

U.S. MARKET:

Gross Domestic Product	<p>The U.S. GDP increased at an annual rate of 3.2% in the third quarter of 2017, according to the third estimate released by the Bureau of Economic Analysis in late December. In the second quarter, real GDP increased 3.1%. In the third estimate, personal consumption expenditures increased less than previously estimated, but the general picture of economic growth remains the same. (Source: US BEA) As of January 10, the latest GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the fourth quarter of 2017 is 2.8%. (Source: Federal Reserve Bank of Atlanta) <i>(The GDPNow forecast aggregates statistical model forecasts of 13 subcomponents that comprise GDP.)</i></p>
U.S. Trade Deficit	<p>The U.S. goods and services trade deficit increased 3.27% in November 2017 to \$50.5 billion. In November, the U.S. had a trade surplus with Hong Kong, South and Central America, Brazil, United Kingdom, and Singapore. The U.S. had a trade deficit with China, European Union, Germany, Japan, Mexico, Italy, South Korea, India, Canada, OPEC, Taiwan, Saudi Arabia, and France. (Source: US DOC & Census Bureau)</p>
Import Volumes	<p>In November 2017, the U.S. imported \$205.5 billion of cargo, increasing 3.0% from October. The November imports of goods (\$204.0 billion), capital goods (\$56.5 billion) and non-petroleum imports (\$187.0 billion) were the highest on record. (Source: US Census)</p>
Export Volumes	<p>In November 2017, the U.S. exported \$134.6 billion of cargo, increasing 3.4% from October. The November export of capital goods (\$46.3 billion) were the highest since April 2015 (\$46.8 billion). (Source: US Census)</p>
Import & Export Price Index	<p>U.S. import prices increased 0.08% in December 2017. Higher fuel prices more than offset a decline in the price index for nonfuel prices in December. U.S. export prices decreased 0.08% in December 2017, the first monthly decline for the index since a 0.1-percent decrease in June. The December drop was led by falling agricultural prices; the price index for nonagricultural prices recorded no change. (Source: Bureau of Labor Statistics)</p>
Unemployment Rate	<p>The unemployment rate in America remained at 4.1% in December 2017, staying the lowest it's been since December 2000. A preliminary 148,000 net new jobs were created in December 2017, down from a revised 252,000 in November. For all of 2017, U.S. firms created 2.06 million net new jobs, down from 2.2 million in 2016. Health care led the way with 299,700 net new jobs, followed by food services, construction, manufacturing, and temporary positions. The unemployment rate in Georgia was 4.4% in December 2017, up from 4.3% the previous month. In December, Georgia added 5,600 new jobs to end the year with all-time record high employment of 4,518,900. (Source: US DOL, US BLS, GDOL)</p>
Labor Force Participation Rate	<p>The labor force participation rate remained at 62.7% in December 2017. The labor force participation rate for those of prime working age (25-54) was 79.1% in December, down 3.3% from the previous month. (Source: U.S. Bureau of Labor Statistics, AAR) <i>(The Workforce Participation Rate measures the share of Americans at least 16 years old who are either employed or actively looking for work)</i></p>
Leading Economic Index	<p>The Leading Economic Index for the U.S. increased 1.16% in October 2017, ending at a reading of 130.4. According to The Conference Board, the October increase is due to the impact of the recent hurricanes dissipating. With the growth of the LEI, coupled with widespread strengths among its components, The Conference Board expects solid growth in the U.S. economy to continue through the holiday season and into the new year. (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></p>
Housing Starts	<p>In November 2017, housing starts were an annualized 1,297,000 units, up 3.26% from the previous month and the most for any month in 2017 to date and the second highest for any month since August 2007. The index of pending home sales (sales that haven't closed yet but contracts have been signed) was 109.5 in November 2017, up 0.2% from the previous month, and the highest reading since June 2017 (110.0). According to the National Association of Realtors, many would-be buyers from earlier this year, stifled by tight supply and higher prices, are still trying to buy a home. (Source: U.S. DOC, National Association of Realtors)</p>
Light Vehicle Sales	<p>New light vehicle sales were an annualized and seasonally adjusted 17.8 million in December 2017, up 2.1% from the previous month, but 15.1% lower from December 2016. For all of 2017, year-over-year sales fell in 10 of the 12 months. Sales totaled 17.1 million, down from 17.5 million in 2016 and the first annual decline for total sales in eight years. However, sales were still at a strong level in 2017 and light truck sales reached a record high, accounting for 64.5% of total sales for the year. (Source: AAR) <i>(Light vehicle sales record the number of domestically produced units of cars, SUVs, mini-vans, and light trucks that are sold. Because motor vehicle sales are a large part of consumer spending in the United States, the motor vehicle sales data can provide important information on consumer-spending trends and on the overall direction of the economy.)</i></p>

