

### MULTIMODAL:

<b>Dow Jones Transportation Index</b>	Dow Jones Transportation index was <b>up 2.5%</b> during the month of June. <i>(Stock performance of twenty large, well-known U.S. companies in the transportation industry, average of June 10<sup>th</sup> thru July 10<sup>th</sup>)</i>
<b>NASDAQ Transportation Index</b>	NASDAQ Transportation Index <b>increased 2.0%</b> in June. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of June 10<sup>th</sup> thru July 10<sup>th</sup>)</i>
<b>DOT Freight Transportation Index</b>	The USDOT's freight transportation services index <b>remained unchanged</b> in May 2012 following an increase of 0.2% in April. The index's reading of 109.6 was <b>4.3% higher</b> year-over-year. (Source: US DOT)
<b>Cass Freight Index</b>	The June shipments index <b>rose 1.3%</b> over the previous month and <b>decreased 1.3%</b> year-over-year. The June expenditures index <b>decreased 0.1%</b> for the month, and <b>increased 0.9%</b> year over year. <i>(Source: Cass Information Systems   Cassinfo.com)</i> <i>(Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)</i>
<b>Import Volumes</b>	In May, the U.S. <b>imported</b> about <b>\$232 billion</b> of cargo. May U.S. imports have <b>decreased 0.7%</b> in terms of value from April, and <b>grew 3.8%</b> year-over-year. (Source: US Census)
<b>Export Volumes</b>	In May, the U.S. <b>exported</b> more than <b>\$183 billion</b> of cargo, <b>the second highest amount on record</b> . May U.S. exports have <b>increased 0.2%</b> in terms of value over the previous month and <b>grew 4.2%</b> year-over-year. (Source: US Census)
<b>Import &amp; Export Price Index</b>	U.S. import prices <b>decreased 2.7%</b> in June, after declining 1.2% the previous month. Import prices <b>fell 2.6%</b> over the past year. The price index for U.S. exports <b>fell 1.7%</b> in June, following a 0.4% decrease in May. Export prices declined 2.1% year-over-year. (Source: Bureau of Labor Statistics)
<b>Multimodal News Clips:</b>	<ul style="list-style-type: none"> <li>Japan's exports to the United States rose for the <b>seventh consecutive month</b> in May on a year-over-year basis, <b>increasing 38.2%</b> to \$11.14 billion. May's growth in U.S. bound shipments from Japan was led by autos, which <b>rose 128.5%</b> in terms of value. Shipments of auto parts <b>rose 61.9%</b> in terms of value.</li> <li>During the first half of 2012, the United States displaced the European Union as <b>China's largest export market</b>. China's total trade <b>increased 8%</b> during the period to total nearly <b>\$2 trillion</b>. In June, China's exports <b>increased 11.3%</b> year-over-year to total <b>\$180 billion</b>. China's imports rose to <b>\$148 billion</b> in June, <b>up 6.3%</b> compared to a year earlier.</li> </ul>

### RAIL:

<b>U.S. Freight Rail Traffic</b>	Railroad bulk carload freight in June 2012 <b>increased 2.9%</b> from May 2012. Freight traffic in June <b>fell 1.3%</b> from June 2011. The decrease in freight rail traffic was mainly due to another decline in coal and grain shipments. Carloads excluding coal <b>increased 4.2%</b> over the previous year. <i>(Source: AAR.org) (Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)</i>
<b>U.S. Intermodal Rail Traffic</b>	Intermodal rail traffic in June 2012 was <b>5.2% higher</b> than in June 2011 and <b>3.8% higher</b> than May 2012 totals. Intermodal loadings experienced year-over-year gains for <b>31 straight months</b> . <i>(Source: AAR.org) (Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)</i>
<b>Railroad Fuel Price Index</b>	The index of average railroad fuel prices in May was 614.8, <b>down 5.5%</b> from the previous month and <b>2.2% lower</b> year-over-year. (Source: AAR.org) <i>(Average monthly price for gallons purchased by freight railroads; Includes federal excise taxes, transportation, and handling expenses)</i>
<b>Freight Cars in Storage</b>	The number of freight cars in storage has <b>increased to 317,681</b> (20.7% of the fleet) on July 1, up 4,743 from a month earlier. (Source: AAR.org) <i>(A freight car is "in storage" if it has had a loaded revenue move since 2005, but not in the past 60 days. <u>Decrease here = more demand</u>)</i>
<b>Class 1 Railroad Employment</b>	Railroad employment in May 2012 <b>decreased by 685 employees</b> to 161,191 employees. Total Class 1 rail employment in May 2012 was <b>2.33% higher</b> than it was in May 2011. (Source: U.S. STB)
<b>Short Line Rail Traffic</b>	In June 2012, short line railroad shipments across North America <b>rose 1.76%</b> compared to the same month last year. A sampling of about 419 small railroads in the U.S. and Canada <b>loaded 530,319 railcars</b> and intermodal units during the month of June. (Source: RMI RailConnect Index   rmiondemand.com)
<b>Railroad News Clips:</b>	<ul style="list-style-type: none"> <li>Intermodal shipments on major U.S. railroads in the week ending June 30 <b>rose 7%</b> year-over-year and <b>jumped 3%</b> from the previous week. Carload volume in the same week <b>fell 2.5%</b> year-over-year and <b>fell 3.5%</b> from the prior week. (Source: AAR.org)</li> </ul>

