## MULTIMODAL:

**Dow Jones Transportation Index**  
Dow Jones Transportation index was down 1.8% during the month of September.  
(Stock performance of twenty large, well-known U.S. companies in the transportation industry, average of September 10th thru October 10th)

**NASDAQ Transportation Index**  
NASDAQ Transportation Index decreased 0.9% in September.  
(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of September 10th thru October 10th)

**DOT Freight Transportation Index**  
The USDOT’s freight transportation services index fell 0.6% in August 2012. The index’s reading of 109.0 was 0.9% higher year-over-year.  
(Source: US DOT)

**Cass Freight Index**  
The September shipments index rose 2.2% over the previous month and fell 3.8% year-over-year. The September expenditures index increased 3.3% for the month, and increased 2.5% year over year.  
(Source: Cass Information Systems | Cassinfo.com)  
(Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)

**Import Volumes**  
In August, the U.S. imported about $225.5 billion of cargo. August U.S. imports have decreased 0.1% in terms of value from July, and grew 1.5% year-over-year.  
(Source: US Census)

**Export Volumes**  
In August, the U.S. exported more than $181.3 billion of cargo. August U.S. exports have decreased 1% in terms of value over the previous month and grew 1.6% year-over-year.  
(Source: US Census)

**Import & Export Price Index**  
U.S. import prices rose 1.1% in September. Import prices fell 0.6% over the past year. The price index for U.S. exports rose 0.8% in September, following a 1% increase in August. Export prices decreased 0.5% year-over-year.  
(Source: Bureau of Labor Statistics)

**Multimodal News Clips:**

- Transportation employment increased 2.4% year-over-year in September. Transportation industries added 17,100 jobs in September from the previous month. The majority of the growth in the overall transportation industry came through the gaining of about 9,200 jobs in the transit and ground transportation sectors. The warehousing and storage sector added 4,300 jobs. Rail transportation added 1,400 jobs.  
  (Source: Bureau of Labor Statistics)

- The 50 largest transportation and 3PL operators worldwide increased revenue 8.4% in 2011 to $650.6 billion. There were 20 3PL companies on the Top 50 list, accounting for 36% of the group’s revenue. The U.S. is home to 12 companies on the list, and most of the revenue for these companies is generated by domestic moves.  
  (Source: SJ Consulting Group, JOC)

- In the last six months, U.S. online retail sales rose 16.1% to $194.3 billion, accounting for about 4.6% of total sales. Future online business is slated to grow 10% annually to $279 billion by 2015. This shift in the market is forcing more companies to invest in their own e-commerce fulfillment strategies. E-commerce has already fueled 30-40% growth in the Class-A real estate market.  
  (Source: Department of Commerce)

## RAIL:

**U.S. Freight Rail Traffic**  
Railroad bulk carload freight in September 2012 fell 0.7% from August 2012. Freight traffic in September fell 3.7% from September 2011. Carloads excluding coal and grain increased 3.7% over the previous year.  
(Source: AAR.org)  
(Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)

**U.S. Intermodal Rail Traffic**  
Intermodal rail traffic in September 2012 was 2.5% higher than in September 2011 and 0.6% lower than August 2012 totals. Intermodal loadings experienced year-over-year gains for 34 straight months.  
(Source: AAR.org)  
(Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)

**Railroad Fuel Price Index**  
The index of average railroad fuel prices in August was 635.4, up 9.7% from the previous month and 4% higher year-over-year.  
(Average monthly price for gallons purchased by freight railroads; Includes federal excise taxes, transportation, and handling expenses)

**Freight Cars in Storage**  
The number of freight cars in storage has decreased to 309,261 (20.2% of the fleet) on October 1, down 1,965 from a month earlier.  
(A freight car is “in storage” if it has had a loaded revenue move since 2005, but not in the past 60 days. Decrease here = more demand)

**Class 1 Railroad Employment**  
Railroad employment in August 2012 increased by 677 employees to 162,583 employees. Total Class 1 rail employment in August 2012 was 1.6% higher than it was in August 2011.  
(Source: U.S. STB)

