

Recent Price Trends in the Motor Vehicle Parts Industry

An overview of Motor Vehicle Parts Manufacturing price indexes

2018

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.

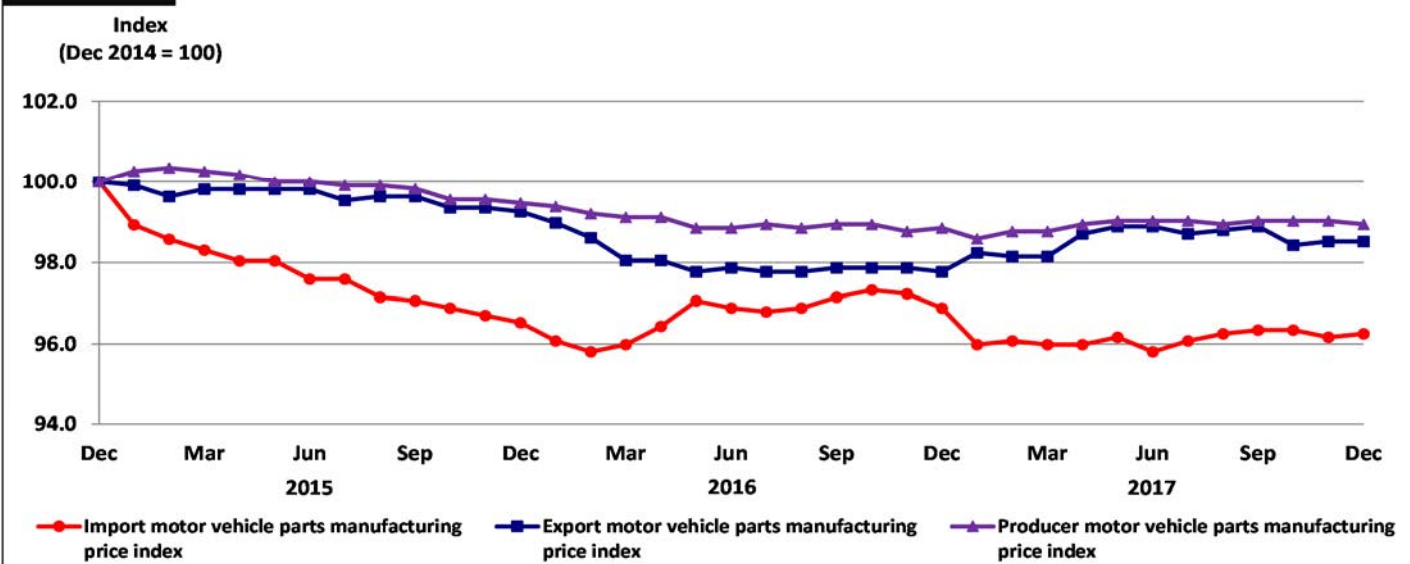
Q: How have import motor vehicle parts prices trended over the 2015–2017 period? (See chart 1)

- The import price index for motor vehicle parts manufacturing declined 3.7 percent between December 2014 and December 2017. The index decreased 3.5 percent for the year ended December 2015 and rose 0.4 percent in 2016. Import motor vehicle parts prices then fell 0.6 percent in 2017.
- The 3.5-percent decline in import prices for motor vehicle parts manufacturing in 2015 was the largest calendar year decline recorded since the index was first published in December 2005.
- Declining prices for aluminum, steel, and other metals used in the production of motor vehicle parts manufacturing fueled the drop in motor vehicle parts throughout 2015.

Q: How did import motor vehicle parts prices compare with other economic data?

- The import price index for motor vehicle parts fell more sharply than the corresponding export and producer price indexes in 2015, when each index recorded declining prices. However, import prices moved opposite to export and producer prices in 2016 and 2017.
- The producer price index for motor vehicle parts manufacturing was relatively stable over the 3-year period from 2015 to 2017. The index decreased 0.5 percent for the year ended December 2015 and 0.6 percent in 2016 before increasing 0.1 percent in 2017. Motor vehicle parts manufacturing prices declined 1.1 percent overall between December 2014 and December 2017.

