

Recent Price Trends in the Metal Industry

An overview of Primary Metal Manufacturing price indexes

2017

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.

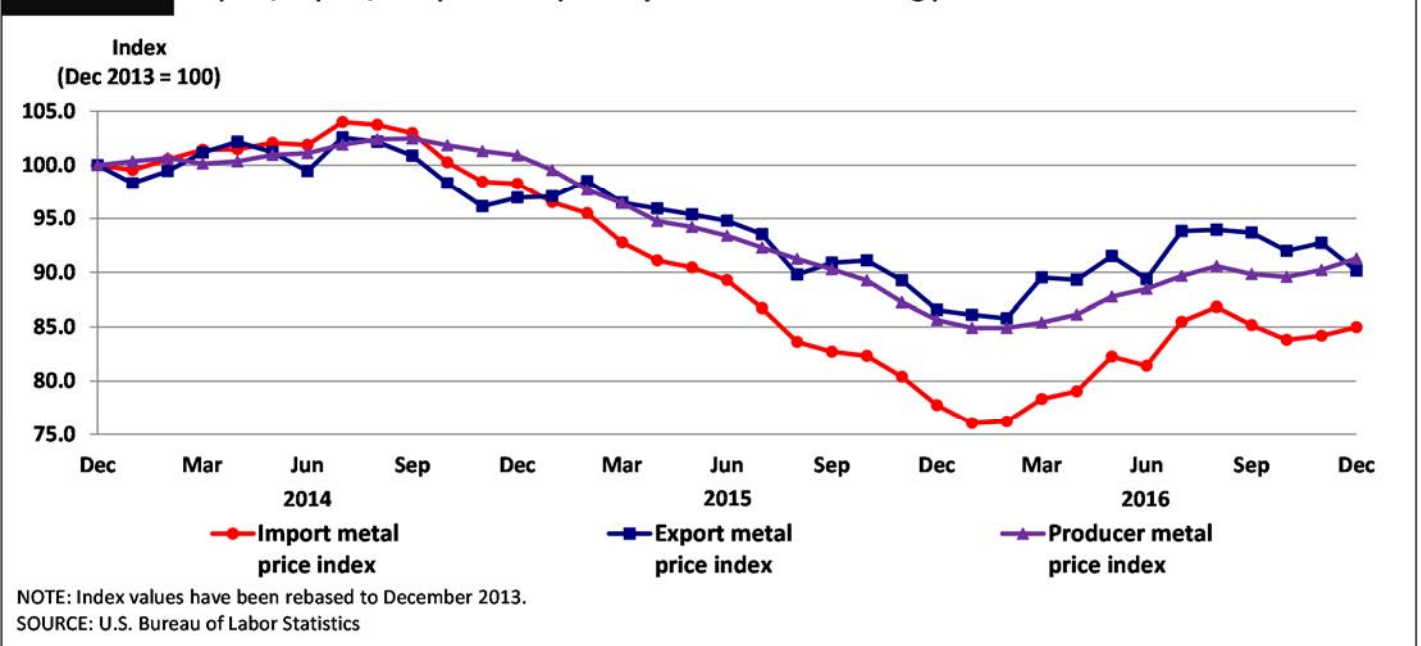
Q: How have import metal prices trended over the 2014–2016 period? (See chart 1.)

- The price index for metal imports declined 15.0 percent from December 2013 to December 2016. Import prices increased 4.0 percent from December 2013 until July 2014 followed by a steep 26.9 percent decline between July 2014 and January 2016. Price levels rose 14.2 percent from January 2016 through August 2016 and then leveled off for the remainder of the year.
- Weak global demand and robust supplies contributed to the decline in import metal prices. Lower prices for base metal imports such as copper and aluminum also fed into the overall decrease.