**Short Line Rail Traffic**  
In September 2012, short line railroad shipments across North America rose 3.9% compared to the same month last year. A sampling of about 422 small railroads in the U.S. and Canada loaded 542,317 railcars and intermodal units during the month of September.  
(Source: RMI RailConnect Index | rmiondemand.com)
LOGISTICS MARKET SNAPSHOT

Prepared: October 15, 2012

Railroad News Clips:

- CSX Transportation and Kansas City Southern Railway led all other major North American railways in year-over-year intermodal growth during the 3Q 2012. CSX intermodal volume rose 8.6%, while KCS experienced a 17.7% jump in intermodal traffic. Norfolk Southern Railway intermodal volume rose 4.5%, while BNSF and Union Pacific saw traffic increase 3.5% and 2.9%, respectively.

- Genesee & Wyoming completed its acquisition of RailAmerica for $1.37 billion and now awaits approval from the USDOT Surface Transportation Board to give G&W control of RailAmerica’s railroads.

TRUCKING:

- The ATA’s seasonally adjusted cargo index fell 0.9% in August after rising a revised 0.4% in July. The for-hire truck tonnage index rose 3.2% year-over-year. (Source: American Trucking Association | Trucking.org)

- The spot market for truckload freight in September fell 11% compared to the previous month, and was 4.5% lower year-over-year. Truck capacity fell 9.1% for the month, and was up 17% year-over-year. (Source: TransCore Freight Index | www.transcorefreightsolutions.com)

- U.S. average diesel prices rose to $4.094 per gallon, rising 1.5c last week. The U.S. average diesel price was 37c higher than the same week last year. The average price of diesel in the lower Atlantic states was $4.009 per gallon. (Source: U.S. DOE) (Reflects the costs and profits of the entire production and distribution chain.)

- The trucking industry added 700 jobs in September. The trucking workforce increased 0.15% over the previous month and rose 3.6% over the previous year. (Source: U.S. Bureau of Labor Statistics)

- Orders for heavy-duty Class 8 trucks in North America are expected to total 15,205 units in September 2012, the second-lowest month for orders since August 2010. September orders were 4.6% lower than the previous month and 35% lower than the same month last year. (Source: FTR Associates | ftrassociates.com)

- Surface transport-related trade between the U.S., Canada, and Mexico, was up 4.6% in July compared to the same month in 2011, reaching $75.7 billion. July was the 32nd consecutive month of year-over-year increases. (Source: US DOT)

- Less-than-truckload carriers are raising rates 3-4% despite slow growth. According to the brokerage and investment firm Stifel Nicolaus, rate increases show LTL carriers are focused on improving margins damaged during the recession rather than gaining market share.

AIR FREIGHT:

- Global air freight traffic in August fell 0.8% from one year ago and also declined 0.8% from the previous month. North American air freight in July grew 1.8% year-over-year. (Source: IATA.org)

- In July, Hartsfield-Jackson Atlanta International Airport transported 3,759 metric tons of cargo, a 2.13% decline from the previous month and a 2.1% decrease year-over-year. (Source: HJIA)

- In August, the average international air cargo rate was $3.32 per kilogram, falling 13.1% from the previous month. Average air freight rates were down 17.5% year-over-year. (Source: Bureau of Labor Statistics)

- As of October 5, 2012, the global average jet fuel price was $134.40 per barrel; down 1.1% from the previous month, and 11% higher year-over-year. (Source: IATA.org, platts.com)

- Delta Air Lines flew 201.7 million cargo ton-miles in September, an increase of 3.2% year-over-year. YTD, Delta has flown 1.8 billion cargo ton-miles, a 1.1% increase over the same period last year.

- About 460,000 new airline pilots will be needed over the next 20 years to fly the world’s aircraft according to a study by Boeing. Additionally, the study projects that more than 600,000 maintenance technicians will be needed. Considering that air cargo currently accounts for about 10% of global air operations, between 45,000 and 50,000 pilots would be needed to fly all-cargo aircraft between now and 2031. During the same period, global air cargo is expected to grow 5.2% a year.