Personal Income	<p>Personal Income increased 0.33% to \$16.6 trillion in November 2017. The increase in November primarily reflected increases in wages and salaries and personal interest income. During Q3 2017, Personal Income in Georgia was estimated at \$451.2 billion, an increase of 0.6% from Q2 2017. (Source: U.S. Bureau of Economic Analysis) <i>(Personal income is the income received by a person from all sources. It includes income from domestic sources as well as the rest of the world. It does not include realized or unrealized capital gains or losses).</i></p>
Retail Sales	<p>Advanced estimates of retail and food service sales in December 2017 were \$495.4 billion, an increase of 0.4% from the previous month, and up 5.4% from December 2016. Non-store retail sales were 12.7% higher from the same month last year. (Source: US Census) <i>(Non-store retail sales are measured on a monthly basis and include internet-only sales outlets as well as other direct-to-customer channels)</i></p>
E-Commerce	<p>The estimate of U.S. retail e-commerce sales for the third quarter of 2017, adjusted for seasonal variation, was \$115.3 billion, an increase of 3.6% from the second quarter of 2017 and 15.5% higher than the third quarter of 2016. (Source: US Census) <i>(E-Commerce sales are measured on a quarterly basis and include the sales of goods and services where the buyer places an order, or the price and terms of the sale are negotiated over an Internet, mobile device (M-commerce), extranet, Electronic Data Interchange (EDI) network, electronic mail, or other comparable online system. Payment may or may not be made online.)</i></p>
Consumer Confidence	<p>The Consumer Confidence Index decreased to 122.1 in December 2017, down 5.1% from November. According to The Conference Board, the decline in confidence was fueled by a somewhat less optimistic outlook for business and job prospects in the coming months. Consumers' assessment of current conditions, however, improved moderately. Despite the decline in confidence, consumers' expectations remain at historically strong levels, suggesting economic growth will continue well into 2018. (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></p>
Consumer & Producer Price Index	<p>The Consumer Price Index for all urban consumers was 247.9 in December, up 0.12% from the previous month. The shelter index rose 0.4% and accounted for nearly 80% of the increase. The Producer Price Index for final demand was 114.3 in December, a decrease of 0.09% from the previous month. Most of the December decline is attributable to a 0.2% decrease in prices for final demand services. (Source: US Bureau of Labor Statistics)</p>
Small Business Optimism Index	<p>The Small Business Optimism Index was 104.9 in December, a decrease of 2.4% from the previous record-holding month. Out of 10 components, two posted gains, five declined, and three remained unchanged. Moving the Index moderately lower were declines in Expected Better Business Conditions (11-point decline) which tends to fluctuate sharply and Inventory Plans (8-point decline). Looking at the year as a whole, the average monthly Small Business Optimism Index (104.8) set an all-time record in 2017. The previous record was 104.6, set in 2004. (Source: National Federation of Independent Business) <i>(This Index collects data from small businesses on economic topics ranging from current job openings to expected credit conditions)</i></p>
Industrial Production and Capacity Utilization	<p>The Industrial Production Index was 107.5 in December 2017, an increase of 0.94% from the previous month and 3.6% higher than December 2016, the largest year-over-year gain since 2010. After being held down in the third quarter by Hurricanes Harvey and Irma, total industrial production increased 8.2% during Q4 of 2017. Capacity utilization for the industrial sector increased 0.9% in December 2017 to 77.9%. (Source: Federal Reserve) <i>(The industrial production and capacity utilization rates cover manufacturing, mining, and electric and gas utilities. The industrial detail provided by these measures helps illuminate structural developments in the economy)</i></p>
Manufacturing & Trade Sales	<p>Total combined sales and manufacturing shipments totaled nearly \$1.42 trillion in November 2017, up 1.2% from October 2017 and up 7.9% from November of the previous year. (Source: US Census)</p>
Manufacturing & Trade Inventory	<p>Total value of inventory on-hand is estimated at \$1.89 trillion in November 2017, up 0.4% from October 2017 and up 3.2% from November of the previous year. (Source: US Census)</p>
Purchasing Managers Index	<p>The National PMI increased to 59.7% in December 2017, an increase of 150 basis points from the previous month. New orders increased 540 basis point to 69.4%, the highest level since January 2004, and production increased 190 basis points to 65.8%. According to the Institute for Supply Management, this indicates growth in manufacturing for the 16th consecutive month. In December, 15 out of the 18 manufacturing industries tracked by the ISM reported growth during the month. (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></p>
Purchasing Managers Index in Georgia	<p>Georgia's PMI decreased 250 basis points month-over-month, to 60.0% in December 2017. New orders in Georgia decreased to 65.0% and production decreased to 45.0%. Seasonal factors and lower response rates contributed to the volatile regional index components this month. In the month of December, Georgia's PMI was 30 basis points above the national PMI. (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></p>