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

- From December to July 2014 import metal prices trended relatively higher than domestic prices, which increased 1.9 percent. While import prices decreased 26.9 percent from July 2014 to January 2016, domestic prices fell 16.7 percent.
- From September 2014 through January 2016, domestic prices decreased 17.1 percent before increasing 6.7 percent through August 2016.
- The trade dollar value for metal imports totaled \$101.2 billion in 2014 then decreased 16.1 percent from 2014 to 2015. Between 2015 and 2016, the total trade value for metal imports decreased from \$84.9 billion to \$80.0 billion, a 5.8 percent decline.

Chart 1. Import, export, and producer primary metal manufacturing price indexes





Q: How have export metal prices trended over the 2014–2016 period? (See chart 1.)

- Export metal prices fell 9.9 percent from December 2013 to December 2016. Most of the price decline occurred between February 2015 and February 2016 when the index fell 12.9 percent.
- Weak demand from China as well as robust global supplies contributed to the decreases in U.S. export metal prices.

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

- The total trade value of exported metals from the United States topped \$51.8 billion in 2016; over half of which came from 6 states.
- New York ranked first in 2016 for metal exports with \$7.0 billion, accounting for 13.5 percent of total U.S. metal export trade.
- Nevada was second with \$5.0 billion of trade dollar value, making up 9.6 percent of metal export trade. Utah was third, accounting for 9.4 percent of trade value.
- The next 3 exporting states accounted for a combined \$12.1 billion in metal exports, making up 23.4 percent of metal 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.

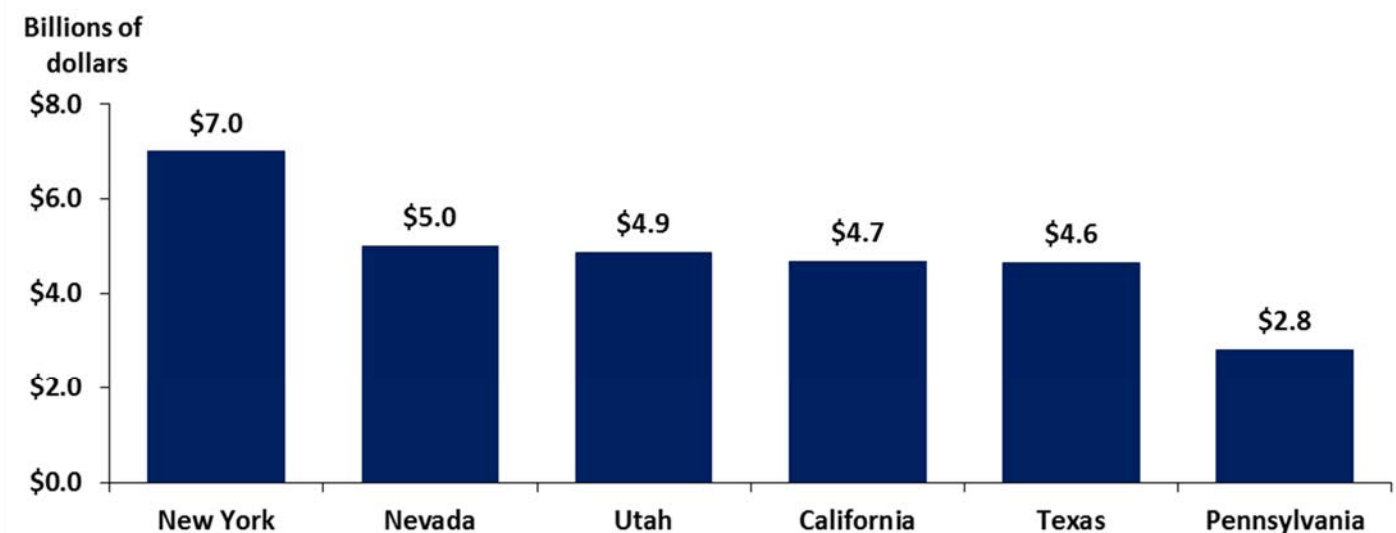
For example, if you are involved in the metals industry and are considering conducting business overseas, IPP metals price indexes can supplement your industry research by providing long-term import and export price trends of detailed prices actually collected from industry sources.

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 primary metal manufacturing in 2016



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