

## U.S. MARKET:

<b>Gross Domestic Product</b>	<p>The U.S. GDP <b>increased at an annual rate of 1.4 %</b> in the first quarter of 2017 according to the third estimate released by the Bureau of Economic Analysis in late June. In the fourth quarter, real GDP increased 2.1%. The upward revision to the percent change in real GDP primarily reflected upward revisions to personal consumption expenditures and to exports, which were partly offset by a downward revision to nonresidential fixed investment. (Source: US BEA) <b>The latest GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the second quarter of 2017 is 2.4%.</b> (Source: Federal Reserve Bank of Atlanta) <i>(The GDPNow forecast aggregates statistical model forecasts of 13 subcomponents that comprise GDP.)</i></p>
<b>U.S. Trade Deficit</b>	<p>The U.S. goods and services <b>trade deficit decreased 2.31%</b> in May 2017 to \$46.5 billion. In May, the U.S. had a trade surplus with South and Central America, Hong Kong, Singapore, Brazil, and the United Kingdom. The U.S. had a trade deficit with China, the European Union, Mexico, Japan, Germany, Italy, Canada, India, Taiwan, France, OPEC, South Korea, and Saudi Arabia. (Source: US DOC &amp; Census Bureau)</p>
<b>Import Volumes</b>	<p>In May 2017, the U.S. <b>imported \$194.7 billion</b> of cargo, <b>decreasing 0.31%</b> from April. The May imports of capital goods (\$52.8 billion) were <b>the highest on record.</b> (Source: US Census)</p>
<b>Export Volumes</b>	<p>In May 2017, the U.S. <b>exported \$127.2 billion</b> of cargo, <b>increasing 0.24%</b> from April. The May exports to South Korea (\$4.5 billion) were <b>the highest on record.</b> (Source: US Census)</p>
<b>Import &amp; Export Price Index</b>	<p>U.S. import prices <b>decreased 0.16%</b> in June. Lower fuel prices drove the decrease in June, which more than offset higher nonfuel prices. U.S. export prices <b>decreased 0.16%</b> in June. Falling prices for agricultural exports drove the decrease as nonagricultural export prices recorded no change. (Source: Bureau of Labor Statistics)</p>
<b>Unemployment Rate</b>	<p>The unemployment rate in America <b>increased to 4.4%</b> in June 2017, up from 4.3% the previous month. A preliminary <b>222,000 net new jobs</b> were created in June 2017, with healthcare, local government, food services, social assistance, and construction creating the most net new jobs. In the first half of 2017, <b>1.08 million net new jobs were created</b>, approximately the same amount as the first half of 2016. The unemployment rate in Georgia was 4.8% in June 2017, down from 4.9% recorded the previous month. (Source: US DOL)</p>
<b>Workforce Participation Rate</b>	<p>The workforce participation rate was <b>62.8 in June 2017, up 0.16% from the prior month.</b> The all-time high level was 67.3 in January 2000. (Source: U.S. Bureau of Labor Statistics) <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>
<b>Leading Economic Index</b>	<p>The Leading Economic Index for the U.S. <b>increased 0.63%</b> in June 2017, ending at a reading of 127.8. According to The Conference Board, the recent upward trend in the LEI continues to point to a growing economy, and perhaps even a moderate improvement in GDP growth in the second half of the 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>
<b>Housing Starts</b>	<p>In May, housing starts were an annualized 1,090,000 units, <b>down 6.8%</b> from the previous month, the third straight month-to-month decline and the <b>lowest total so far since September 2016.</b> The National Association of Home Builders stated that ongoing job growth, rising demand, and low mortgage rates should keep the single-family sector moving forward this year, even as builders deal with ongoing shortages of lots and labor. The index of pending home sales (sales that haven't closed yet but contracts have been signed) was 108.5 in May 2017, <b>down 0.8%</b> from the previous month and <b>1.7% lower from May 2016.</b> According to the National Association of Realtors, critically low inventory levels in much of the country somewhat sidetracked the housing market this spring. (Source: U.S. DOC, National Association of Realtors)</p>
<b>Personal Income</b>	<p>Personal Income increased 0.41% to \$16.48 trillion in May 2017. The increase in personal income in May primarily reflected an increase in personal dividend income, compensation of employees, and nonfarm proprietors' income. During Q1 2017, Personal Income in Georgia was estimated at \$441.7 billion, an increase of 1.2% from Q4 2016. (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>
<b>Retail Sales</b>	<p>Advanced estimates of retail and food service sales in June 2017 were <b>\$473.5 billion, a decrease of 0.16%</b> from the previous month, and <b>up 3.61%</b> from June 2016. Non-store retail sales were <b>up 0.37% from the previous month and were 15.4%</b> 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>
<b>E-Commerce</b>	<p>The estimate of U.S. retail e-commerce sales for the first quarter of 2017, adjusted for seasonal variation, was \$105.7 billion, <b>an increase of 4.1%</b> from the fourth quarter of 2016 and <b>14.7% higher than the first quarter of 2016.</b> (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>