U.S. Market News

Even with overwhelming volume increases, both UPS and FedEx excelled in delivery performance for the 2017 holiday season. According to Adobe Analytics, early figures indicate that the 2017 holiday season is shaping up as among the most challenging for the major carriers, with Cyber Monday sales alone increasing 16.8% to \$6.6 billion. Anticipating the major volume increases, UPS added an additional 95,000 workers for peak season 2017, while FedEx added roughly 50,000 throughout the year. UPS's on-time rate for items delivered by ground was 99.1% in the week ending December 23 while FedEx's rate was 98.7%. (Source: Bloomberg, SupplyChainDive.com)

MULTIMODAL:

Dow Jones Transportation Index

Dow Jones Transportation Index **increased 3.29%** in December 2017, ending at a reading of 10,612. (A price-weighted average of 20 U.S. companies in the transportation industry, average of December 1st thru December 31st. The index includes railroads, airlines, trucking, marine transportation, delivery services, and logistics companies.)

NASDAQ Transportation Index

NASDAQ Transportation Index **decreased 0.72%** in December 2017, ending at a reading of 5,075. (Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of December 1st thru December 31st)

DOT Freight Transportation Service Index

The USDOT's freight transportation services index was 130.8 in November 2017, an **increase of 0.2%** from the previous month and the **highest level of all time**. Significant increases in trucking, rail carloads, rail intermodal, and air freight led the November increase while water and pipeline freight declined. The seven months from May to November 2017 were the **seven highest levels the Freight TSI has ever attained**. (Source: US DOT)

Cass Freight Index

The Cass Freight Shipments Index was 1.55 in November 2017, an **increase of 0.2%** from the previous month, an **increase of 6.3%** year-over-year, and the **highest level for any November since 2007**. Data continues to suggest that the consumer is starting to spend a little, although not with brick and mortar retailers. The Cass Freight Expenditures Index was 2.629 in November, an **increase of 0.9%** from the previous month and an **increase of 14.3%** year-over-year, the **largest Y-O-Y percentage increase on record**. (Source: Cass Information Systems | Cassinfo.com) (Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)

Shippers Conditions Index

The Shippers Conditions Index for October 2017 **decreased to -9.6**. In October, truck rates for both spot and contract segments increased for shippers, reflecting a tighter truck market. FTR expects truck capacity to ease somewhat in Q1 of 2018 before peaking again in the Spring. (Source: FTR Transportation Intelligence | ftrintel.com) (Figures below zero indicate a less-than-ideal environment for shippers)

NAFTA Trade

Surface transport-related trade between the U.S. and its NAFTA partners, Canada and Mexico totaled \$100.6 billion in October 2017, **up 6.6%** from the previous month, and **up 7.9%** year-over-year. October marked the **12th straight month** in which the year-over-year value of U.S. NAFTA freight increased from the same month of the previous year. Trucks carried 64.0% of U.S.-NAFTA freight and continued to be the most heavily utilized mode for moving goods to and from both U.S.-NAFTA partners. (Source: US BTS)

