

MULTIMODAL:

Dow Jones Transportation Index	Dow Jones Transportation index rose 1.6% during the month of August. <i>(Stock performance of twenty large, well-known U.S. companies in the transportation industry, average of August 10th thru September 10th)</i>
NASDAQ Transportation Index	NASDAQ Transportation Index increased 2.1% in August. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of August 10th thru September 10th)</i>
DOT Freight Transportation Index	The USDOT's freight transportation services index rose 0.3% in July 2013. The index's reading of 114.3 was up 2.4% from July 2012. (Source: US DOT)
Cass Freight Index	The August shipments index rose 1.7% over the previous month and fell 0.4% year-over-year. The August expenditures index fell 1.5% for the month, and increased 3.4% year-over-year. (Source: Cass Information Systems Cassinfo.com) <i>(Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)</i>
Import Volumes	In July, the U.S. imported about \$228.6 billion of cargo. July U.S. imports rose 1.6% in terms of value from June, and rose 0.8% year-over-year. (Source: US Census)
Export Volumes	In July, the U.S. exported more than \$189.4 billion of cargo. July U.S. exports have decreased 0.6% in terms of value over the previous month and rose 3.3% year-over-year. (Source: US Census)
Import & Export Price Index	U.S. import prices were unchanged in August. Import prices fell 0.4% over the past year. The price index for U.S. exports fell 0.5% in August. Export prices decreased 1.1% year-over-year. (Source: Bureau of Labor Statistics)
Multimodal News Clips:	<ul style="list-style-type: none"> Global consumption of petroleum products, including gasoline, diesel fuel, jet fuel, and heating oil, reached a record high of 88.9 million barrels per day in 2012. While consumption fell in North America and Europe, petroleum use grew in Asia and other regions. Between 2008 and 2012, Asia's petroleum use increased by 4.4 million barrels per day. China's use of petroleum is forecast to replace the U.S. as the world's biggest oil importer in the fall of 2013. (Source: US Energy Information Administration) E-commerce spending in the United States will increase about 15.1% year-over-year in November and December of this year. Spending during those two months is expected to total \$61.8 billion. For 2013 as a whole, e-commerce spending is expected to grow 16.4% over 2012. Mobile commerce will gain a larger share of U.S. e-commerce sales this year as M-commerce will account for nearly 16%, or \$41.68 billion, of the \$262.3 billion that online shoppers are expected to spend this year in the U.S. (Source: eMarketer, U.S. Commerce Department)

RAIL:

U.S. Freight Rail Traffic	Railroad bulk carload freight in August 2013 remained the same from July 2013. Freight traffic in August rose 0.5% from August 2012. Carloads excluding coal and grain increased 3.6% over the previous year. (Source: AAR.org) <i>(Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)</i>
U.S. Intermodal Rail Traffic	Intermodal rail traffic in August 2013 was 4.4% higher than in August 2012 and 1.1% lower than July 2013 totals. Intermodal loadings have experienced year-over-year gains for 45 straight months . (Source: AAR.org) <i>(Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)</i>
Railroad Fuel Price Index	The index of average railroad fuel prices in July was 606.8, up 2.5% from the previous month and 0.47% higher 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>
Freight Cars in Storage	The number of freight cars in storage has decreased to 304,931 (19.8% of the fleet) on September 1, down 3,727 cars 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>
Class 1 Railroad Employment	Railroad employment in July 2013 decreased by 513 employees to 163,956 employees. Total Class 1 rail employment in July was 1.2% higher than it was in July 2012. (Source: U.S. STB)
Short Line Rail Traffic	In August 2013, short line railroad shipments across North America rose 5.8% compared to the same month last year. A sampling of about 426 small railroads in the U.S. and Canada loaded 573,702 railcars and intermodal units during the month of August. (Source: RMI RailConnect Index rmiindemand.com)
Railroad News Clips:	<ul style="list-style-type: none"> In August, petroleum and petroleum products experienced more growth than any other commodity category shipped by rail. Last month, carloads of petroleum products increased 18.5%, or 8,148 carloads, year-over-year. Petroleum shipments by rail increased 74.6% over August 2011. In August 2013, petroleum products accounted for 4.4% of total U.S. Class I carload shipments, up from 3.7% during the same month last year. (Source: AAR.org)

TRUCKING:

Trucking Volume

The ATA's seasonally adjusted cargo index **fell 0.4%** in July after rising 0.1% in June. The for-hire truck tonnage index **rose 4.7%** year-over-year. (Source: American Trucking Association | Trucking.org)

Truckload Freight

The spot market for truckload freight in August **fell 1.8%** compared to the previous month, and was **16% higher** year-over-year. Truck capacity **rose 0.3%** for the month, and was **up 3.2%** year-over-year. (Source: DAT Trendlines | www.dat.com)

Diesel Prices

U.S. average diesel prices remained at **\$3.98 per gallon** last week. The U.S. average diesel price was **15¢ lower** than the same week last year. The average price of diesel in the lower Atlantic states was \$3.92 per gallon. (Source: U.S. DOE) *(Reflects the costs and profits of the entire production and distribution chain.)*

