

Recent Price Trends in the Computer & Peripheral Industry



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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.

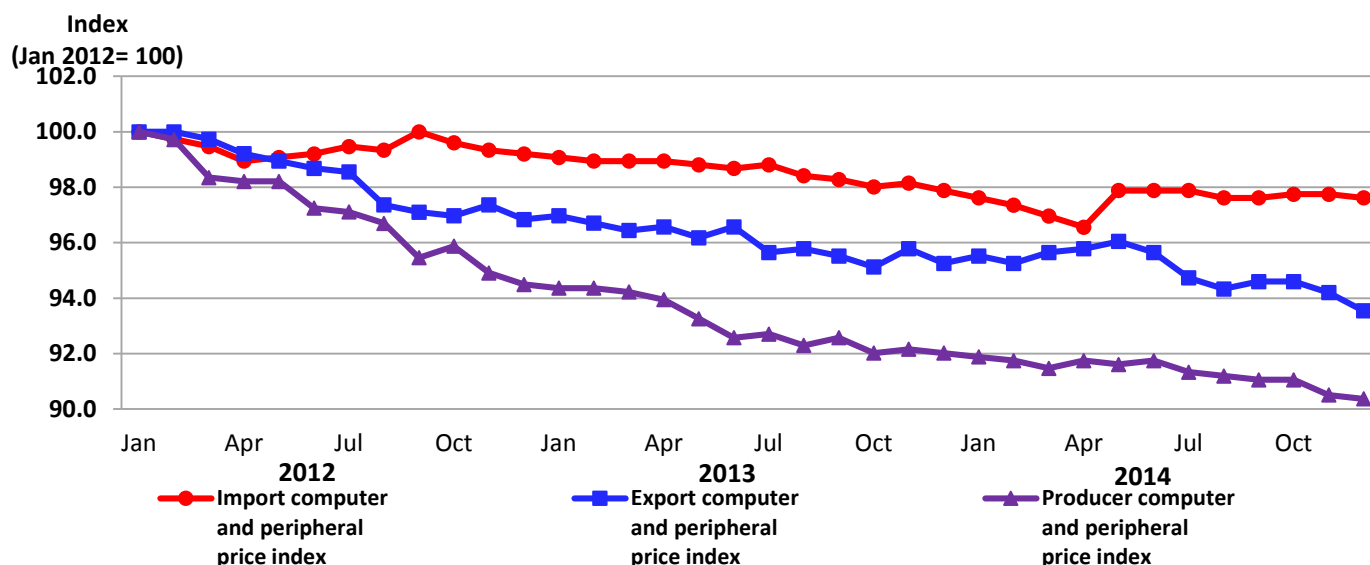
Q: How have import computer & peripheral prices trended over the 2012–2014 period? (See chart 1.)

- The price index for computer and peripheral imports, which include keyboards, monitors, and computer storage devices, trended down from 2012 through 2014, falling 2.4 percent over the 3 year period.
- Intense competition, specifically in lower-cost overseas markets, such as China, India and Southeast Asia, along with rapid innovation within the industry, have greatly contributed to the downward price trend. Additionally, declining semiconductor prices have placed further downward pressure on computer prices.

Q: How did import computer & peripheral prices compare with other economic data?

- Both import and producer price indexes for computer and peripherals recorded declines during the 2012–2014 period. Producer prices dipped 9.6 percent over the 3 year period while import prices declined 2.4 percent over the same period. The difference in the market basket between the two indexes might have resulted in dissimilar price trends.
- The total trade value for computer and peripheral imports accounted for \$108.7 billion in 2012, decreasing 2.0 percent over the year. Between 2013 and 2014, the trade value for computer and peripheral imports declined from \$106.5 billion to \$104.7 billion, falling 1.7 percent.

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



Source: U.S. Bureau of Labor Statistics.

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

- Export prices for computer and peripherals trended down over the 2012-2014 period, declining 6.5 percent. Similar to import prices, innovation and competition exerted a downward pressure on the index.

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

- In 2014, the total trade value of exported computer and peripheral parts was over \$49.1 billion. The top six exporting states accounted for 71.6 percent of this total trade value.
- Texas is the largest exporter for computer and peripheral parts manufacturing, exporting \$16 billion in 2014. This encompassed one-third of all exports for computers and peripherals in the United States.
- California is the second leading exporter with \$9.9 billion exported, comprising about 20 percent of all exports.
- Florida, Tennessee, New York, and Oregon round out the list of leading exporting states; their combined trade accounts for 19 percent of all computer and peripheral part 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.

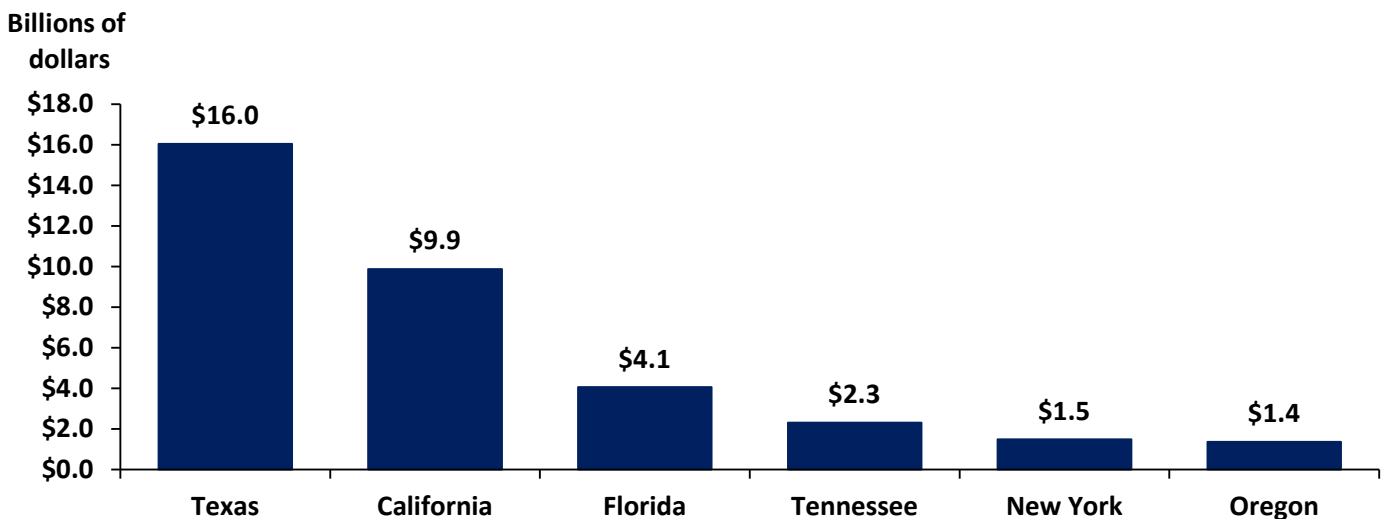
For example, if you are involved in the computer & peripheral industry and you are considering conducting business overseas, IPP computer & peripheral indexes can supplement your industry research by providing long-term import and export price trends.

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 computer & peripheral manufacturing in 2014



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

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