### TRUCKING:

<b>Over-the-Road Trucked Shipments</b>	Over-the-Road Trucked Shipments <b>rose 0.8%</b> in May following a 0.1% increase in April and a 0.3% increase in March. Overall trucked shipments <b>decreased 0.6%</b> on a year-over-year basis. (Source: Ceridianindex.com) <i>(From the Ceridian-UCLA Pulse of Commerce Index which is based on real-time fuel consumption data for over the road trucking)</i>
<b>Trucking Volume</b>	The ATA's seasonally adjusted cargo index <b>fell 0.7%</b> in May after falling 1.1% in April. The for-hire truck tonnage index <b>rose 4.1%</b> year-over-year. (Source: American Trucking Association   Trucking.org)
<b>Truckload Freight</b>	The spot market for truckload freight in June <b>rose 1.3%</b> compared to the previous month, and was <b>13% higher</b> year-over-year. Truck capacity <b>fell 3.5%</b> for the month, but was <b>up 17%</b> year-over-year. (Source: TransCore Freight Index   www.transcorefreightsolutions.com)
<b>Diesel Prices</b>	U.S. average diesel prices rose last week to <b>\$3.68 per gallon</b> . Last week's average diesel price was <b>3¢ lower</b> than the previous week, and was <b>23¢ lower</b> than the same week last year. The average price of diesel in the lower Atlantic states was \$3.65 per gallon. (Source: U.S. DOE) <i>(Reflects the costs and profits of the entire production and distribution chain.)</i>
<b>Trucking Employment</b>	The trucking industry <b>added 2,000 jobs</b> in June. The trucking workforce <b>increased 0.15%</b> over the previous month and <b>rose 3.1%</b> over the previous year. (Source: U.S. DOL)
<b>Truck Orders</b>	Orders for heavy-duty Class 8 trucks in North America are expected to total <b>16,195 units</b> in June 2012, the lowest month for orders since September 2010. June orders were <b>8% lower</b> than the previous month, and <b>23% lower</b> than the same month last year. (Source: FTR Associates   ftrassociates.com)
<b>NAFTA Trade</b>	Surface transport-related trade between the U.S. and its NAFTA partners, Canada and Mexico, was <b>up 8.2%</b> in April compared to the same month in 2011, reaching <b>\$79.8 billion</b> . April was the <b>29<sup>th</sup> consecutive month</b> of year-over-year increases. (Source: US DOT)
<b>Trucking News Clips:</b>	<ul style="list-style-type: none"> <li>Saia, a multiregional less-than-truckload carrier, purchased Robart Companies, a truck freight broker and logistics services provider. The \$1 billion Georgia-based LTL trucking company purchased the brokerage firm for <b>\$7.8 million</b>. Saia revenue <b>increased 11%</b> in the 1Q to \$269 million, while net income rose to <b>\$5.5 million</b> from \$700,000 during the same quarter last year.</li> <li>In 2011, the trucking industry accounted for <b>67% of tonnage</b> and <b>81% of revenue</b> in the freight transportation industry. Overall total freight tonnage is expected to <b>grow by 21%</b> by 2023, and revenue for the freight transportation industry is projected to <b>rise 59%</b> in that same timeframe. Trucking's share of the tonnage market will rise over two percentage points to <b>69.6%</b> by 2023, while the industry's share of freight revenues will <b>increase to 81.7%</b> from 80.9%. (Source: American Trucking Association)</li> </ul>