Multimodal News Clips:

While online grocery sales could expand to \$100 billion annually by 2025, according to a recent report by Forbes, shopping habits and cold chain challenges continue to inhibit online grocery adoption. Both produce and frozen food remain low on the list of satisfaction for online grocery shoppers, with much of the issues revolving around the vehicles used to transport delivery. Few are fully equipped with sufficient temperature control options, allowing items that should remain cold to often thaw during the various deliveries made by a single truck. However, "logistics on frozen and refrigerated products are a matter of technology, and the world of grocery e-commerce is getting better and better in these areas" according to StorePower. As time goes on, retailers will learn how to make order fulfillment more efficient and effective, including better execution of last-mile delivery. (Source: Forbes, RetailWire, Supplychaindrive.com)

RAIL:

U.S. Freight Rail Traffic

Originations of carloads in December 2017 totaled 998,168 units, a **decrease of 23.6%** from the previous month but an **increase of 2.5%** from December 2016 and the **first year-over-year increase** for total carloads in six months. According to AAR, in terms of absolute volume January and December are usually the two lowest-volume months of the year for U.S. rail carloads. In 2017, December's weekly average was fractionally higher than January's. For all of 2017, originated carloads on U.S. railroads were 13.48 million, **up 2.9% over 2016** but otherwise the lowest annual total since sometime before 1988. (Source: AAR.org) (Report includes rail car-loadings by 20 different major commodity categories)

U.S. Intermodal Rail Traffic

Intermodal rail traffic totaled 1.07 million units in December 2017, a **decrease of 21.9%** from the previous month but **5.3% higher than December 2016**. **2017 was the best year ever for U.S. intermodal**. Originations for the year were 14.01 million containers and trailers, **up 3.9%** over 2016 and **up 2.2% over 2015's previous record of 13.71 million units**. **Eleven of the top 12 U.S. intermodal weeks in history were in 2017**. (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 December 2017 was 388.6, down 1.0% from the previous month and 19.6% 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>
Class 1 Railroad Employment	Railroad employment in November 2017 decreased 0.27% from the previous month to 145,952 employees total, the eighth straight month-to-month decline. In November, the majority of the decline was in the train and engine and maintenance of way categories. (Source: U.S. STB, AAR)
Short Line Rail Traffic	In November 2017, short line railroad shipments across North America decreased 5.6% from the previous month and decreased 0.2% year-over-year . A sampling of about 500 short line and regional railroads loaded 345,839 railcars and intermodal units during the month of November. Crushed stone, sand, and gravel led gains for the second month, up 27.0% over the previous year, and coal carloads were up 17.8% from November 2016. (Source: Railinc Short Line and Regional Traffic Index)
Railroad News Clips:	Earlier this month U.S. Department of Transportation (USDOT) Secretary Elaine Chao sent a form letter to 47 transit authorities to stress the urgency and importance of implementing Positive Train Control (PTC) by December 31, 2018. The letter explained that the coming year is filled with rail safety-oriented initiatives, with PTC implementation among the most important. She noted that the Federal Railroad Administration (FRA) would continue to work with the railroads as the congressionally mandated deadline approaches. According to USDOT, eight of the 37 railroads required to implement PTC systems on their own tracks have obtained conditional PTC System Certification from FRA; 12 railroads have completed installation of all hardware necessary and another 12 report having installed less than 50% of the required hardware (as of Sept. 30, 2017). (Source: Railwayage.com)

TRUCKING:

Truck Tonnage Index	The ATA's seasonally adjusted For-Hire Truck Tonnage Index was 151.8 in November 2017, an increase of 2.3% from the previous month and an increase of 7.6% from November 2016 . According to the ATA, the strong truck tonnage figures over the last four months suggest that the 2017 holiday spending season might be better than many expected, and possibly the best in several years. (Source: American Trucking Associations Trucking.org)
Truckload Freight	The spot market for truckload-freight available for pick-up in December increased 7.0% compared to the previous month, and was 86% higher year-over-year. Truck capacity decreased 14.0% for the month, and decreased 5.9% year-over-year. (Source: DAT Trendlines www.dat.com)
Refrigerated Trucking	The national average price for refrigerated trucks in December 2017 was \$2.46/mile, the highest monthly average ever recorded in DAT Trendlines. In December, the spot market for reefer rates was 1.2% higher than the previous month and was 23.6% higher than December 2016. The Reefer Load-To-Truck ratio was 18% higher in December compared to the previous month, and was 73% higher compared to December 2016. (Source: DAT Trendlines www.dat.com)
Trucking Conditions Index	The Trucking Conditions Index decreased to a reading of 5.8 in November 2017 , however it was noted that the spike in October would be short-lived and would likely not be maintained at that level. According to FTR, "with utilization levels fairly close to industry limits, further gains in the TCI are likely to come from either more significant pricing gains or additional freight growth. As we move into 2018, the market is poised to see additional freight growth and further limits on capacity as ELDs are fully enforced beginning April 1. The next critical time frame is Q2 when truckload activity ramps up and the full ELD enforcement hits. However, if contract rates are able to sustain their current upward pace, the index in 2018 will be better than the November reading." (Source: FTR Transportation Intelligence ftrintel.com) <i>(Figures below zero indicate a less-than-ideal environment for trucking)</i>
Diesel Prices	As of January 15, 2018 the U.S. average diesel price was \$3.02 per gallon . The U.S. average diesel price was \$0.44 higher than the same week last year. The average price of diesel in the Southeastern Atlantic states was \$2.91 per gallon, 3.6% less than the national average price . (Source: U.S. DOE) <i>(Reflects the costs and profits of the entire production and distribution chain.)</i>
Trucking Employment	The trucking industry workforce decreased by approximately 600 employees to 1,475,300 employees total in December 2017. The trucking industry workforce decreased 0.04% over the previous month and increased 0.71% over December 2016. (Source: U.S. Bureau of Labor Statistics)
Trucking Earnings and Hours	The average earnings of truck transportation employees were \$23.69/hour in November 2017, down 0.63% from the previous month. The average weekly hours totaled 42.0 in November, down 0.71% from the previous month. (Source: U.S. Bureau of Labor Statistics)

U.S. Truck & Trailer Orders (Class 8)

Preliminary data for heavy-duty Class 8 trucks net orders in North America were **37,200 units** in December 2017, an **increase of 14.8%** from the previous month, **76.6% higher year-over-year**, and the **third consecutive month that orders have surpassed 30,000**. According to FTR, distribution of the orders continues to be inconsistent across the OEMs; however no OEM is showing any significant weakness in order activity. Preliminary December 2017 net trailer orders came in at **47,000 units, up 10.3%** from the previous month, **up 37.9%** from December 2016, and a **record-high level**. According to FTR, fleets are ordering thousands of dry vans to deal with tight trucking capacity as freight continues to grow. (Source: FTR Transportation Intelligence | ftrintel.com)

Trucking News Clip

An annual survey conducted by Averitt Express found that truck capacity is going to be the “primary hurdle” for shippers in 2018, particularly with full-load transportation. Based on a poll of 1,600 shippers across a wide variety of industries in late 2017, Averitt’s *State of The North American Supply Chain* survey found that nearly one in five respondents experienced capacity issues last year, nearly doubling in comparison to 2016. The primary forces at play in the capacity crunch according to Averitt’s poll are the electronic logging device (ELD) mandate, the ongoing truck driver shortage – which the company said “shows no signs of slowing down” – and manufacturing growth that is putting more pressure on truckload capacity throughout North America. (Source: Fleetowner.com, Averitt Express)

AIR FREIGHT:

Air Cargo Traffic

Global air freight traffic in November 2017 **increased by 8.8% year-over-year**, and remain on track for their fastest full year of growth since 2010. According to the IATA, the upward trend in seasonally adjusted volumes has slowed over the past six months, however key indicators of cargo demand indicate that freight growth is carrying momentum into the first half of 2018. (Source: IATA.org.) *(Global air freight covers international and domestic scheduled air traffic.)*

Atlanta Air Cargo Traffic

In November 2017, Hartsfield-Jackson Atlanta International Airport transported **59,231 metric tons** of cargo, a **0.6% decrease** from the previous month and a **6.2% increase** year-over-year. (Source: HJAIA)

