

Recent Price Trends in the Motor Vehicle Parts Industry

An overview of Motor Vehicle Parts 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.

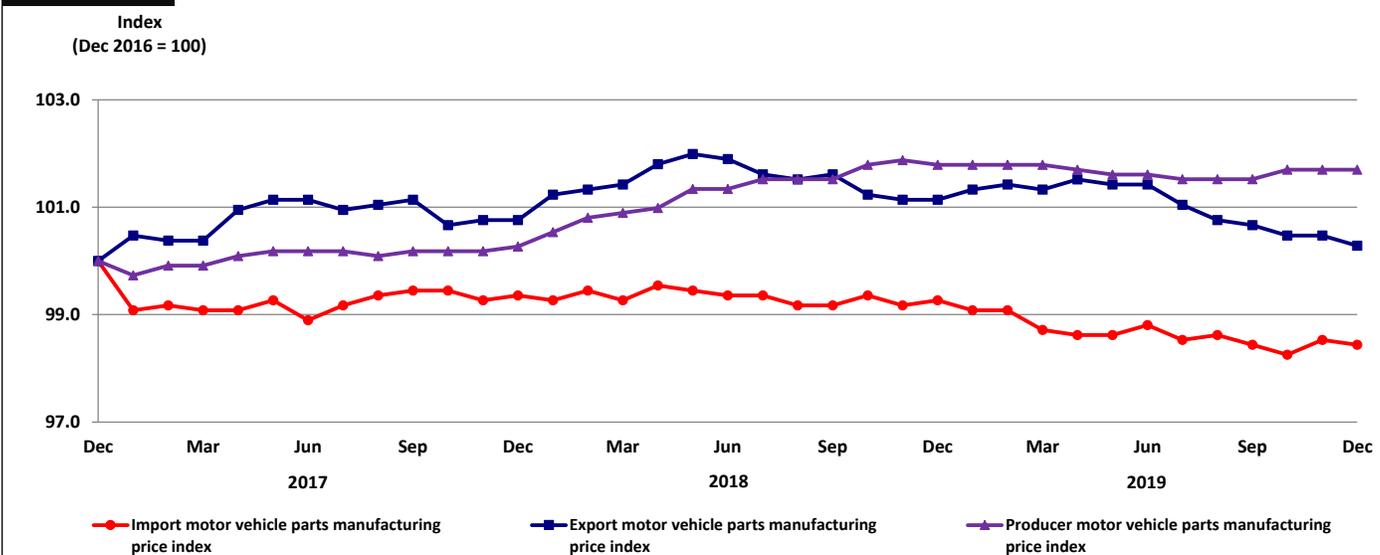
Q: How have import motor vehicle parts prices trended over the 2017–2019 period? (See chart 1)

- The import price index for motor vehicle parts manufacturing fell 1.6 percent from December 2016 to December 2019. The index decreased 0.6 percent for the year ended December 2017 and edged down 0.1 percent in 2018. Import motor vehicle parts manufacturing prices then fell 0.8 percent in 2019.
- The 0.8-percent drop in import prices for motor vehicle parts manufacturing in 2019 was the largest calendar-year decrease since the index fell 3.5 percent in 2015.
- Over half of the 3-year decrease occurred in January 2017 when the index declined 0.9 percent, the largest 1-month drop since the index fell 1.1 percent in January 2015.

Q: How did import motor vehicle parts prices compare with other economic data?

- Import prices for motor vehicle parts trended lower than both domestic and export prices over the 3-year period. The import price index for motor vehicle parts manufacturing fell in 2017, while export prices and the corresponding producer price index both increased. In 2018, producer prices and export prices both increased, while import prices were largely flat. In 2019 all 3 price indexes decreased.
- The producer price index for motor vehicle parts rose 0.3 percent from December 2016 to December 2017. In 2018, the index increased 1.5 percent. In contrast, producer prices for motor vehicle parts edged down 0.1 percent in 2019. Over the entire 3-year period, producer prices rose 1.7 percent.

Chart 1 Import, export, and producer motor vehicle parts manufacturing price indexes



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



Q: How have export motor vehicle parts prices trended over the 2017–2019 period? (See chart 1)

- Export motor vehicle parts manufacturing prices rose 0.3 percent from December 2016 to December 2019. Prices rose 0.8 percent in 2017 and 0.4 percent in 2018, then decreased 0.8 percent in 2019.
- Higher prices for metals drove the increase in motor vehicle parts manufacturing export prices in 2017 and 2018.

Q: What are the top six exporting states and territories for motor vehicle parts manufacturing? (See chart 2)

- The total trade value of motor vehicle parts manufacturing exports was \$55.1 billion in 2019, 3.9 percent lower than 2018. The top 6 exporting states accounted for 66.3 percent of this value.
- Michigan ranked first in the United States in 2019 with \$10.9 billion in export trade value, contributing 19.8 percent of total U.S. motor vehicle parts manufacturing exports.
- Texas ranked second with \$10.7 billion in trade dollar value, accounting for 19.4 percent of the U.S. total. Indiana ranked third with \$4.5 billion in trade, accounting for 8.1 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 movement.

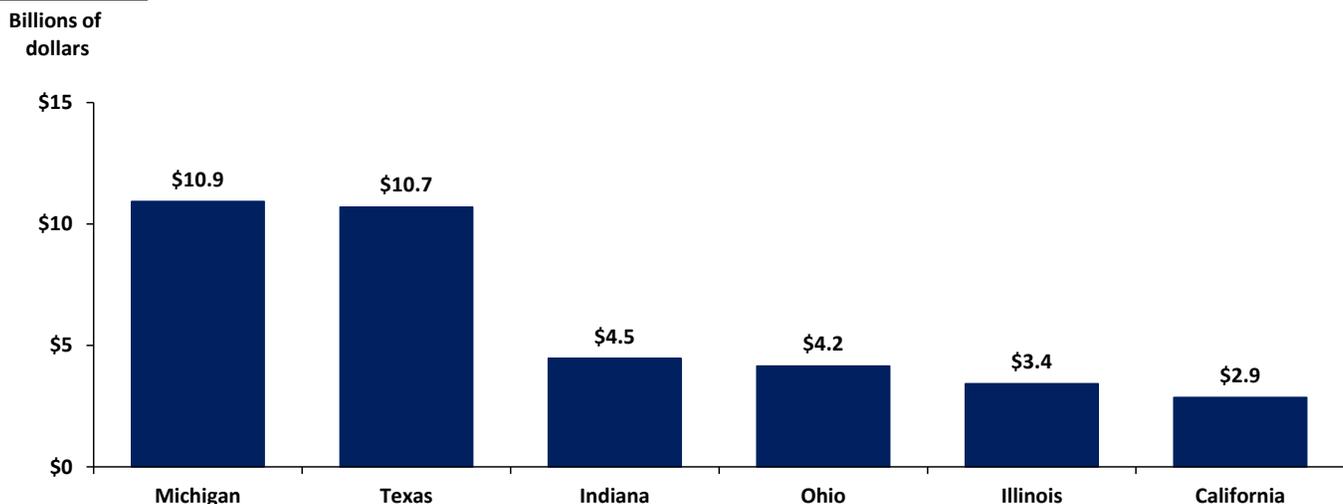
For example, if you are involved in the motor vehicle parts industry and are considering conducting business overseas, IPP motor vehicle parts manufacturing indexes can supplement your industry research by providing long-term import and export price trends.

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.

Chart 2 Top six exporting states and territories for motor vehicle parts manufacturing in 2019



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