### AIR FREIGHT:

<b>Air Cargo Traffic</b>	Global air freight traffic in May <b>fell 0.4%</b> from one year ago and was <b>down 1.9%</b> from the previous month. North American air freight in May <b>fell 1.9%</b> year-over-year. (Source: IATA.org) <i>(Global air freight covers international and domestic scheduled air traffic. North American traffic includes only domestic freight traffic.)</i>
<b>Atlanta Air Cargo Traffic</b>	In May, Hartsfield-Jackson Atlanta International Airport transported <b>55,325 metric tons</b> of cargo, a <b>5% increase</b> from the previous month and a <b>2.35% decrease</b> year-over-year. (Source: HJIA)
<b>Air Freight Price Index</b>	In April, average international air cargo prices <b>dipped 0.8%</b> from the previous month. Average air freight rates were <b>down 3.6%</b> year-over-year. (Source: Bureau of Labor Statistics) <i>(The Drewry Air Freight Price Index is based on the average of rates (\$US per kg) for cargoes of 100+kg to 1,000+kg cargoes from Shanghai to London, Moscow, Prague, New York, and Los Angeles.)</i>
<b>Jet Fuel Prices</b>	As of July 6, 2012, the global average jet fuel price was \$117.40 per barrel; <b>up 1.6%</b> from the previous month, and <b>10.9% lower</b> year-over-year. (Source: IATA.org, platts.com) <i>(The weekly index and price data shows the global average price paid at the refinery for aviation jet fuel)</i>
<b>Air Freight News Clips:</b>	<ul style="list-style-type: none"> <li>Global semiconductor sales are boosting the air cargo industry. Sales of semiconductors totaled <b>\$25.2 billion</b> in May, <b>rising 1.4%</b> from the previous month. Semiconductor manufacturers gain roughly <b>82%</b> of their revenues from exports and typically ship the product via air.</li> <li>Japan's All Nippon Airways (ANA) and Japan Airlines (JAL) saw growth in international cargo volumes for the <b>fourth consecutive month</b>. The volume of international cargo ANA carried in May totaled 43,591 tons, <b>up 7.1%</b> year-over-year. JAL's international cargo in May totaled 19,826 tons, an <b>increase of 4.3%</b> year-over-year.</li> </ul>

### OCEAN FREIGHT:

#### Import Volumes

Import shipment volume, in TEUs, at U.S. ports **decreased 3.7%** in June from the previous month and **rose 4.4%** over the previous year. YTD, June had the **second highest number of TEU imports**, with over **1.54 million TEUs imported**. (Source: Zepol Corporation | zepol.com)

#### Shanghai Containerized Freight Index

The July 6<sup>th</sup> SCFI comprehensive reading was **\$1,421.94 per FEU**; **down 2.6%** from the previous week, and **38% higher** year-over-year. The spot rate for shipments to the U.S. East Coast was **\$3,728 per FEU**, **up 28.9%** from the previous year. (Source: Shanghai Shipping Exchange | www1.chineseshipping.com.cn/en)  
*(The Shanghai Containerized Freight Index is a weekly reported average export spot rate from Shanghai for 15 different trade lanes.)*

#### Ocean Bulk Freight Rates

The Baltic Dry Index **increased 11.4%** in June, ending at **1,004**. The BDI has **increased 14%** during the first half of July. (Source: www.bloomberg.com/quote/BDIY:IND)  
*(The Baltic Dry Index is an index that tracks and averages worldwide international shipping prices of various dry bulk cargoes.)*

#### TSA Bunker Surcharges

Between July 1 and September 30, 2012, the bunker fuel surcharge will total **\$580 per FEU** for shipments to the West coast ocean ports and **\$1,119 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

In May, the Port of Savannah handled **256,530 TEUs**. May's shipment total represented a **0.86% increase** over May 2011, and was **3.1% higher** than April's shipments. (Source: GPA)

