

# Recent Price Trends in the Chemicals Industry

An overview of Chemical Manufacturing price indexes

2019

[www.bls.gov/mxp](http://www.bls.gov/mxp)



U.S. Import and Export Price Indexes contain data on changes in the prices of nonmilitary goods and services traded between the United States and the world. The U.S. Bureau of Labor Statistics produces these indexes, which are Principal Federal Economic Indicators.

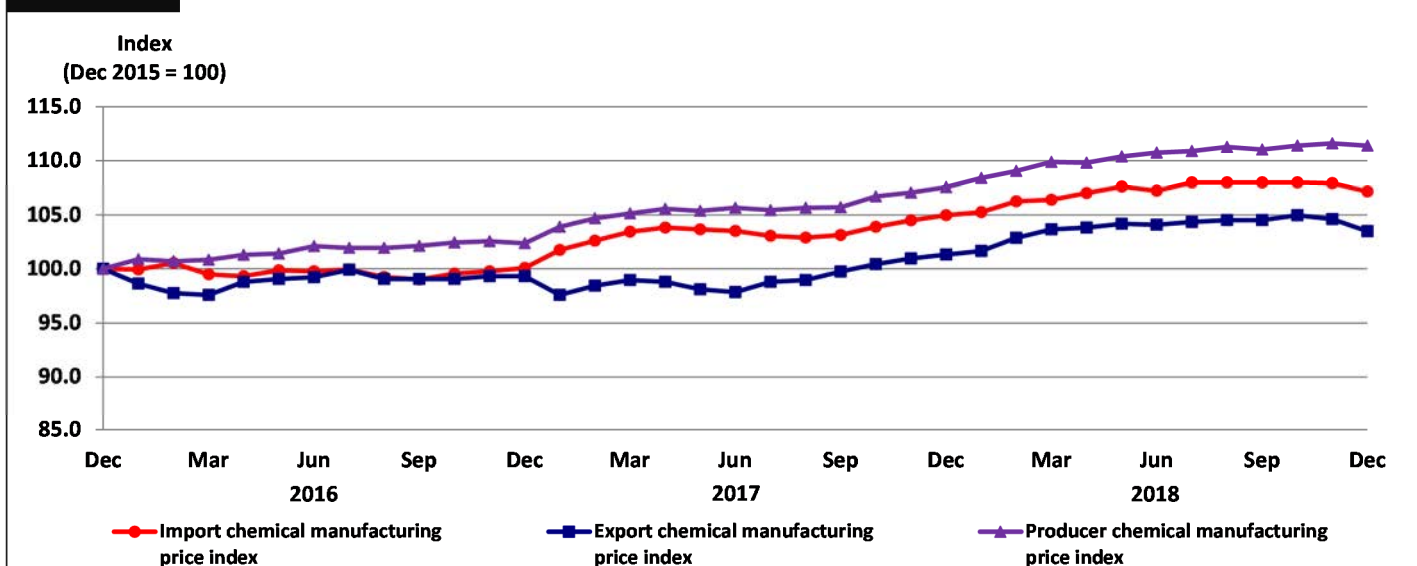
## Q: How have import chemical prices trended over the 2016–2018 period? (See chart 1)

- The import price index for chemical manufacturing products advanced 7.2 percent from December 2015 to December 2018. The price index ticked up 0.1 percent in 2016 before rising 4.9 percent in 2017. Import chemical manufacturing prices continued to increase in 2018, advancing 2.1 percent.
- The 2017 increase in import chemical prices was driven by a 1.7-percent rise in January, the largest monthly increase since advancing 2.5 percent in January 2014.
- Higher prices for petroleum, a primary input for many chemical products, drove import prices for chemical manufacturing in 2016 and 2017. In 2018, a petroleum price decrease moderated the overall increase in chemical prices.

## Q: How did import chemical prices compare with other economic data?

- Import prices for chemical manufacturing mostly recorded similar trends compared to the corresponding export and producer price indexes. Chemical manufacturing import and producer prices increased in 2016 while export prices declined. In 2017 and 2018, import, export, and producer prices all increased. Import prices and export prices each advanced 2.1 percent in 2018, lower than the 3.5-percent increase in producer prices over the year.
- The producer price index for chemical manufacturing increased 11.4 percent over the 3-year period from December 2015 to December 2018. The index rose 2.4 percent in 2016 before advancing 5.1 percent in 2017 and 3.5 percent for the 12-month period ended December 2018.

**Chart 1** Import, export, and producer chemical manufacturing price indexes



SOURCE: U.S. Bureau of Labor Statistics.