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**OCEAN FREIGHT:**

**Import Volumes**
Import shipment volume, in TEUs, at U.S. ports decreased 3% in August from the previous month and fell 0.3% from the previous year. Seven of the top ten U.S. ports posted decreases in TEU imports for August. The Port of L.A. decreased 3.9% and the Port of Oakland saw a 7% decline in TEU volume from July. The Port of Savannah, however, had a fairly significant 7.6% increase in imports over July. (Source: Colliers International)

**Shanghai Containerized Freight Index**
The September 28th SCFI comprehensive reading was $1,247.34 per FEU; down 1% from the previous week, and 28.1% higher year-over-year. The spot rate for shipments to the U.S. East Coast was $3,677 per FEU, up 27.1% from the previous year. (Source: Shanghai Shipping Exchange | www1.chineseshipping.com.cn/en)

**Ocean Bulk Freight Rates**
The Baltic Dry Index rose 11.3% in September, ending at 777. The BDI has risen an additional 19% during the first half of October. (Source: www.bloomberg.com/quote/BDIY:IND)

**TSA Bunker Surcharges**
Between October 1st and December 31st, 2012, the bunker fuel surcharge will total $527 per FEU for shipments to the West coast ocean ports and $1,020 per FEU for shipments to the East coast and Gulf ports. (Source: Transpacific Stabilization Agreement) (The Transpacific Stabilization Agreement is a research and discussion forum of major ocean container shipping lines that carry cargo from Asia to ports in the U.S.)

**Port of Savannah**
The Port of Brunswick achieved 48.4% growth in total tonnage for the month of August and 30.2% growth on the fiscal YTD. Colonel’s Island terminal in Brunswick moved 109,694 auto and machinery units in July down 14.04% in August from the same period in FY2012. (Source: GPA)

**Port of Savannah**
The Port of Savannah saw a 7% decline in TEU imports for August. The spot rate for shipments to the East coast and Gulf ports. (Source: GPA)

**Ocean Freight Business News:**
- Import volume through major U.S. container ports is expected to increase 9.9% in October as stores stock up for the holiday season. Total U.S. containerized imports in 2012 are expected to total 16 million TEUs, up 4.1% over 2011, after recording a fairly poor August in many top ports. (Source: NRF/Hackett Associates)
- The International Longshoremen’s Association and United States Maritime Alliance negotiations continue this week and are “making substantial progress on a wide range of tough issues” according to the federal mediators assisting with the talks. The ILA has not had a coast-wide work stoppage since 1977.
- The Panama Canal recorded record tonnage of 333.7 million Panama Canal tons during FY2012, which ended September 30. The figure represents a 3.6% increase over FY2011. It surpasses the previous record of 312.9 million tons recorded in 2007.
- Maersk has announced that it plans to increase rates for refrigerated cargo, and that the rate hike will go into effect on January 1, 2013. The $1,500 per FEU increase will be implemented on a global basis and amounts to an average increase of 30% per shipment.

**WAREHOUSING & DISTRIBUTION:**

**Industrial Vacancy**
The U.S. average industrial vacancy rate was 9.43% during Q2 2012, down from 9.68% in the previous quarter. Overall vacancy was 12.92% in Atlanta and 14.04% in Savannah during the second quarter. (Source: Colliers International)

**Warehouse Rent Rates**
In Q2 2012, warehouse and distribution rental rates in the US averaged $4.78 per square foot. Rental rates for warehouse space averaged $3.23/square foot in Atlanta and $3.95/square foot in Savannah. (Source: Colliers International)

**Industrial Absorption**
Net absorption in the US during Q2 2012 totaled +40.5 million square feet. Absorption during the 2Q totaled more than +2.5 million square feet in Atlanta and -136,000 square feet in Savannah. (Source: Colliers International) (Absorption is the net change in occupied space between two points in time. Positive absorption means that previously unoccupied space is being occupied.)

