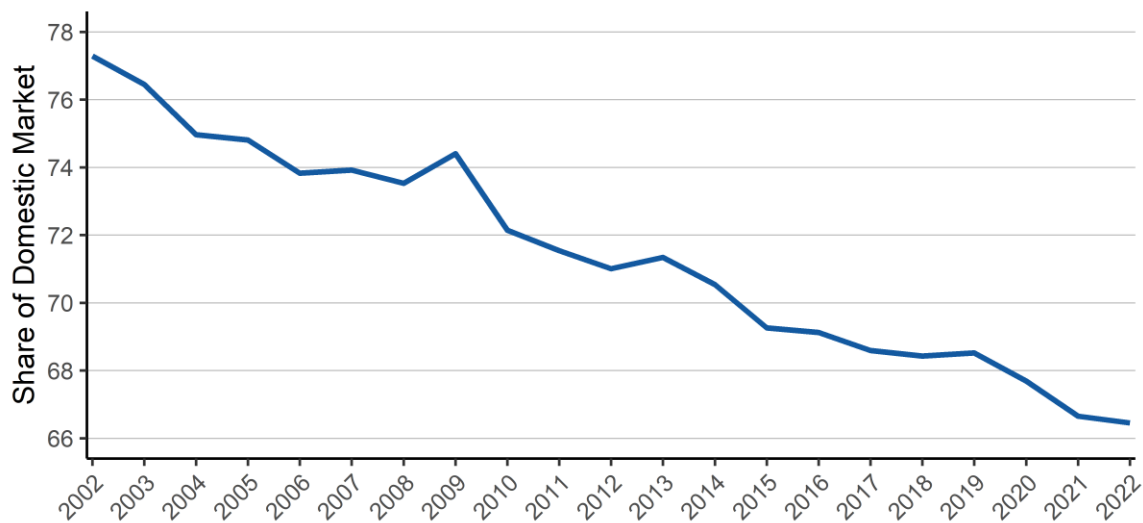
Both Mexico and Taiwan grew their U.S. market share by 0.1 percentage points in Q3. Both countries grew market share with significant gains among exports to the U.S. of computer and electronic products. Taiwan gained one percentage point in computer and electronic products, its largest exported manufacturing sector to the U.S. Mexico increased by 2.4 percentage points, its largest manufacturing export sector after electrical equipment and appliances and apparel products.

Methodology

The CPA Domestic Market Share Index (DMSI) measures the success of U.S. manufacturing producers in the U.S. market. 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 many sectors.

The DMSI is based on the value of production, imports, and exports in U.S. manufactured goods. It is calculated entirely from U.S. government data as the inverse of the import share: $DMSI = 100 * (1 - (\text{imports} / (\text{output} + \text{imports} - \text{exports})))$. Changes in the reported annual and quarterly DMSI reflect revisions in government data. For more detailed information on the DMSI including downloadable data please contact aheritage@prosperousamerica.org.

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



Source: U.S. Bureau of Economic Analysis, U.S. Census; CPA Calculations, 2022 figures from Q3

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

Sector	Latest Quarter 2022 Q3	Previous Quarter 2022 Q2	Full Year 2021	Previous Year 2020
Manufacturing	66.5	66.2	66.6	67.7
Apparel and leather	7.7	9.0	9.7	8.5
Chemical	64.4	62.3	65.5	67.8
Computer/electronics	27.9	28.9	27.9	31.1
Electrical equipment	32.7	33.4	35.2	36.7
Fabricated metals	78.6	78.6	79.8	81.5
Food and beverage and tobacco	87.9	87.3	89.1	90.3
Furniture	60.2	55.6	58.6	61.7
Machinery	56.3	54.9	56.3	58.1
Miscellaneous manufacturing	37.0	37.7	38.7	45.0
Motor Vehicles	68.3	67.6	66.7	66.0
Nonmetallic minerals	80.1	80.8	82.7	85.0
Other transportation equipment	80.1	78.6	78.3	75.7
Paper	84.5	85.9	88.0	89.0
Petroleum and coal	89.7	88.9	88.6	88.7
Plastics and rubber	72.9	71.9	74.2	77.4
Primary metals	57.3	56.6	57.8	52.4
Printing/related activities	91.5	91.6	92.5	93.6
Textiles	50.9	49.4	49.9	44.3
Wood	82.2	78.2	80.7	84.4

Source: U.S. Bureau of Economic Analysis, U.S. Census; CPA Calculations

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

Location	Latest Quarter 2022 Q3	Previous Quarter 2022 Q2	Full Year 2021	Previous Year 2020
European Union	7.3	6.9	6.7	6.7
China	7.3	6.8	7.4	7.3
Mexico	5.6	5.5	5.3	5.2
Canada	3.6	3.9	3.7	3.4
Japan	1.9	1.9	2.0	2.1
Vietnam	1.8	1.8	1.5	1.4
Germany	1.8	1.8	2.0	1.9
Korea	1.5	1.6	1.5	1.3
Taiwan	1.3	1.2	1.2	1.1
India	1.1	1.2	1.1	0.9

Source: U.S. Bureau of Economic Analysis, U.S. Census; CPA Calculations