Chart 1 Import, export, and producer motor vehicle parts manufacturing price indexes



NOTE: Index values have been rebased to December 2014.
SOURCE: U.S. Bureau of Labor Statistics.



Q: How have export motor vehicle parts prices trended over the 2015–2017 period? (See chart 1)

- Export motor vehicle parts manufacturing prices decreased 1.5 percent between December 2014 and December 2017. Prices fell 0.7 percent in 2015 and 1.5 percent in 2016 before rising 0.8 percent in 2017.
- Falling export prices for metals led motor vehicle parts down in 2015. In 2016 and 2017, metal prices rose reversing the trend in motor vehicle parts in 2017.

Q: What are the top six exporting states and territories for motor vehicle parts manufacturing? (See chart 2)

- In 2017, the total trade value of exported motor vehicle parts was more than \$55 billion. The top 5 exporting states made up over 64 percent of this value.
- Michigan ranked first in the United States in 2017 with over \$13 billion in export trade value, accounting for 23.5 percent of total U.S. motor vehicle parts exports.
- Texas ranked second with \$9.4 billion in trade dollar value, accounting for 16.9 percent of total U.S. motor vehicle parts exports. Ohio ranked third with \$5.0 billion in trade, which accounted for 9.1 percent.

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.

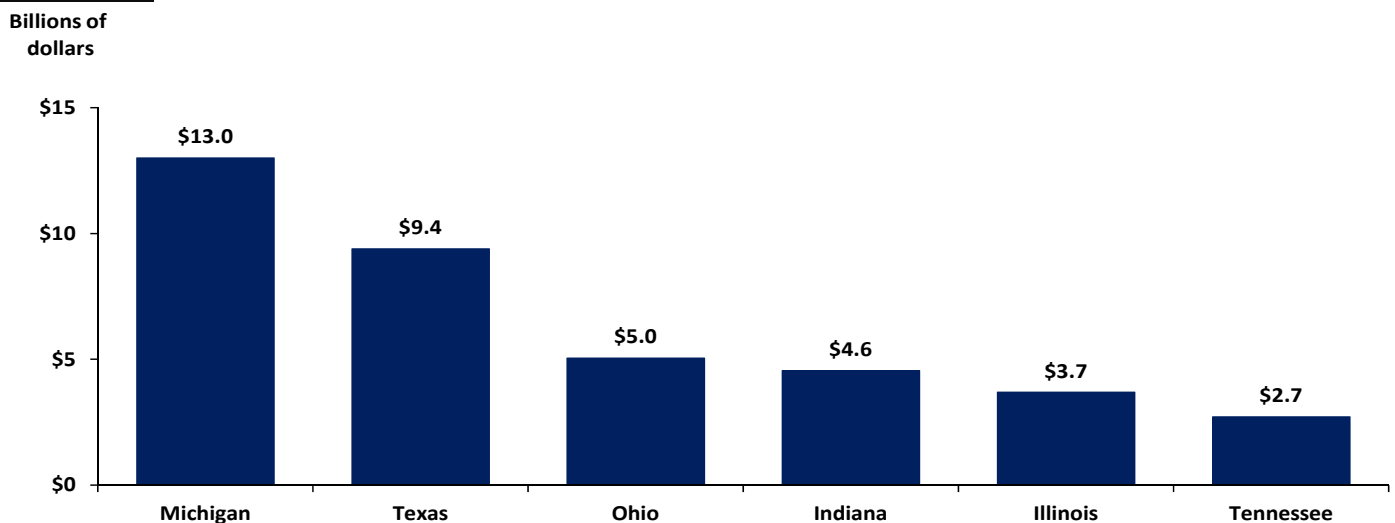
For example, if you are involved in the motor vehicle parts industry and are considering conducting business overseas, IPP motor vehicle parts manufacturing indexes can supplement your industry research by providing long-term import and export price trends.

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 motor vehicle parts manufacturing in 2017



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