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 computer and peripheral prices trended over the 2015–2017 period? (See chart 1)
- The import price index for computers and peripheral manufacturing declined 4.7 percent between December 2014 and December 2017. The index fell 3.3 percent for the year ended December 2015, and then decreased 2.0 percent in 2016. Import computers and peripheral manufacturing prices then rose 0.4 percent overall in 2017.
- In 2015 and 2016, continuous innovation and increasing market competition, specifically in lower-cost overseas markets such as China, India, and Southeast Asia, greatly contributed to lower import prices. Additionally, semiconductors remained weak, placing further downward pressure on computer prices.

Q: How did import computer and peripheral prices compare with other economic data?
- The import price index for computers and peripheral manufacturing decreased less than the corresponding export and producer price indexes. The latter indexes recorded the most pronounced drops in 2015. Both producer prices and export prices fell sharply between December 2014 and December 2017, falling 10.9 percent and 12.4 percent, respectively.
- The producer price index for computers and peripheral manufacturing decreased over the 3-year period. In 2015 prices fell 5.3 percent. Prices continued to decline in 2016 moving down 5.3 percent. The drops in producer prices moderated in 2017 when prices fell 0.7 percent over the year.
Q: How have export computer and peripheral prices trended over the 2015–2017 period? (See chart 1)

- Export computer and peripheral manufacturing prices decreased 12.4 percent over the 3-year period. Prices fell 6.2 percent in both 2015 and 2016. In 2017 the price index declined 0.5 percent.
- Rapid innovation and growing competition placed downward pressure on export prices similar to import and domestic prices.

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

- The total trade value of exported computer and peripheral manufacturing in 2017 was just over $46 billion. The top 5 exporting states made up over 70 percent of the value.
- Texas ranked first in the United States in 2017 for exported computer and peripherals with over $15.5 billion in export trade. That accounted for 34.0 percent of total U.S. computer and peripheral manufacturing exports.
- California ranked second with $9.8 billion in trade dollar value, accounting for 21.4 percent of total exports. Florida ranked third with $3.3 billion in trade, which accounted for 7.3 percent of total U.S. trade.

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 computer and peripheral manufacturing industry and are considering conducting business overseas, IPP computer and peripherals 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 computer and peripheral equipment manufacturing in 2017

Billions of dollars

<table>
<thead>
<tr>
<th>State</th>
<th>Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas</td>
<td>$15.5</td>
</tr>
<tr>
<td>California</td>
<td>$9.8</td>
</tr>
<tr>
<td>Florida</td>
<td>$3.3</td>
</tr>
<tr>
<td>Tennessee</td>
<td>$1.9</td>
</tr>
<tr>
<td>New Jersey</td>
<td>$1.7</td>
</tr>
<tr>
<td>Oregon</td>
<td>$1.4</td>
</tr>
</tbody>
</table>

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