

# Recent Price Trends in the Metal Industry

An overview of Primary Metal Manufacturing price indexes

2020

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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.

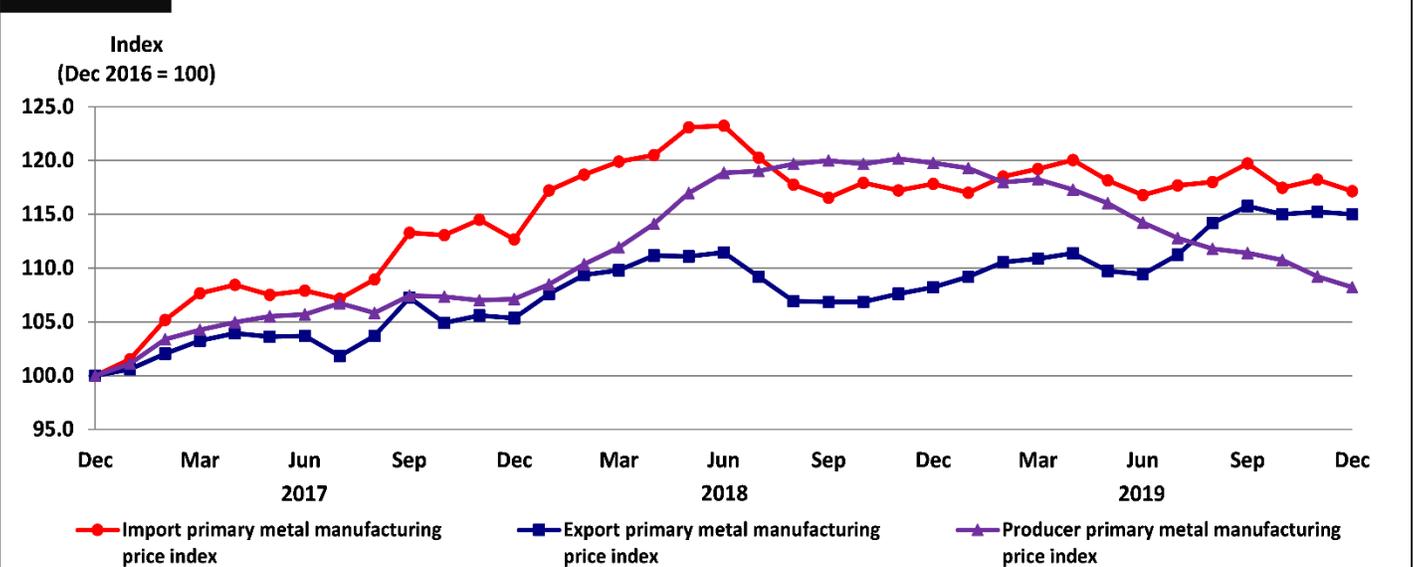
## Q: How have import metal prices trended over the 2017–2019 period? (See chart 1)

- Primary metal manufacturing import prices increased 17.2 percent from December 2016 to December 2019. Most of the advance during the 3-year period occurred from 2017 to mid-2018, with the index rising 23.2 percent from December 2016 to June 2018. From June 2018 to December 2019, the index declined 4.9 percent.
- The import primary metal manufacturing price index recorded the most recent 3-year low in December 2016. The index peaked in June 2018.
- In 2019, prices for primary metal manufacturing imports fell 0.6 percent. Decreasing prices for iron and steel mills and ferroalloying manufacturing and alumina and aluminum production and processing more than offset increases in nonferrous metals prices.

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

- The trend in import primary metal manufacturing prices differed from producer and export prices over the 3-year period, although all rose. Import prices increased at a higher rate through June 2018. In the second half of 2018, producer prices continued to increase while import and export prices declined. In 2019, import prices decreased more modestly than producer prices. In contrast, export prices rose in 2019, advancing 6.3 percent
- The primary metal manufacturing producer price index increased 8.2 percent over the 3-year period ended December 2019. The index rose 7.1 percent in 2017 and 11.8 percent in 2018, then decreased 9.7 percent in 2019.

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



NOTE: Index values have been rebased to December 2016.  
SOURCE: U.S. Bureau of Labor Statistics.





**Q: How have export metal prices trended over the 2017–2019 period? (See chart 1)**

- Export primary metals prices increased 15.0 percent from December 2016 to December 2019. Prices for export primary metals increased 5.4 percent in 2017, 2.7 percent in 2018, and 6.3 percent in 2019.
- The 6.3-percent advance in 2019 was largely driven by increases in the second half of the year. The export price index rose 1.1 percent from December 2018 to June 2019, then advanced 5.1 percent from June 2019 to December 2019.
- Higher nonferrous metal (except aluminum) production and processing prices led the 2019 rise.

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

- In 2019, the total trade value of exported primary metals was \$52.9 billion, a 10.9-percent drop from 2018. The top 6 exporting states accounted for 53.4 percent of this value.
- Utah totaled \$9.1 billion in primary metal manufacturing exports in 2019, ranking first among U.S. states and territories.
- Texas and Pennsylvania ranked second and third in 2019, with \$4.9 billion and \$4.0 billion in trade dollar value, respectively. Together, the 2 states accounted for 16.8 percent of total U.S. primary metal manufacturing exports in 2019.

**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 metal industry and are considering conducting business overseas, IPP primary metal 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.

