

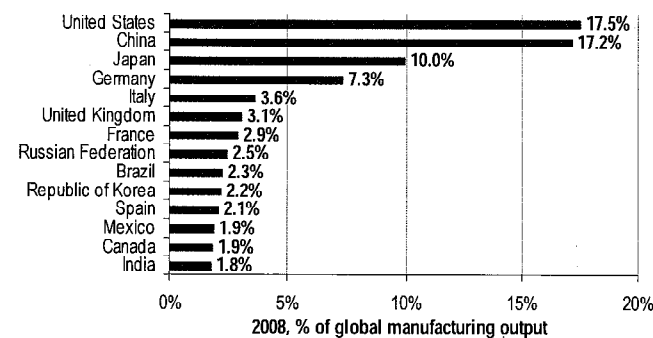
### Myth #3: “Nothing is made in the US anymore”

The US is still the global manufacturing powerhouse...

#### The US is still the global manufacturing powerhouse

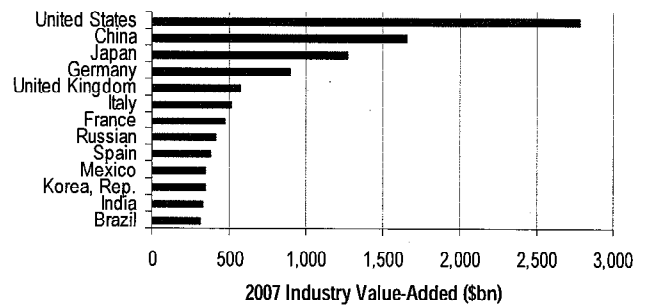
It is true that the mix of the US economy has been slowly shifting away from manufacturing toward services for a long time. But the idea that nothing is made in the US anymore is simply untrue. In fact, the US was still the largest manufacturer as of 2008, making up 17.5% of the world’s total manufacturing output (Chart 16). Furthermore, when focusing on the value-added production (as defined by the World Bank), the US contribution is more than 2/3 higher than the next largest producer, China (Chart 17).

Chart 16: The US still ranks #1 in manufacturing output



Source: BofA Merrill Lynch US Equity Strategy, United Nations

Chart 17: And more than 2/3 larger than China’s value added production\*



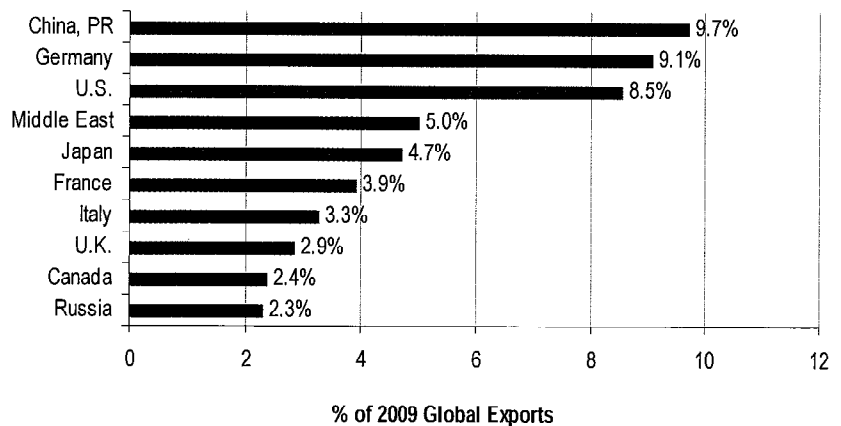
Source: BofA Merrill Lynch US Equity Strategy, World Bank

\* Value added in industry includes mining, manufacturing, construction, electricity, water, and gas (ISIC divisions 10-45). Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs.

#### And the US is a leading global exporter

The US fell from its top spot as the global leader in gross exports of goods in 2002, but remains firmly in the top 3 alongside Germany and China (Chart 18). The US is also a big service exporter. Services are 30% of gross US exports. US exports being 30% services and 70% goods has been the steady ratio for years.

Chart 18: The US still ranks #3 in global exports of merchandise



Source: BofA Merrill Lynch US Equity Strategy, International Monetary Fund

Note: According to UN data, as of 2008 the US was still the largest exporter of goods & services (i.e. when including exports of services)

...and a leading global exporter.