

# Recent Price Trends in the Semiconductor 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.

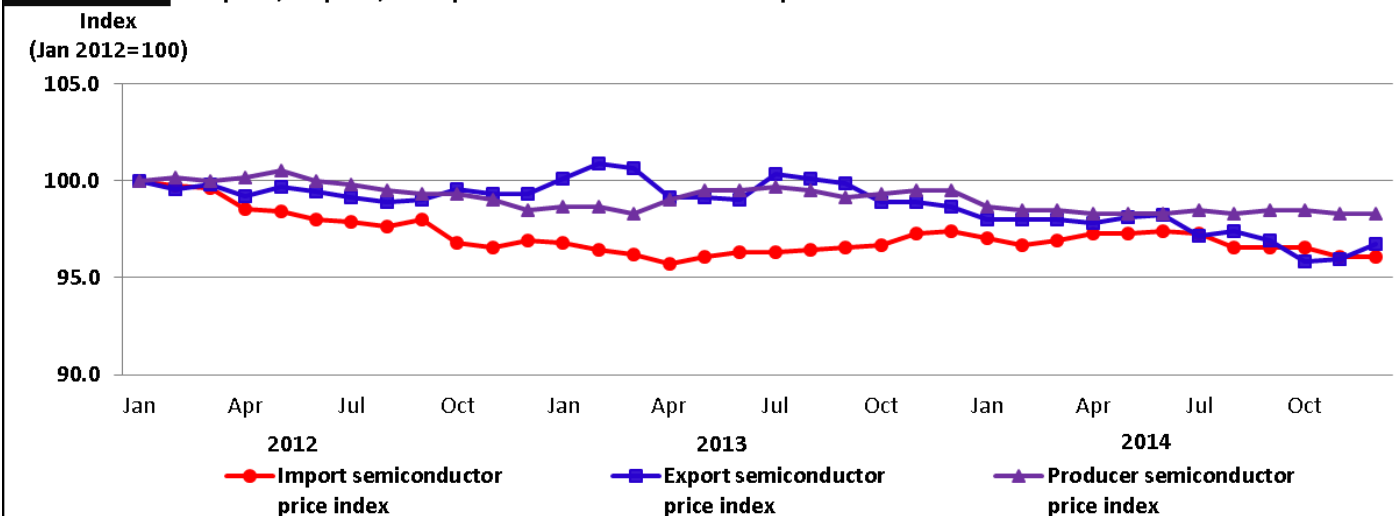
## Q: How have import semiconductor prices trended over the 2012–2014 period? (See chart 1.)

- Import semiconductor prices trended down between January 2012 and December 2014, declining 3.9 percent. Prices declined 3.1 percent in 2012, rose 0.5 percent over 2013, and then fell 1.3 percent in 2014.
- Increasing supply combined with weakening demand during the sluggish economic recovery led to lower semiconductor prices over this period.
- Lower import semiconductor prices from Japan and China also dragged down import prices in 2014, decreasing 1.6 percent and 3.3 percent, respectively.

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

- Domestic semiconductor prices and import prices trended closely over the 3 year period. Domestic semiconductor prices dropped 1.7 percent during the 2012-2014 period compared to a 3.9-percent decline for import semiconductor prices for the same period.
- Between 2012 and 2013, the total trade value for imported semiconductors rose 2.2 percent from \$72.6 billion to \$74.2 billion. It rose again between 2013 and 2014, increasing 7.0 percent to \$79.4 billion over the year.

**Chart 1. Import, export, and producer semiconductor price indexes**



Source: U.S. Bureau of Labor Statistics

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

- Overall export semiconductor prices fell 0.2 percent in 2012 and continued to drop 0.7 percent in 2013, as the index experienced minor fluctuations throughout the years. Prices then decreased steadily in 2014, dropping 2.0 percent.

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

- The total trade value of exported semiconductors was over \$54.9 billion. The top six exporting states accounted for 64.3 percent of total trade value.
- Texas ranked first in the United States in 2014 for exported semiconductors with over \$12.3 billion, accounting for 22.4 percent of total U.S. semiconductor exports.
- The second largest exporting state, California, reported over \$9.6 billion of semiconductor exports, accounting for 17.4 percent of total exported semiconductors.
- Oregon came in third with over \$5.9 billion while Arizona followed with over \$2.9 billion, accounting for 10.7 percent and 5.2 percent, respectively.

**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.

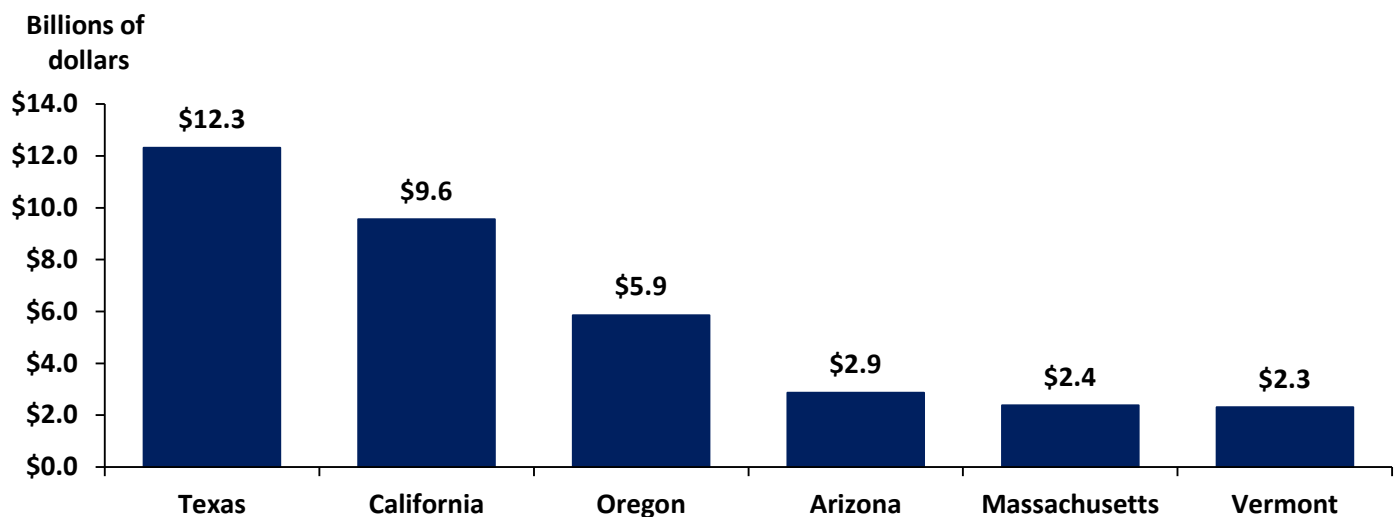
For example, if you are involved in the semiconductor industry and you are considering conducting business overseas, IPP semiconductor indexes can supplement your industry research by providing long-term import and export price trends.

**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 Semiconductor Manufacturing in 2014**



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

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