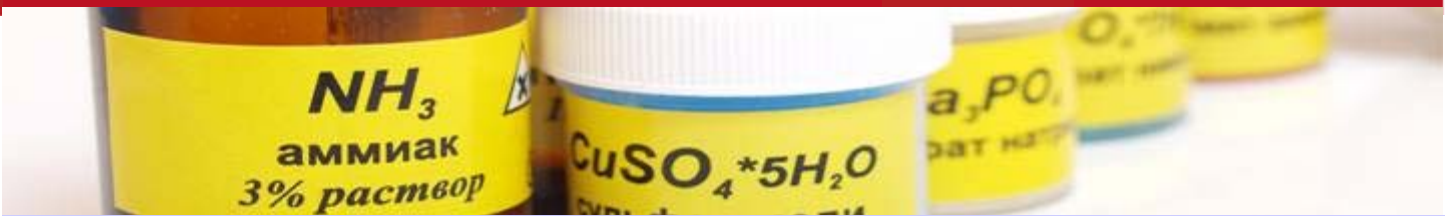


Recent Price Trends in the Chemical Industry



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.

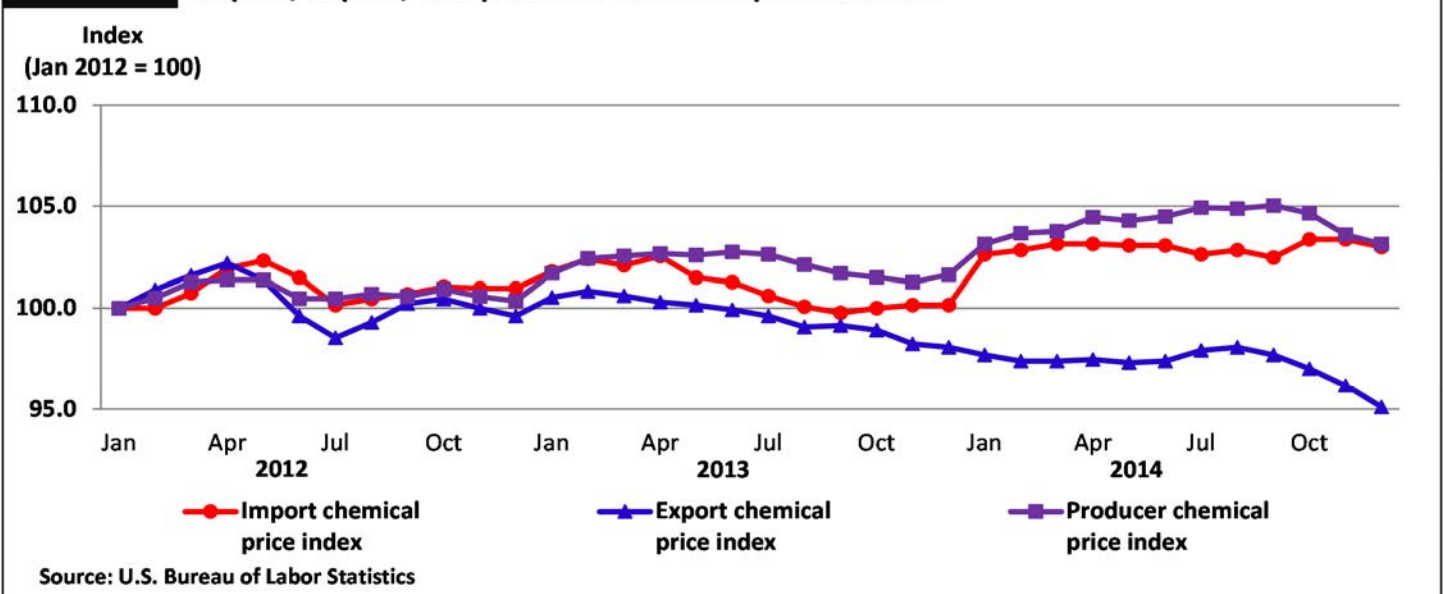
Q: How have import chemical prices trended over the 2012–2014 period? (See chart 1.)

- The price index for chemical imports advanced over the past 3 years, increasing 3.0 percent over the period. Import chemical prices rose until May 2012, and then fluctuated until finally finishing higher in December 2014.
- Import chemical prices rose from July 2012 peaking in April 2013. After the peak, import prices declined hitting their lowest point in September 2013. Since then, import prices have increased, up 3.2 percent through December 2014.
- Prices rose 2.5 percent in January 2014 due largely to a 3.7-percent increase for pharmaceutical and medicine manufacturing. Prices remained elevated through 2014.