Trucking Employment

Trucking industry employment remained flat in August after posting a gain of 6,300 in July. The trucking workforce **increased 1.9%** over the previous year. (Source: U.S. Bureau of Labor Statistics)

Truck Orders

Orders for heavy-duty Class 8 trucks in North America are expected to total **19,178 units** in August 2013. August orders were **11% higher** than the previous month, and **21% higher** year-over-year. (Source: FTR Associates | ftrassociates.com)

NAFTA Trade

Surface transport-related trade between the U.S. and its NAFTA partners, Canada and Mexico, **decreased 1%** in June compared to the same month last year, totaling **\$93.5 billion**. (Source: US DOT)

Trucking News Clips:

- In 2012, the cost of operating a truck **fell slightly to \$1.63 per mile**. In 2011, the per-mile cost for truck operations averaged \$1.71. (Source: American Transportation Research Institute)
- Last-mile courier thefts are increasing as nearly **30 thefts** have occurred in the U.S. so far this year, with the majority happening in and around Detroit. In 2012, FreightWatch International reported only 12 last-mile courier thefts in the U.S. (Source: FreightWatch International)

AIR FREIGHT:

Air Cargo Traffic

Global air freight traffic in July **increased 1.2%** from one year ago, and **rose 0.5%** from the previous month. North American air freight in July **fell 1.1%** year-over-year. (Source: IATA.org)
(Global air freight covers international and domestic scheduled air traffic.)

Atlanta Air Cargo Traffic

In July, Hartsfield-Jackson Atlanta International Airport transported **50,106 metric tons** of cargo, a **1.6% decrease** from the previous month and a **7.5% decrease** year-over-year. (Source: HJIA)

Air Freight Price Index

In July, the index of East-West air cargo rates remained the same from the previous month. The average price of air cargo leaving the United States in July stood at **\$3.06 per kilogram**. (Source: Drewry) *(The Drewry East-West Air Freight Price Index is based on the average of rates (\$US per kg) for air freight services on 21 major East-West routes.)*

Jet Fuel Prices

As of August 30, 2013, the global average jet fuel price was \$130.10 per barrel; **up 5%** from the previous month, and **4.4% lower** year-over-year. (Source: IATA.org, platts.com)
(The weekly index and price data shows the global average price paid at the refinery for aviation jet fuel)

Air Freight News Clips:

- Whenever it introduces a new product, Apple ships millions of the item by air to its own stores and other retail outlets where the handsets will go on sale simultaneously. FedEx ships the devices to the U.S. mainly using Boeing 777s. The planes can carry about **450,000 iPhones** and cost about **\$242,000** to charter, with fuel accounting for more than half the expense. (Source: Bloomberg.com, SJ Consulting Group)
- During the month of August, American Airlines experienced a **5.7% increase** year-over-year in its cargo shipments. The airline's freight loads totaled 150,516 million ton miles in August 2013.

OCEAN FREIGHT:

Import Volumes

Import shipment volume at U.S. ports totaled **1.61 million TEUs** in August, the **2nd highest monthly volume since July 2007**. U.S. vessel imports **decreased 5%** from the previous month and **rose .5%** year-over-year. (Source: Zepol Corporation | zepol.com)

Shanghai Containerized Freight Index

The September 6th SCFI comprehensive reading was **\$1,071 per FEU**; **down 15.5%** year-over-year. The spot rate for shipments to the U.S. East Coast was **\$3,395 per FEU**, **down 8.7%** 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 **rose 6.6%** in August, ending at **1,132**. The BDI has **increased 44.5%** during the first half of September. (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 October 1 and December 31, 2013, the bunker fuel surcharge will total **\$530 per FEU** for shipments to the West coast ocean ports and **\$975 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 the year ending June 30th, the GPA moved a **record-setting 27.23 million tons** of cargo across all terminals, for a **2.4% increase** over FY2012. It was the GPA's **second-busiest year** for container throughput, shipping more than **2.94 million TEUs**. Of the total container volume, a record number **314,623 containers**, were moved by rail. (Source: GPA)

Port of Brunswick

For the second year in a row, the GPA achieved a record total for auto and machinery units with an **11.7% improvement** in FY2013, moving 636,942 units. Bulk cargo was **up by 61.8%** to reach 2.5 million tons. (Source: GPA)

Ocean Freight Business News:

- Import volume through major U.S. container ports is expected to **increase 5.1%** in September as retailers begin to stock up ahead of the holiday season. In July, the latest month for which numbers are available, U.S. container ports handled 1.43 million TEUs, a **5.4% increase** over the previous month and a **1.1% increase** over the same month last year. Total U.S. containerized imports are expected to **increase 2.5%** in 2013. (Source: NRF/Hackett Associates)
- Merchandise being exported from the State of Georgia **grew 4%** in the first half of 2013, reaching a **record \$18.5 billion**. Key merchandise export categories include transportation equipment, machinery, chemicals, paper, and food. (Source: International Trade Administration)
- Ballard Pacific Resources, the primary distributor of Hyper Bicycles, has chosen the **Port of Savannah** to serve its major retail markets across the Southeast. Hyper Bicycles referenced Savannah's **shorter transit times, lower costs**, and the quality of the city's **third-party logistics market** as factors in selecting the port. The company has selected Matson Logistics to assist in managing its expanded transportation and distribution network.

