

MULTIMODAL:

Dow Jones Transportation Index	Dow Jones Transportation index fell 3.9% during the month of January. <i>(Stock performance of twenty large, well-known U.S. companies in the transportation industry, average of January 10th thru February 10th)</i>
NASDAQ Transportation Index	NASDAQ Transportation Index decreased 2.5% in January. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of January 10th thru February 10th)</i>
DOT Freight Transportation Index	The USDOT's freight transportation services index fell 1% in December 2013. The index's reading of 116.5 was up 4.4% from December 2012. (Source: US DOT)
Cass Freight Index	The January shipments index fell 3.6% over the previous month and fell 2% year-over-year. The January expenditures index fell 5.1% for the month, and increased 1.4% year-over-year. <i>(Source: Cass Information Systems Cassinfo.com) (Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)</i>
Import Volumes	In December, the U.S. imported about \$230 billion of cargo. December U.S. imports rose 0.3% in terms of value from November, and rose 1.3% year-over-year. (Source: US Census)
Export Volumes	In December, the U.S. exported nearly \$191.3 billion of cargo. December U.S. exports have decreased 1.8% in terms of value over the previous month and rose 1.3% year-over-year. (Source: US Census)
Import & Export Price Index	U.S. import prices rose 0.1% in January. Import prices fell 1.5% over the past year. The price index for U.S. exports rose 0.2% in January. Export prices decreased 1.2% year-over-year. (Source: Bureau of Labor Statistics)
Multimodal News Clips:	<ul style="list-style-type: none"> Georgia merchandise exports set a record in 2013, totaling \$37.6 billion, a 4.2% increase over 2012. The state's strong performance helped the United States hit an all-time record for exports of U.S. goods and services, reaching \$2.3 trillion in 2013 and supporting nearly 10 million American jobs. (Source: GPA) Retail sales in 2014 are expected to increase 4.1%, up from the preliminary 3.7% growth seen in 2013. Online sales in 2014 are forecast to grow between 9% and 12%. (Source: NRF.com) The U.S. recovery's continued momentum in 2013 helped to increase demand for industrial real estate. In total, the industrial sector absorbed +121.3 million square feet in 2013, the strongest reading since 1998. Ecommerce-related demand was estimated to account for nearly 40% of all net absorption in 2013. At the end of 2013, there was 71.1 million square feet of new industrial space under construction, up 85% compared to a year ago. (Source: Cassidy Turley)

RAIL:

U.S. Freight Rail Traffic	Railroad bulk carload freight in January 2014 fell 1.6% from December 2013. Freight traffic in January rose 0.4% from January 2013. Carloads excluding coal increased 2.1% 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>
U.S. Intermodal Rail Traffic	Intermodal rail traffic in January 2014 was 1.3% higher than in January 2013, and fell 2.7% from December 2013. Intermodal loadings have experienced year-over-year gains for 49 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 December was 600.3, up 1.8% from the previous month and 2% lower 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 267,548 (17.3% of the fleet) on February 1, down 9,995 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. Decrease here = more demand)</i>
Class 1 Railroad Employment	Railroad employment in December 2013 decreased by 389 employees to 162,810 employees. Total Class 1 rail employment in December was 0.1% higher than it was in December 2012. (Source: U.S. STB)
Short Line Rail Traffic	In January 2014, short line railroad shipments across North America rose 0.2% compared to the same month last year. A sampling of about 429 small railroads in the U.S. and Canada loaded 665,059 railcars and intermodal units during the month of January. (Source: RMI RailConnect Index rmiindemand.com)
Railroad News Clips:	<ul style="list-style-type: none"> Grain led all other commodities being shipped by rail in January 2014. U.S. grain carloads were up 12,141, a 13.2% increase, over the same month last year. Carloads of petroleum and petroleum products were up 10.4% in January year-over-year. (Source: AAR.org) Norfolk Southern reported a record net income of \$513 million for 4Q2013, a 24% increase over the same quarter last year. Net income for the full year totaled \$1.9 billion, up 9% over 2012. In 2014, the company plans to invest \$2.2 billion, a 12% increase over 2013, to maintain railways, purchase equipment, and increase productivity.

TRUCKING:

Trucking Volume	The ATA's seasonally adjusted cargo index rose 0.6% in December. The for-hire truck tonnage index rose 6.2% from December 2012, making 2013 the index's best year since 1998 . (Source: American Trucking Association Trucking.org)
Truckload Freight	The spot market for truckload freight in January rose 24% compared to the previous month, and was 56% higher year-over-year. Truck capacity remained steady for the month, and was down 218% year-over-year. (Source: DAT Trendlines www.dat.com)
Diesel Prices	U.S. average diesel prices rose 0.3¢ to \$3.98 per gallon last week. The U.S. average diesel price was 0.1¢ lower than the same week last year. The average price of diesel in the lower Atlantic states was \$3.88 per gallon. (Source: U.S. DOE) <i>(Reflects the costs and profits of the entire production and distribution chain.)</i>
Trucking Employment	The trucking industry added 3,200 jobs in January after posting a gain of 100 in December. The trucking workforce increased 1.4% 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 34,403 units in January 2014, the second consecutive month with orders over 30K. January orders were 9.2% higher than the previous month and 56% 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, increased 2.8% in November compared to the same month last year, totaling more than \$79.1 billion . (Source: US DOT)
Trucking News Clips:	<ul style="list-style-type: none"> Less-than-truckload carrier Saia reported a net profit of \$8.1 million in the fourth quarter, a 49% increase over the same quarter in 2012. For the full year, Saia's net profit increased 43%, totaling \$43.6 million. Truckload line-haul rates increased 2.9% in January, the largest year-over-year increase since last February. Intermodal rates rose 1.7% in January, the first year-over-year increase since August. These rate hikes reflect the supply chain disruption caused by January's severe winter storms. (Source: Cass Information Systems Cassinfo.com)

AIR FREIGHT:

Air Cargo Traffic	Global air freight traffic in December increased 1.8% from one year ago, and fell 1.0% over the previous month. North American air freight in December fell 0.4% year-over-year. (Source: IATA.org) <i>(Global air freight covers international and domestic scheduled air traffic.)</i>
Atlanta Air Cargo Traffic	In December, Hartsfield-Jackson Atlanta International Airport transported 50,504 metric tons of cargo, an 8.1% decrease from the previous month and a 7.15% decrease year-over-year. (Source: HJIA)
Air Freight Price Index	In December, the index of East-West air cargo rates fell 0.6% from the previous month, and was 0.6% lower year-over-year. The average price of air cargo leaving the United States in December stood at \$3.58 per kilogram . (Source: Drewry) <i>(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.)</i>
Jet Fuel Prices	As of January 31, 2014, the global average jet fuel price was \$124.6 per barrel; down 3.1% from the previous month, and 7.5% lower 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>
Air Freight News Clips:	<ul style="list-style-type: none"> In preparation for Valentine's Day, global carriers have seen increases in flower activity this year compared to last year. One of the largest flower hubs in the world is Miami International Airport, where 85% to 90% of imported flowers enter the U.S. UPS transported approximately 118 million flowers to loved ones this Valentine's Day. This year, the company increased air travel between Miami and Latin America to manage the increased traffic and added a number of extra flights.

OCEAN FREIGHT:

Import Volumes	U.S. vessel imports in 2013 totaled over 18.2 million TEUs , up 3.7% from the previous year. Annual import TEUs haven't been this high since 2007 . (Source: Zepol Corporation zepol.com)
Shanghai Containerized Freight Index	The February 7 th SCFI comprehensive reading was \$1,164 per FEU ; down 3.6% year-over-year. The spot rate for shipments to the U.S. East Coast was \$3,426 per FEU , down 5% from the previous year. (Source: Shanghai Shipping Exchange www1.chineseshipping.com.cn/en) <i>(The Shanghai Containerized Freight Index is a weekly reported average export spot rate from Shanghai for 15 different trade lanes.)</i>

Ocean Bulk Freight Rates

The Baltic Dry Index **fell 51%** in January, ending at **1,110**. The BDI has remained steady during the first half of February. (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 January 1 and March 31, 2014, the bunker fuel surcharge will total **\$525 per FEU** for shipments to the West coast ocean ports and **\$980 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

For the first six months of FY2014, the Georgia Ports Authority moved **14.36 million tons** of cargo, an **8% increase** over the same period last year. In December, the GPA achieved a **7.4% increase** in TEUs to reach 235,311 TEUs. Bulk cargo was **up 10%** to reach 325,020 tons. (Source: GPA)

Port of Brunswick

Auto and machinery traffic reached **57,171 units** in December, a **4.3% increase** year-over-year. For FY2014 to date, auto and machinery traffic reached **343,065 units, up 6.8%** over the same period in FY2013. (Source: GPA)

Ocean Freight Business News:

- Import volume through major U.S. container ports is expected to **decrease 8.4%** in February from the same month last year. In December, the latest month for which numbers are available, U.S. container ports handled 1.3 million TEUs, a **3.3% decrease** over the previous month and a **0.6% increase** over the same month last year. Total U.S. containerized imports are expected to **increase 4.1%** in 2014. (Source: NRF/Hackett Associates)
- Mediterranean Shipping Company was the **largest U.S. cargo carrier** in 2013. The shipping line brought in over **2.5 million TEUs** to the U.S. last year, a **7% increase** year-over-year. Maersk Line was the second largest carrier in 2013 but **decreased by 3%**. Evergreen Line moved up to third place, passing APL Company and Hapag Lloyd. (Source: Zepol Corporation | zepol.com)
- The Georgia Ports Authority will contribute **\$3 million** to the U.S. Army Corps of Engineers for harbor maintenance dredging at the Port of Brunswick. The additional funds will help the Corps deepen the entrance channel to the **second busiest automobile import/export terminal** in the nation. (Source: GPA)

