

Recent Price Trends in the Metal Industry

2016

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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.

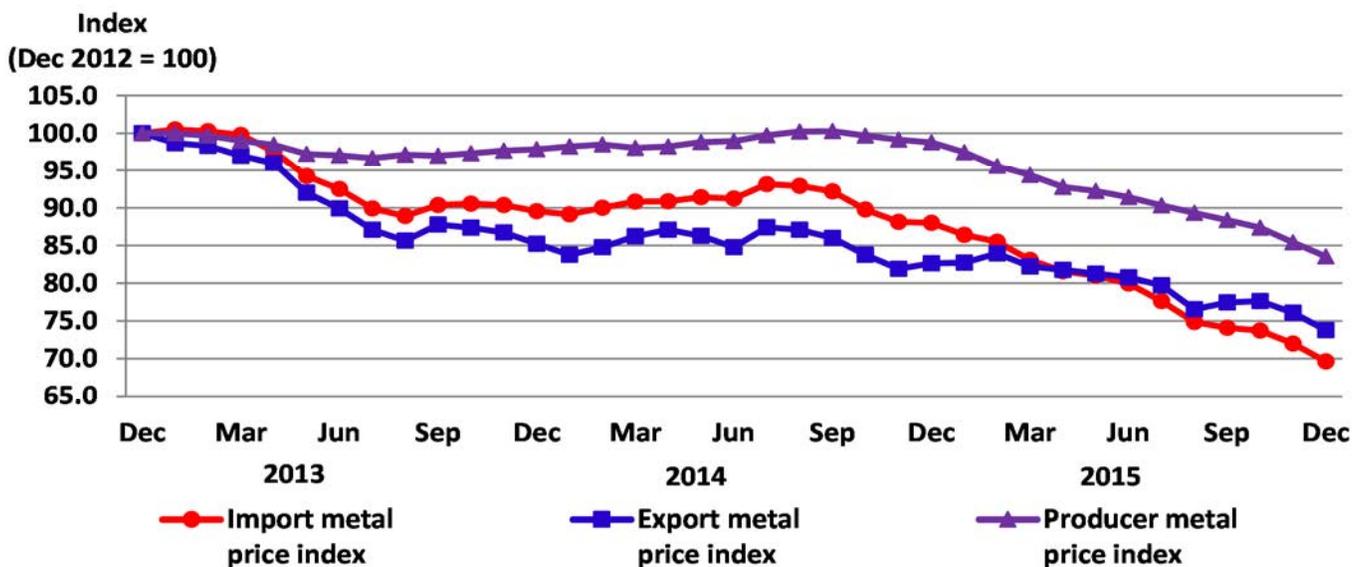
Q: How have import metal prices trended over the 2013–2015 period? (See chart 1.)

- The price index for metal imports declined 30.4 percent from December 2012 to December 2015. From January 2013 until August 2013, import prices decreased 11.6 percent followed by a 4.7 percent increase between August 2013 and July 2014. The largest continuous decline was from July 2014 through December 2015, when the index fell 25.2 percent.
- Weak global demand and robust supplies attributed to the decline in import metal prices. In recent years, lower prices for base metal imports such as copper and aluminum contributed to the overall decrease.

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

- Import metal prices slipped 0.7 percent from January 2013 to March 2013 and trended slightly higher than domestic prices, which fell 1.0 percent over the same period. However, import prices dropped from March 2013 to August 2013 while domestic prices remained relatively flat.
- From July 2013 through September 2014 domestic prices increased 3.7 percent before dropping 16.2 percent through December 2015.
- The trade value for metal imports totaled \$91.6 billion in 2013, increasing 9.8 percent from 2013 to 2014. Between 2014 and 2015, the total trade value for metal imports decreased from \$100.5 billion to \$84.5 billion, declining 15.9 percent.

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



Source: U.S. Bureau of Labor Statistics, International Price Program.



Q: How have export metal prices trended over the 2013–2015 period? (See chart 1.)

- Export metal prices declined 26.2 percent from December 2012 to December 2015 with the majority of the price drop happening between July 2014 and December 2015, when the index fell 15.6 percent.
- Weak demand from China as well as robust global supplies contributed to the decreases in U.S. export metal prices during this period.

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

- The total trade value of exported metals from United States was over \$55.7 billion in 2015; over half of which, \$31.6 billion, came from six states.
- New York ranked first in 2015 for metal exports with \$8.9 billion, accounting for 16.0 percent of total U.S. metal export trade.
- Texas came in second with \$6.3 billion of metal exports, making up 11.3 percent of metal export trade. Utah came in third with \$5.5 billion, accounting for 9.9 percent of trade value.
- The next top three exporting states accounted for a combined \$10.9 billion in metal exports, making up 19.5 percent of metal 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 inflation.

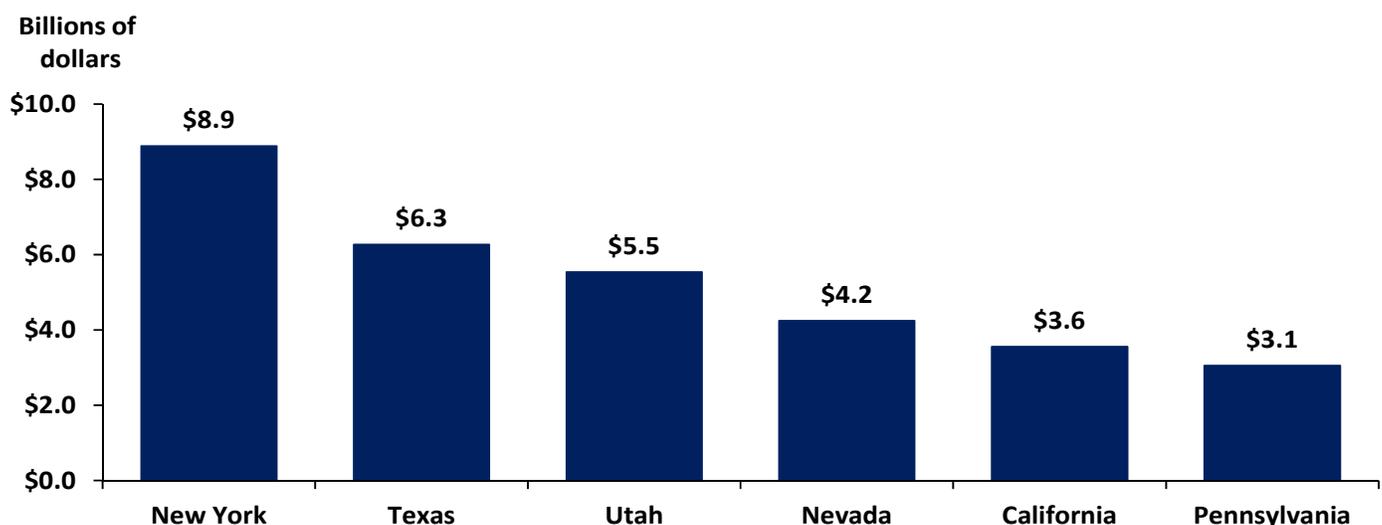
For example, if you are involved in the metal industry and you are considering conducting business overseas, IPP metal indexes can supplement your industry research by providing long-term import and export price trends.

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 Metals Manufacturing in 2015



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