# Recent Price Trends in the Metal Industry

An overview of Primary Metal 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.

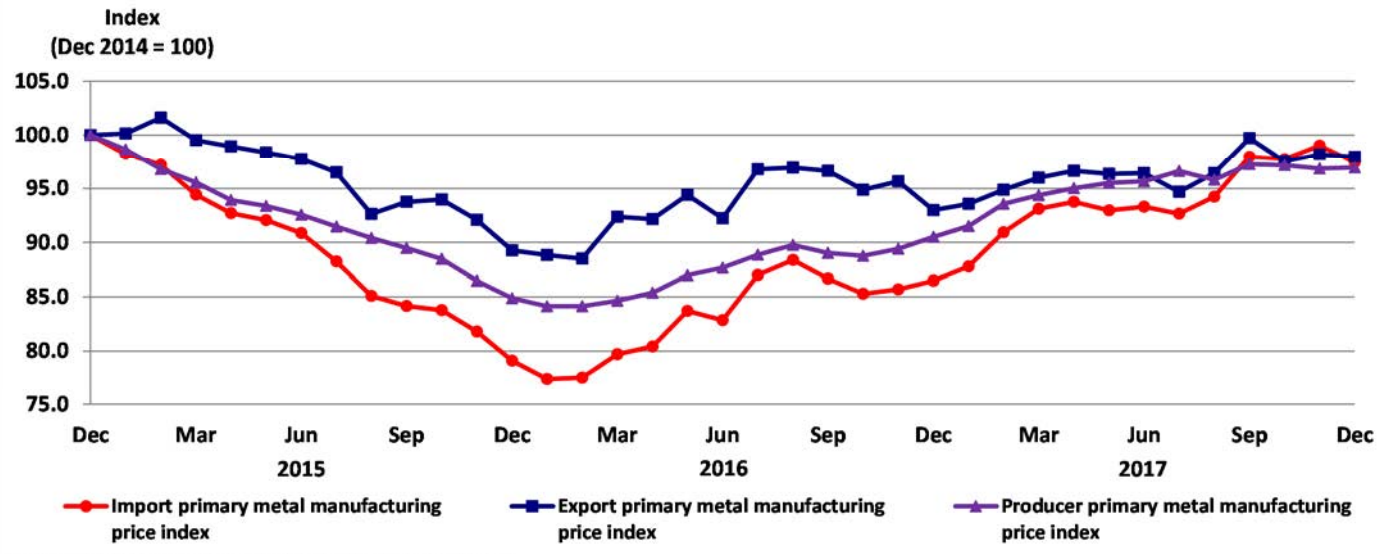
## Q: How have import metal prices trended over the 2015–2017 period? (See chart 1)

- Primary metal manufacturing import prices decreased 2.6 percent over the 3-year period ended December 2017. The price index fell 20.9 percent between December 2014 and December 2015. Import metal manufacturing prices then rose 9.3 percent the following year and 12.7 percent in 2017.
- The 2016–17 jump in metal manufacturing prices was led by a 17.3-percent increase between February 2016 and February 2017, the largest 12-month increase since a 22.4-percent advance in September 2011.
- Prices for imported iron and steel mills products increased 25.1 percent during the 12 months ended February 2017, fueling the overall increase in primary metal manufacturing import prices for the period.

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

- The import price index for primary metals manufacturing trended similarly to the corresponding export and producer price indexes. All 3 indexes fell substantially in 2015, then rose relatively less the following 2 years. Each of the primary metals manufacturing price indexes decreased overall between 2015 and 2017.
- The producer price index for primary metal manufacturing declined for the 3-year period. Producer primary metals prices fell 15.1 percent in 2015, then increased 6.6 percent in 2016 and 7.1 percent in 2017. The decrease in 2015 drove a 3.0-percent drop overall in the producer price index for primary metals between 2015 and 2017.

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




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

## Q: How have export metal prices trended over the 2015–2017 period? (See chart 1)

- Export primary metals prices fell 2.0 percent from December 2014 to December 2017. A 10.7-percent decrease in 2015 more than offset increases of 4.2 percent in 2016 and 5.4 percent in 2017.
- Declines in aluminum and other nonferrous metal export prices contributed to the overall downward trend of primary metal manufacturing export prices from 2015 to 2017.

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

- In 2017, the total trade value of exported primary metals was over $56 billion, up 8.7 percent from 2016. The top 6 exporting states accounted for more than 51 percent of this value.
- Nevada totaled $6.5 billion in primary metal manufacturing exports last year, ranking first in the United States. The Nevada exports made up 11.5 percent of the U.S. total in 2017.
- New York and Texas ranked second and third in 2017, with $5.9 billion and $5.3 billion in trade dollar value, respectively. Together, the two states accounted for 19.8 percent of total U.S. primary metals exports last year.

## 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.

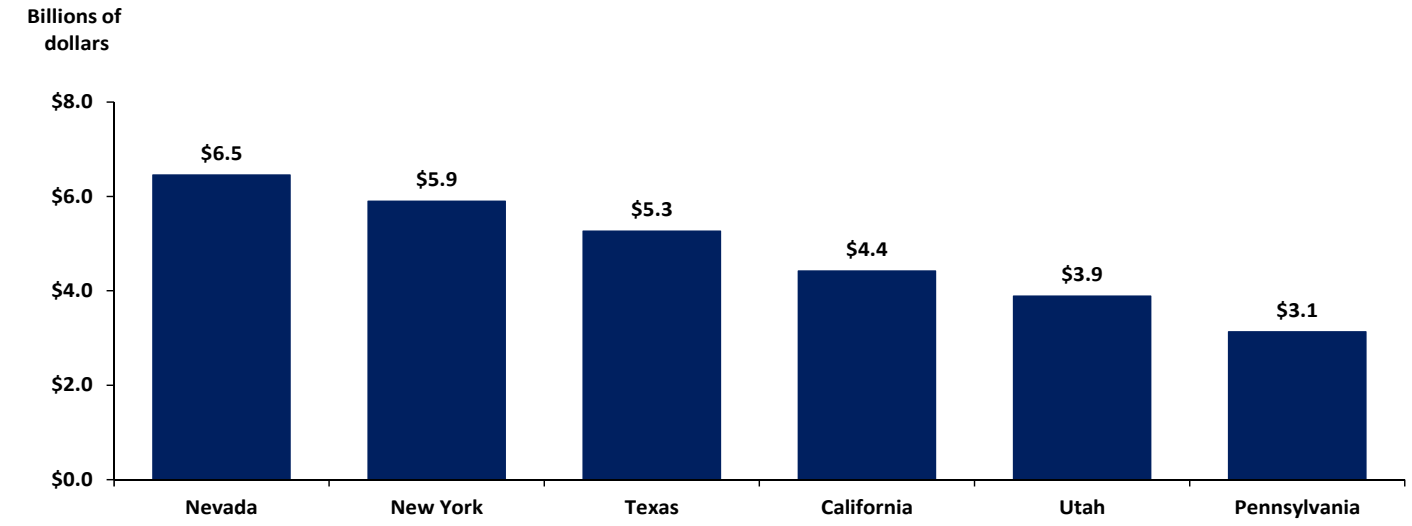
For example, if you are involved in the metal industry and are considering conducting business overseas, IPP primary metals manuafacturing indexes can supplement your industry research by providing long-term import and export price trends.

## 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 primary metal manufacturing in 2017**




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