#### Port of Brunswick

The Georgia Ports Authority marked a record month in April for Autos and the **fourth busiest month** in the Authority's history for total tonnage. In April, the Port of Brunswick handled **59,926 auto and machinery units**, an **increase of 57.7%** over the previous year. The Brunswick facility is the **nation's fifth busiest port for total import-export Ro/Ro cargo**, and the **third busiest port for the export of U.S.-made vehicles and machinery**. (Source: GPA)

#### Ocean Freight Business News:

- The first section of new locks at the **Panama Canal** has been completed. The monolith is the first of 46 such structures to be completed in the upper chamber of the Pacific locks. Construction of this first monolith required **232 tons** of reinforced steel and **91,995 cubic feet** of concrete. The new set of locks is slated to be **completed in 2014 but will not be open for commercial traffic until 2015**.
- Taiwanese carrier Evergreen has agreed to charter **10 new 13,800 TEU vessels** this month. Greek ship management company Enesol SA placed the **\$1.2 billion order** for the ships through South Korea's Hyundai Heavy Industries. The vessels will be leased to Evergreen for an initial five years with deliveries due in the second half of 2013.
- The world's top 20 ocean carriers boosted their container ship fleets by **844,000 TEUs** in the past year. The two largest lines, Maersk and MSC accounted for more than half the extra capacity, **adding 232,000 TEUs** and **218,000 TEUs** respectively since July 2011. The world fleet reached **16.53 million TEUs** by July 1, with total capacity **growth of 6.5%**.
- OOCL reported positive volume and profit results for the 2Q 2012. The Hong Kong-based carrier's total volume was **6.7% higher** year-over-year for the second quarter. Revenue increased 10.6% year-over-year to **\$1.560 billion**.

## WAREHOUSING & DISTRIBUTION:

<b>Industrial Vacancy</b>	The U.S. average industrial vacancy rate was <b>9.1%</b> during Q2 2012, remaining the same as the previous quarter. Overall vacancy was <b>10.8%</b> in the South and <b>14%</b> in Atlanta during the second quarter. (Source: Cassidy Turley)
<b>Warehouse Rent Rates</b>	In Q2 2012, warehouse and distribution rental rates in the US averaged <b>\$5.05 per square foot</b> . Rental rates for warehouse space averaged <b>\$4.48/square foot</b> in the South and <b>\$3.46/square foot</b> in Atlanta. (Source: Cassidy Turley)
<b>Industrial Absorption</b>	Net absorption in the US during Q2 2012 totaled <b>+19.8 million square feet</b> . Absorption during the 2Q totaled nearly <b>+7.3 million square feet</b> in the South. <b>Atlanta led cities in the South</b> and was <b>third highest overall</b> in the U.S. with over <b>+1.75 million square feet</b> absorbed in the 2Q. (Source: Cassidy Turley) <i>(Absorption is the net change in occupied space between two points in time. Positive absorption means that previously unoccupied space is being occupied.)</i>
<b>Purchasing Managers Index</b>	The National PMI <b>fell 3.8 points</b> to 49.7 in June 2012, the index's first time under 50 since July 2009. New orders <b>decreased 12.3 points</b> to 47.8 and production <b>fell 4.6 points</b> to 51.0. (Source: Institute for Supply Management) <i>(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.)</i>
<b>Purchasing Managers Index in Georgia</b>	Georgia's PMI <b>fell 6.9 points</b> to 55.0 in June. New orders in Georgia <b>decreased 11.8 points</b> to 53.6 and production was <b>down 10 points</b> to 55.4. Georgia's PMI of 55.0 <b>outperformed the national PMI by 5.3 points</b> and has remained above 50 for the <b>sixth consecutive month</b> . (Source: Kennesaw State University) <i>(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.)</i>
<b>W&amp;D Business News:</b>	<ul style="list-style-type: none"> <li>• Tractor Supply Co. announced plans to build a <b>\$50 million distribution center</b> in Bibb County, Georgia. The new <b>650,000 square foot facility</b> could open by the fall of 2013. The company selected the location due to its proximity to the <b>Port of Savannah</b> and several <b>major interstates</b>.</li> <li>• Academy Sports + Outdoors will expand its existing operation in Twiggs County, Georgia, <b>creating 250 new jobs</b> and expanding its distribution center by more than <b>500,000 square feet</b>. The Texas-based company first moved to its current <b>1.1 million square foot</b> facility in 2007, and currently <b>employs 625 associates</b>. In 2011, Academy Sports + Outdoors added an <b>e-commerce center</b> at its facility, which serves as the fulfillment center for its online retail business.</li> <li>• UPS intends to expand its Atlanta distribution center capacity by <b>30%</b>, bringing the total area to <b>794,300 square feet</b> of space. The company's expansion is based on significant growth in distribution for health care, aerospace, retail, and high-tech businesses.</li> <li>• Georgia Cold Storage will open a refrigerated storage facility in a Pooler, Georgia industrial park. The Pooler facility will be the company's <b>seventh and largest facility</b>, totaling <b>176,000 square feet</b>. Georgia Cold Storage is the second refrigerated warehouse operator to announce plans for a Savannah-based facility in recent months. Nordic, one of the nation's largest cold-storage warehouse companies, broke ground on a <b>new 400,000 square foot building</b> in June.</li> <li>• Halstead New England will open a distribution center near Port Wentworth, Georgia. The <b>112,000 square foot warehouse</b> will open in September. The Connecticut-based company imports flooring and granite building products for distribution to Home Depot and other retailers. Halstead chose the <b>Savannah</b> area due to <b>access to the port</b>, the <b>available skilled labor pool</b>, and <b>lower operational costs</b>.</li> <li>• Porsche Cars North America Inc. paid <b>\$34.4 million</b> for the land on which it plans to build its U.S. headquarters in Atlanta, Georgia. Porsche <b>acquired 56.2 acres</b>, including 26 acres for its <b>\$100 million headquarters project</b>. The site is a <b>redevelopment</b> of the former Ford Motor Co. assembly plant.</li> </ul>