Air Freight Price Index

Airfreight rates in October 2017 rose to their highest average rate since the beginning of the year, climbing to **\$2.89 per kilo**, as the impact of peak season demand began to be reflected in rising rates, according to the latest Drewry’s East-West Airfreight Price Index. Year-over-year rates were **2.5% higher** and saw their highest month-over-month gain reported in the last 12 months, with an **increase of 7.5%** over September. Based on seasonal trends and anecdotal reports, Drewry expects airfreight rates to increase further in November. (Source: Drewry, Air Cargo World) *(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 January 5, 2018 the global average jet fuel price was \$81.90 per barrel; **up 7.8%** from the previous month, and **24.1% higher** 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:

Earlier this month Boeing announced that they have developed an unmanned air vehicle prototype that will be used to test and evolve Boeing’s autonomy technology for future aerospace vehicles. It is designed to transport a payload up to 500 pounds for possible future cargo and logistics applications. According to Boeing, the prototype builds on Boeing’s existing unmanned systems capabilities and presents new possibilities for autonomous cargo delivery, logistics and other transportation applications. (Source: Boeing)

OCEAN FREIGHT:

Import Volumes by Ocean

In November 2017, the latest month for which after-the-fact numbers are available, U.S. container ports handled 1.74 million TEUs. With most holiday merchandise already in the country by that time, November marked a **1.7% decrease** from the previous month but was **5.8% higher** from November 2016. According to the National Retail Federation and Hackett Associates, during 2017 retailers imported more merchandise than ever to meet demand for quality products at affordable prices, and growth is expected to continue in 2018. (Source: NRF/Hackett Associates)

Shanghai Containerized Freight Index

The January 19th SCFI comprehensive reading was **\$840.36 per FEU, up 19.4%** from last month. The **spot rate for shipments to the U.S. East Coast was \$2,792 per FEU, up 54.7%** from the previous month. (Source: Shanghai Shipping Exchange | www1.chineseshipping.com.cn/en) *(The Shanghai Containerized Freight Index reflects the spot rates of the Shanghai container transport market. It is a weekly reported average spot rate of 15 major container trade routes exported from Shanghai to regions around the globe.)*

Baltic Dry Index

The Baltic Dry Index **decreased 13.4%** in December 2017, ending at 1,366. During the month of December the Index did obtain its’ highest level in three years, reaching 1,730 in the middle of the month. The growth is particularly attributed to China’s increased imports of iron ore and coal, prompting demand for bulk freight to rise more than the majority of analysts had expected. (Source: www.bloomberg.com/quote/BDIY:IND, ShippingWatch.com) *(The Baltic Dry Index is an index that tracks and averages worldwide international shipping prices of various dry bulk cargoes.)*

Port of Savannah

The Port of Savannah moved **323,117 TEUs** in December 2017, a **4.5% increase** from the previous month, **10.6% higher** compared to December 2016, and the **busiest December in GPA's history**. Intermodal business at Garden City Terminal improved by 18.8% in December, reaching nearly 65,000 TEUs moved by rail. The GPA is scheduled to break ground on the Mason Mega Rail terminal in early spring, doubling Garden City Terminal's rail lift capacity to 1 million containers per year. During the year as a whole, the Port of Savannah handled more than 4 million TEUs, an increase of 11% over 2016 and the port's **highest annual volume ever**. Total trade for 2017 reached a **record 35 million tons of cargo**, an increase of 12% from the previous year. (Source: GPA)

Port of Brunswick

At East River Terminal in Brunswick, terminal operator Logistec handled more than triple the business in bulk cargo in November 2017 compared to the same month a year ago. Most of that growth came in increased November demand for wood pellets, perlite and dry urea. (Source: GPA)

Ocean Freight Business News:

The U.S. Department of Agriculture has cleared the Port of Savannah to serve as a new entry port for Chilean blueberries. Previously, the imported berries could only enter the U.S. through one of three regions: South Florida, Philadelphia/New York, and LA/Long Beach. "Because Savannah is hundreds of miles closer to major Southeastern markets such as Atlanta, landing chilled cargo at Garden City Terminal means fruit reaches consumers faster, cheaper and fresher, with total transit time reduced by three to seven days," said Georgia Ports Authority Executive Director Griff Lynch. GPA is working with the USDA and U.S. Customs and Border Protection to increase the number of commodities and countries that can use Savannah as a port of entry. Blueberries are the latest addition to an expanding portfolio at the Port of Savannah, which now includes imported mangos, citrus, grapes, avocados, bananas, apples and pears. (Source: GPA)

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The **nationwide vacancy remained low during the third quarter of 2017, ending at 5.5%**. It is down from 5.6% in Q3 2016. None of the 46 markets tracked by NGKF had a double-digit vacancy rate as of Q3 2017. According to NCREIF, U.S. industrial is the only core property sector to have achieved a double-digit unlevered total return in 2016, totaling 12.4% overall. Industrial outperformed the second-best performing sector, retail, by 550 basis points between the second quarter of 2016 and the second quarter of 2017. The vacancy rate in **Atlanta, GA was 7.7%** in Q3 of 2017. (Source: NGKF)

Warehouse Rent Rates

In Q3 2017, the average asking rent across the U.S. was **\$6.36/SF, up 1.4%** from the prior quarter **and up 5.5%** from Q3 2016. Eight of the 46 markets tracked by NGKF experienced gains in the average asking rent over the past four quarters. According to NGKF, rents are rising especially rapidly for modern distribution centers that meet the needs of online retailers, complete with higher ceiling heights and automated warehouse and management control systems. **The average asking rent in Atlanta was \$4.77/SF in Q3 2017.** (Source: NGKF)

Industrial Absorption

Net absorption in the U.S. during Q3 2017 remained robust, totaling 53.9 million square feet. While demand remained strong, it was **down 36.1%** from Q3 2016 but **up 2.1%** from the previous quarter. Of the 46 industrial markets tracked by NGKF, 20 absorbed 1 million square feet or more in Q3, led by California's Inland Empire with 6.4 million square feet and **Atlanta posting a strong total of 3.7 million square feet of absorption**. One of the **largest leases of the quarter was signed by online fashion retailer ASOS, for 1.0 million square feet in Atlanta, Georgia.** (Source: NGKF) *(Absorption is the net change in occupied space between two points in time. Positive absorption means that previously unoccupied space is being occupied.)*

Warehouse Employment

The nationwide warehousing industry workforce **decreased by 4,800 employees** to 966,300 employees total in December 2017. The warehouse industry workforce **decreased 0.5%** from the previous month and **increased 2.5%** year-over-year. (Source: U.S. Bureau of Labor Statistics)

Warehouse Earnings and Hours

The average earnings of warehousing & storage employees across the U.S. were \$19.56/hour in November 2017, **down 0.76%** from the previous month. The average weekly hours totaled 44.1 in November, **up 4.75%** from the previous month. (Source: U.S. Bureau of Labor Statistics)

W&D Business News:

- According to an industry study conducted by VDC Research Group, more than half of warehousing and logistics organizations plan to upgrade their mobile device collections in an effort to apply the latest handheld technologies to balance soaring customer service requirements with rising labor costs. One factor pushing the surge of upgrades is the decision by Microsoft Corp., the dominant provider of mobile operating systems (OS), to end support for its three products in that area; Microsoft Windows Mobile, Windows CE, and Windows Embedded Handheld. The change has left many current customers with no clear migration path to new technologies, at the same time that the warehousing industry has come to rely on ruggedized handheld computers for data collection and processing, as well as inventory management, package delivery verification, digital exchange, and other applications. (Source: dcvelocity.com, VDC Research)
- ELK Group International (ELK), a premiere designer and importer of indoor and outdoor, residential and commercial lighting fixtures and home decor, will create approximately 100 jobs in a new Rabun Gap distribution point. ELK will operate a new 510,000 square-foot warehouse in Rabun Gap. This location will create new employment opportunities including positions in office and warehouse operations. This will be ELK's eighth U.S. location, and second in Georgia, giving the company more than 2.2 million square-feet of combined warehouse space. (Source: Georgia.org)

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For more information about the **Logistics Market Snapshot** or the many other resources and activities of the **Georgia Center of Innovation for Logistics** please contact:
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