**Purchasing Managers Index**
The National PMI rose 1.9 points to 51.5 in September 2012. New orders increased 5.2 points to 52.3 and production rose 2.3 points to 49.5. (Source: Institute for Supply Management) (The PMI combines data on new orders, inventory, production, supplier deliveries, and employment. A reading above 50 indicates that the manufacturing economy is generally expanding.)
Georgia’s PMI rose 1.6 points to 52.0 in September. New orders in Georgia increased 8 points to 58 and production decreased 5.6 points to 50. Georgia’s PMI of 52.0 outperformed the national PMI by 0.5 point and has remained above 50 for the ninth consecutive month. (Source: Kennesaw State University)

- GenAgain Technologies has relocated its headquarters from Tuscaloosa, Alabama to Lithia Springs, Georgia. The company plans to invest up to $75 million in Atlanta and create as many as 200 jobs as it builds several area plants to convert plastic waste into synthetic crude oil. GenAgain will initially open a $15 million, 63,000 square foot production plant that will employ about 40 people.
- Home Depot’s 1.1 million square foot e-commerce rapid deployment center is underway in McDonough, Georgia. Home Depot has shifted its development focus from new stores to fulfillment centers such as this one which is expected to be complete in June 2013.
- General Biofuels Georgia, LLC will construct a wood pellet manufacturing plant in Sandersville, Georgia, investing $60 million and creating 35 jobs. Pellets from the plant will be loaded into railcars for transport by the Sandersville Railroad and Norfolk Southern Railway to the Port of Savannah.
- Foss Manufacturing will open a manufacturing and distribution operation in Rome, Georgia, investing $15 million and creating 150 new jobs over three years. Foss is one of the world’s largest needle-punch based manufacturers.
- Kenco, a 3PL based in Chattanooga, Tennessee, has announced plans for a new facility to be located in Bryan County, Georgia. The company will occupy 230,000 square feet and plans to employ over 50 people in the next few years.
- Gulf States Cold Storage is in the process of retrofitting a Pooler, Georgia warehouse as a refrigerated distribution center. The company specializes in frozen poultry and the new distribution facility will have the capacity to handle 4 million pounds of product a week.

The U.S. GDP increased 1.3% in the second quarter of 2012 according to the third estimate released by the Bureau of Economic Analysis. (Source: US BEA)

The U.S. trade deficit increased by 4.1% in August to $44.2 billion. Exports decreased 1% to $181.3 billion and imports decreased 0.1% to $225.5 billion. (Source: US DOC & Census Bureau)

The Consumer Confidence Index increased to 70.3 in September 2012 from 61.3 in August 2012. (Source: The Conference Board) (The consumer confidence index is based on a monthly survey of 5,000 U.S. households. It is designed to gauge the financial health, spending power, and confidence of the average U.S. consumer.)

The unemployment rate in America fell to 7.8% in September 2012 despite only adding 114,000 net new jobs, down from the revised 142,000 new jobs created in August. (Source: US DOL)

The Leading Economic Index for the U.S. decreased 0.1% in August to 95.7 (2004=100), following a 0.5% increase in July and a 0.5% decrease in June. (Source: Conference Board) (The LEI is a composite of 10 economic indicators that together create an analytic system designed to signal peaks and troughs in the business cycle. The LEI reveals patterns in economic data in a clearer and more convincing manner than any individual component alone.)

Retail sales grew in September to $412.9 billion, up 1.1% from the previous month, and up 5.4% over the previous year. Non-store retailer sales were up 10.5% from last year. (Source: US Census)

Total combined sales and manufacturing shipments totaled $1.25 Trillion in August 2012, up 0.5% from July and up 3.1% from the previous year. (Source: US Censu)

August 2012 business inventory on hand were $1.61 Trillion, up 0.6% from July and up 5.3% from August 2011. (Source: US Censu)

In August, housing starts increased 2.3% to an annual rate of 750,000 units. Building permits (an indicator of future housing starts) fell 1% to an annual rate of 803,000. (Source: U.S. DOC)

The consumer price index for all urban consumers increased 0.6% in August from the previous month. Over the last 12 months, the all items index increased 1.7%. The producer price index for finished goods increased 1.7% in August from the previous month. Prices for finished goods rose 2% over the previous year. (Source: US Bureau of Labor Statistics)