## U.S. MARKET:

<b>Gross Domestic Product</b>	The U.S. GDP <b>increased 1.9%</b> in the first quarter of 2012 according to the third estimate released by the Bureau of Economic Analysis. (Source: US BEA)
<b>U.S. Trade Deficit</b>	The U.S. trade deficit <b>decreased by 3.8%</b> in May to \$48.7 billion. <b>Exports increased 0.2</b> to \$183.1 billion and <b>imports decreased 0.7%</b> to \$231.8 billion. <b>U.S. exports in May were the second highest on record</b> . (Source: US DOC & Census Bureau)
<b>Consumer Confidence</b>	The Consumer Confidence Index <b>decreased to 62.0</b> in June 2012 from 64.4 in May 2012. (Source: The Conference Board) <i>(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.)</i>

<b>Unemployment Rate</b>	The unemployment rate in America <b>remained at 8.2%</b> in June 2012. Approximately <b>80,000 net new jobs</b> were created in June, up from the <b>77,000 new jobs</b> created in May. (Source: US DOL)
<b>Leading Economic Index</b>	The Leading Economic Index for the U.S. <b>increased 0.3%</b> in May to 95.8 (2004=100), following a 0.1% decrease in April and a 0.2% increase in March. (Source: Conference Board) <i>(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.)</i>
<b>Retail Sales</b>	Retail and food service sales fell in June to <b>\$401.5 billion, down 0.5%</b> from the previous month, but <b>up 3.8%</b> above June 2011. Non-store retailer sales were <b>up 10.9%</b> from last year. (Source: US Census)
<b>Manufacturing &amp; Trade Sales</b>	Total combined sales and manufacturing shipments totaled nearly <b>\$1.245 Trillion</b> in May 2012, <b>down 0.1%</b> from April and <b>up 5.1%</b> from the previous year. (Source: US Census)
<b>Manufacturing &amp; Trade Inventory</b>	Total value of inventory on hand is estimated at <b>\$1.578 Trillion</b> in May 2012, <b>up 0.3%</b> from April and <b>up 5.2%</b> from May 2011. (Source: US Census)
<b>Housing Starts</b>	In May, housing starts <b>decreased 4.8%</b> to an annual rate of 708,000 units. Building permits (an indicator of future housing starts) <b>rose 7.9%</b> to an annual rate of 780,000. (Source: U.S. DOC)
<b>Consumer &amp; Producer Price Index</b>	The consumer price index for all urban consumers was <b>unchanged</b> in June from the previous month. Over the last 12 months, the all items index <b>increased 1.7%</b> . The producer price index for finished goods <b>increased 0.1%</b> in June from the previous month. Prices for finished goods <b>rose 0.7%</b> over the previous year. (Source: US Bureau of Labor Statistics)

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