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

- Import and export chemical prices diverged in 2014 as new energy access improved U.S. competitiveness globally, along with weak foreign markets which limited both the demand for exports and supply for imports. From October 2012 to December 2014, export prices fell 5.3 percent while import prices rose 1.9 percent.
- The producer price index trended closely with import prices. Between 2012 and 2014, import prices rose 3.0 percent while producer prices increased 3.1 percent
- In June 2012, BLS began publication of a price index for chemicals imported from China. Over the 30 months of publication, these prices fell 4.2 percent.

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





Q: How have export chemical prices trended over the 2012–2014 period? (See chart 1.)

- Over the 3 year period, export chemical prices declined 4.9 percent overall. Export prices rose 2.2 percent between January 2012 and April 2012.
- Prices then fluctuated until February 2013, but were followed by a general decline. Prices fell 6.9 percent overall from April 2012 to December 2014.

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

- In 2014, the total trade value of exported chemicals was over \$200.1 billion. The top six exporting states accounted for 51.2 percent of total trade value.
- Texas ranked first in the United States in 2014 for exported chemicals with over \$46.1 billion in export trade. That accounted for 23.0 percent of total U.S. chemical exports.
- Puerto Rico ranked second with \$16.4 billion in trade, accounting for 8.2 percent of total U.S. chemical exports.
- The third largest exporting state, California, accounted for 7.0 percent of total U.S. chemical exports, followed by Indiana with 4.4 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 inflation.

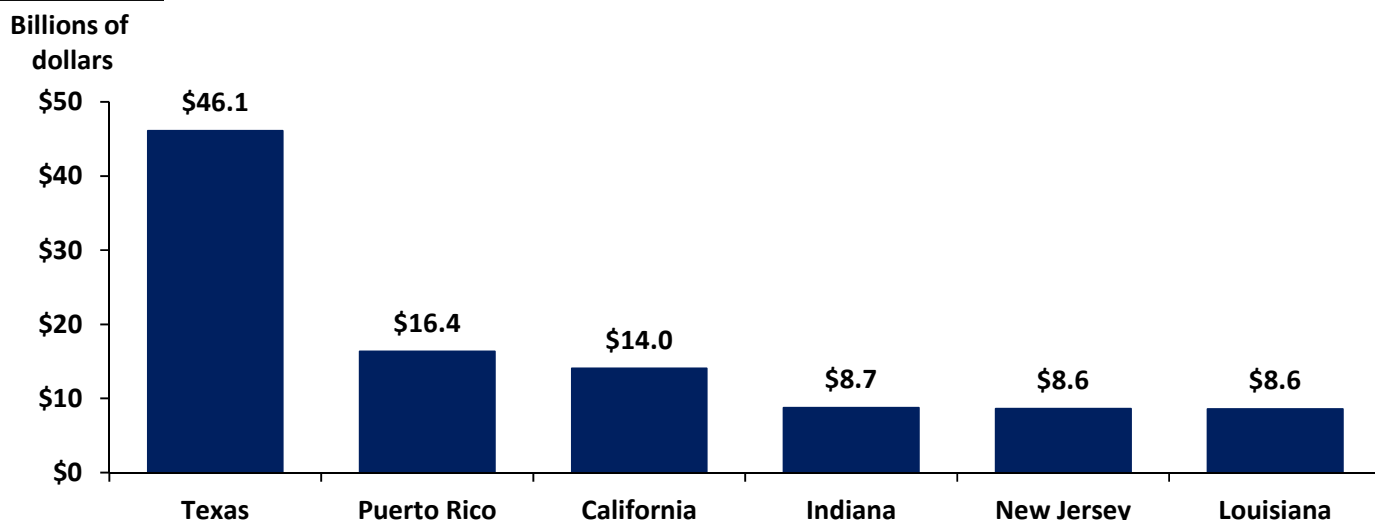
For example, if you are involved in the chemical industry and you are considering conducting business overseas, IPP chemical indexes can supplement your industry research by providing long-term import and export price trends.

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 Chemical Manufacturing in 2014



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

Last Modified Date: July 31, 2015