**Q: How have export chemical prices trended over the 2016–2018 period? (See chart 1)**

- Export chemical manufacturing prices advanced 3.5 percent over the 3-year period ended December 2018. Prices fell 0.7 percent in 2016 before rising 2.0 percent in 2017 and 2.1 percent in 2018.
- The 2018 advance in chemical manufacturing export prices was the largest since the index rose 4.4 percent in 2011. Increasing petroleum prices drove export chemical prices higher in 2017.

**Q: What are the top six exporting states and territories for chemical manufacturing? (See chart 2)**

- In 2018, the total trade value of exported chemical manufacturing products was \$207.5 billion. The top 6 exporting states made up 49.8 percent of this value.
- Texas ranked first in the United States in 2018 for export chemical manufacturing with \$46.1 billion in export trade value. That accounted for 22.2 percent of total U.S. chemical manufacturing exports.
- Puerto Rico ranked second with \$14.5 billion in trade dollar value, accounting for 7.0 percent of total U.S. chemical manufacturing exports. California ranked third with \$13.8 billion in trade, which accounted for 6.6 percent of total chemical manufacturing exports.

**Q: How are import and export price indexes useful to you?**

Import and export price indexes can provide a new perspective for your trade analyses. Although many sources report domestic market prices and trade volume, IPP data are unique in measuring import and export price movement.

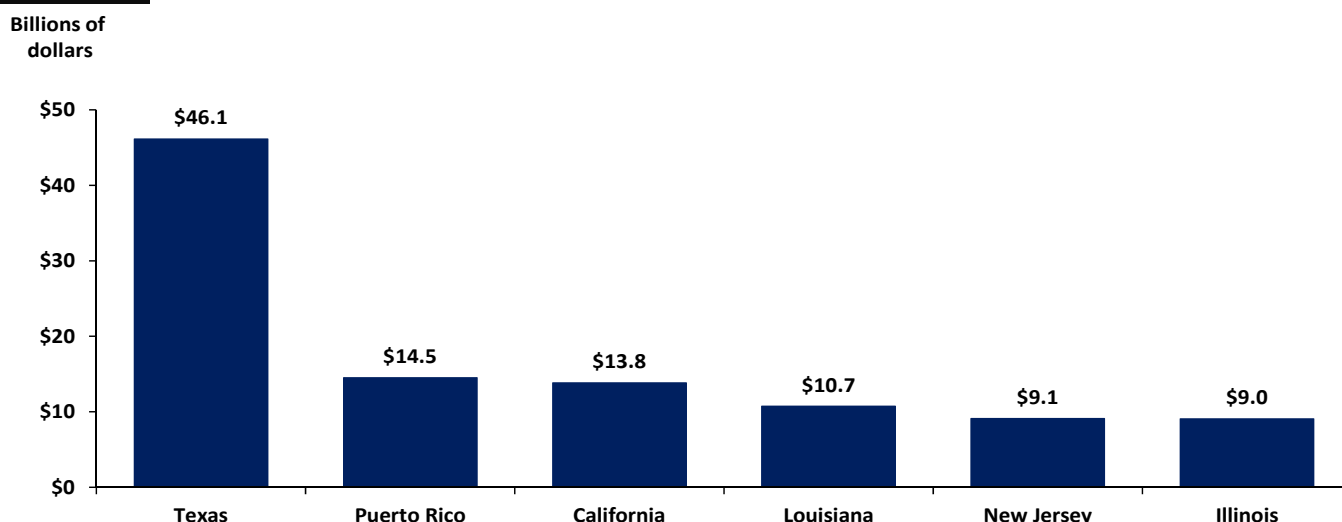
For example, if you are involved in the chemical industry and are considering conducting business overseas, IPP chemical manufacturing indexes can supplement your industry research by providing long-term import and export price trends.

**Q: How are import and export price indexes used?**

Import and export price indexes are used for a variety of purposes:

- In the conversion of U.S. trade figures from current dollars to constant dollars in U.S. trade statistics including the Bureau of Economic Analysis' Quarterly Gross Domestic Product and the Census Bureau's monthly U.S. trade statistics.
- To assess the impact of international trade on domestic inflation and the competitive position of the United States.
- As a tool for analyzing fiscal and monetary policy, measuring the impact of exchange rates, and escalating trade contracts.
- To identify industry-specific and global price trends.

**Chart 2** Top six exporting states and territories for chemical manufacturing in 2018



SOURCE: U.S. Census Bureau, Foreign Trade Statistics.