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The U.S. average industrial vacancy rate was **8.4%** during Q2 2013, down from 8.6% in the previous quarter. Overall vacancy was **12.4%** in Atlanta during the second quarter. (Source: Newmark Grubb Knight Frank)

Warehouse Rent Rates

In Q2 2013, warehouse and distribution rental rates in the US averaged **\$5.22 per square foot**, up from \$5.21/SF in the previous quarter. Rental rates for warehouse space averaged **\$3.71 per square foot** in Atlanta. (Source: Newmark Grubb Knight Frank)

Industrial Absorption

Net absorption in the US during Q2 2013 totaled more than **+39.5 million square feet**. Atlanta's overall absorption during the 2Q was the second-highest in the U.S. with more than **+3.8 million square feet**. Atlanta posted the **strongest absorption rate** in the U.S. during the first half of 2013. (Source: Newmark Grubb Knight Frank) *(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 0.3 of a point** to 55.7 in August 2013, the highest level since June 2011. New orders **rose 4.9 points** to 63.2 and production **decreased 2.6 points** to 62.4. (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.)*

Purchasing Managers Index in Georgia

Georgia's PMI **fell 1 point** to 48.5 in August. New orders in Georgia **rose 7 points** to 52.5 and production **fell 0.5 of a point** to 45. Georgia's PMI is now **7.2 points below** the national PMI. (Source: Kennesaw State University) *(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.)*

W&D Business News:

- Shaw Industries Group, Inc. will build a new facility in Bartow County, Georgia to manufacture modular carpet tiles. The company is expected to **invest \$85 million** in the new facility that will **create 500 new jobs**. Shaw plans to build and equip **600,000 to 700,000 square feet** of manufacturing and warehouse space.
- Hubei Xingfa Chemicals Group will establish its **U.S. headquarters and manufacturing plant** in Effingham County, Georgia. The Chinese-owned company is a leading phosphate and fine chemical products producer. The new project represents a significant investment and will create about **50 new jobs**.
- Kumho Tire has officially resumed plans to build its new **1 million square-foot manufacturing plant** in Bibb County, Georgia. The plant represents a **\$225 million investment** and is expected to create more than **300 jobs**. The company's first U.S. manufacturing facility was first announced in January 2008, but has been on hold for five years due to the economy.

U.S. MARKET:

Gross Domestic Product	The U.S. GDP increased 2.5% in the second quarter of 2013 according to the second preliminary estimate released by the Bureau of Economic Analysis. (Source: US BEA)
U.S. Trade Deficit	The U.S. trade deficit increased by 13.3% in July to \$39.1 billion. Exports fell 0.6% to \$189.4 billion and imports rose 1.6% to \$228.6 billion. (Source: US DOC & Census Bureau)
Consumer Confidence	The Consumer Confidence Index increased to 81.5 in August 2013. (Source: The Conference Board) <i>(The consumer confidence index is based on a monthly survey of 5,000 U.S. household. It is designed to gauge the financial health, spending power, and confidence of the average U.S. consumer.)</i>
Unemployment Rate	The unemployment rate in America decreased to 7.3% in August 2013 as there were 169,000 net new jobs . The August unemployment rate was the lowest since November 2008 . However, the labor force participation rate fell to 63.2% in August, its lowest level since 1978 . (Source: US DOL)
Leading Economic Index	The Leading Economic Index for the U.S. increased 0.6% in July to 96.0 (2004=100), following no change in June and a 0.3% increase in May. (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>
Retail Sales	Retail and food service sales rose in August to \$426.6 billion, up 0.2% from the previous month, and up 4.7% above August 2012. Non-store retailer sales were up 10.2% from last year. (Source: US Census)
Manufacturing & Trade Sales	Total combined sales and manufacturing shipments totaled more than \$1.29 Trillion in July 2013, up 0.6% from June and up 4.6% from the previous year. (Source: US Census)
Manufacturing & Trade Inventory	Total value of inventory on hand is estimated at \$1.66 Trillion in July 2013, up 0.4% from June and up 4.6% from July 2012. (Source: US Census)
Housing Starts	In July, housing starts rose 5.9% to an annual rate of 896,000 units. Building permits (an indicator of future housing starts) rose 2.7% to an annual rate of 943,000. Year-over-year, housing starts and building permits in July have increased 20.9% and 12.4% , respectively. (Source: U.S. DOC)
Consumer & Producer Price Index	The consumer price index for all urban consumers increased 0.2 in July from the previous month. Over the last 12 months, the all items index increased 2% . The producer price index for finished goods was rose 0.3 in August from the previous month. Prices for finished goods rose 1.4% over the previous year. (Source: US Bureau of Labor Statistics)

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