Recent Price Trends in the Computer and Peripheral Industry
An overview of Computer and Peripheral Equipment Manufacturing price indexes
2017

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 2014–2016 period? (See chart 1.)

- The price index for computer and peripheral imports, which includes keyboards, monitors, and computer storage devices fell 5.4 percent from December 2013 through December 2016, trending down over the duration of the 3-year period.

- 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, semiconductor prices fell, placing further downward pressure on computer prices.

Q: How did import computer and peripheral prices compare with other economic data?

- Both import and producer price indexes for computer and peripherals declined over the 2014-2016 period. Domestic prices fell 11.7 percent over the 3 year period, while import prices dipped 5.4 percent. The difference in the market basket between the 2 indexes explains some of the dissimilar price trends.

- The total trade value for computer and peripheral imports was $92.5 billion in 2014, decreasing 0.9 percent over the year. Between 2015 and 2016, the trade value for computer and peripheral imports fell 5.5 percent from $91.7 billion to $86.7 billion.

Chart 1. Import, export, and producer computer and peripheral equipment manufacturing price indexes

Index (Dec 2013 = 100)

NOTE: Index values have been rebased to December 2013.
Q: How have export computer and peripheral prices trended over the 2014–2016 period? (See chart 1.)

- Computer and peripheral export prices trended downward from December 2013 to December 2016, declining 13.5 percent.
- Rapid innovation and growing competition placed downward pressure on export prices similar to import prices.

Q: What are the top six exporting states and territories for Computer and Peripheral Manufacturing? (See chart 2.)

- In 2016, the total trade value of exported computer and peripheral parts was over $45.1 billion. The top six exporting states accounted for 73.4 percent of the total trade value.
- Texas was the largest exporter for computer and peripheral parts manufacturing, exporting $16.6 billion in 2016. Texas made up over one-third of all exports for computers and peripherals in the United States.
- California was the second leading state with $8.8 billion exported, comprising just under 20 percent of all exports.
- Florida, Tennessee, New York, and Oregon rounded out the list of leading exporting states with their combined trade value accounting for 17.1 percent of all computer and peripheral parts exports.

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

Import and export price indexes are the only data source that provide unique measures of import and export price movement. Most other trade sources report trade volume or aggregate dollar value.

For example, if you are involved in the computer and peripherals industry and are considering conducting business overseas, IPP computer and peripheral price indexes can supplement your industry research by providing long-term import and export price trends of detailed prices actually collected from industry sources.

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 specific industry and regional price trends.

**Chart 2. Top six exporting states and territories for computer and peripheral manufacturing in 2016**

<table>
<thead>
<tr>
<th>State</th>
<th>Trade Value (Billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas</td>
<td>$16.6</td>
</tr>
<tr>
<td>California</td>
<td>$8.8</td>
</tr>
<tr>
<td>Florida</td>
<td>$3.1</td>
</tr>
<tr>
<td>Tennessee</td>
<td>$1.8</td>
</tr>
<tr>
<td>New York</td>
<td>$1.5</td>
</tr>
<tr>
<td>New Jersey</td>
<td>$1.4</td>
</tr>
</tbody>
</table>

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