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The U.S. average industrial vacancy rate was **8.2%** during Q4 2013, down from 8.3% in the previous quarter. Overall vacancy was **12%** in Atlanta and **9.3%** in the South during the fourth quarter. (Source: Cassidy Turley)

Warehouse Rent Rates

In Q4 2013, warehouse and distribution rental rates in the US averaged **\$5.20 per square foot**, up from \$5.11/SF in the previous quarter. Rental rates for warehouse space averaged **\$3.53 per square foot** in Atlanta, and **\$4.66 per square foot** in the South. (Source: Cassidy Turley)

Industrial Absorption

Net absorption in the US during Q4 2013 totaled nearly **+35 million square feet**. Atlanta's overall absorption during the 4Q was **1.32 million square feet**. Absorption totaled nearly **+13.4 million square feet** in the South. In 2013, Atlanta registered the **third-highest absorption rate** in the country, with **+7.69 million square feet**. (Source: Cassidy Turley) *(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 **fell 5.2 points** to 51.3 in January 2014. New orders **fell 13.2 points** to 51.2 and production **decreased 6.9 points** to 54.8. (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 3.9 points** to 50 in January. New orders in Georgia **fell 2 points** to 45.2 and production **fell 12.3 points** to 40.5. Georgia's PMI is now **1.3 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:

- Ollie's will locate its new Southeast distribution center in Commerce, Georgia, creating approximately **175 new jobs** and investing **\$14.56 million** into the project over the next five years. The new **965,000 square foot distribution center** will support the company's plans to expand its footprint in the Southeast, including **30-40 new stores** in Georgia in the next four years.
- IVC US, a Dalton-based flooring company, will expand its operations in Whitfield County, Georgia, creating **200 new jobs** and investing more than **\$80 million** over the next five years.
- Daniel Defense, a small arms manufacturer, has announced that it will expand its existing operation in Bryan County, Georgia, creating **120 new jobs** and investing **\$20 million** into the project over the next five years.

- Gulfstream Aerospace will expand its service center at the Brunswick Golden Isles Airport in Brunswick, Georgia. The company will develop a **\$25 million, 110,000 square foot** maintenance repair facility near its two existing hangars. The expansion is expected to create **100 additional jobs**, a **50% increase** in the size of Gulfstream Brunswick's current workforce. Gulfstream is also expanding its facilities at its Savannah, Georgia headquarters through a **\$500 million**, seven-year plan that has already resulted in more than **2,500 new jobs** in three years.

U.S. MARKET:

Gross Domestic Product

The U.S. GDP **increased 3.2%** in the fourth quarter of 2013 according to the first estimate released by the Bureau of Economic Analysis. (Source: US BEA)

U.S. Trade Deficit

The U.S. trade deficit **increased by 12%** in December to \$38.7 billion. **Exports fell 1.8%** to \$191.3 billion and **imports rose 0.3%** to \$230 billion. (Source: US DOC & Census Bureau)

Consumer Confidence

The Consumer Confidence Index **increased to 80.7** in January 2014, **up 3.2 points** from the previous month. (Source: The Conference Board) *(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.)*

Unemployment Rate

The unemployment rate in America **decreased to 6.6%** in January 2014 as there were **113,000 net new jobs**. (Source: US DOL)

Leading Economic Index

The Leading Economic Index for the U.S. **increased 0.1%** in December to 99.4 (2004=100), following a 1.0% increase in November and a 0.1% increase in October. (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

Retail and food service sales fell in January to **\$427.8 billion**, **down 0.4%** from the previous month, and **up 2.6%** above January 2013. Non-store retailer sales were **up 6.5%** from last year. (Source: US Census)

Manufacturing & Trade Sales

Total combined sales and manufacturing shipments totaled more than **\$1.3 Trillion** in December 2013, **up 0.1%** from November and **up 3.8%** from the previous year. (Source: US Census)

Manufacturing & Trade Inventory

Total value of inventory on hand is estimated at **\$1.71 Trillion** in December 2013, up 0.5% from November and **up 4.4%** from December 2012. (Source: US Census)

Housing Starts

In December, housing starts **fell 9.8%** to an annual rate of 999,000 units. Building permits (an indicator of future housing starts) **fell 3.0%** to an annual rate of 986,000. Year-over-year, housing starts and building permits in December **increased 1.6%** and **4.6%**, respectively. An estimated **923,400 housing units** were started in 2013, an **18.3% increase** over 2012. (Source: U.S. DOC)

Consumer & Producer Price Index

The consumer price index for all urban consumers **increased 0.3%** in December from the previous month. Over the last 12 months, the all items index **increased 1.5%**. The producer price index for finished goods **rose 0.4%** in December 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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