<b>Consumer Confidence</b>	<p>The Consumer Confidence Index <b>increased to 118.9</b> in June, <b>up 1.11%</b> from May. According to The Conference Board, consumers' assessment of present-day conditions improved to a nearly 16-year high (the CCI was 151.3 in July 2001). Expectations for the short-term have eased somewhat, but are still optimistic. Overall, consumers anticipate the economy will continue expanding in the months ahead, but they do not foresee the pace of growth accelerating. (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>
<b>Consumer &amp; Producer Price Index</b>	<p>The consumer price index for all urban consumers was <b>243.8 in June, unchanged</b> from the previous month. The energy index declined in June, offsetting an increase in the index for all items less food and energy. The producer price index for final demand was <b>112.8 in June, an increase of 0.09%</b> from the previous month. The majority of the increase is attributable to rising prices for final demand services. (Source: US Bureau of Labor Statistics)</p>
<b>Industrial Production and Capacity Utilization</b>	<p>The Industrial Production Index was 105.2 in June 2017, <b>an increase of 0.38%</b> from the previous month and <b>0.96% higher year-over-year</b>. June marked the fifth consecutive monthly increase for the index. Capacity utilization for the industrial sector <b>increased 1.0%</b> year-over-year to 76.6%. (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>
<b>Manufacturing &amp; Trade Sales</b>	<p>Total combined sales and manufacturing shipments totaled nearly <b>\$1.35 trillion</b> in May 2017, <b>down 0.17% from April 2017 and up 4.5% from May of the previous year</b>. (Source: US Census)</p>
<b>Manufacturing &amp; Trade Inventory</b>	<p>Total value of inventory on-hand is estimated at <b>\$1.86 trillion</b> in May 2017, <b>up 0.27% from April 2017 and up 2.7% from May of the previous year</b>. (Source: US Census)</p>
<b>Purchasing Managers Index</b>	<p>The National PMI <b>increased to 57.8%</b> in June 2017, an <b>increase of 290 basis points</b> over the previous month and the <b>highest level since August 2014</b>. New orders <b>increased 400 basis point</b> to 63.5% and production <b>increased 530 basis points</b> to 62.4%. According to the Institute for Supply Management, comments from respondents generally reflect expanding business conditions, with new orders, production, employment, backlog and exports all growing in June compared to May. In June, 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>
<b>Purchasing Managers Index in Georgia</b>	<p><b>Georgia's PMI decreased 380 basis points</b> month-over-month, to 60.0% in June 2017. New orders in Georgia <b>decreased to 62.5</b> and production <b>decreased to 71.9</b>. With readings above 50, Georgia's manufacturing activity continues to expand, but at a more moderate pace. Despite the decreases, <b>Georgia's PMI is 220 basis points above</b> 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>
<b>MULTIMODAL:</b>	
<b>Dow Jones Transportation Index</b>	<p>Dow Jones Transportation Index <b>increased 4.37%</b> in June 2017 ending at a reading of 9,563. <i>(A price-weighted average of 20 U.S. companies in the transportation industry, average of June 1<sup>st</sup> thru June 30<sup>th</sup>. The index includes railroads, airlines, trucking, marine transportation, delivery services and logistics companies.</i></p>
<b>NASDAQ Transportation Index</b>	<p>NASDAQ Transportation Index <b>increased 2.87%</b> in June 2017, ending at a reading of 4,652. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of June 1<sup>st</sup> thru June 30<sup>th</sup>)</i></p>
<b>DOT Freight Transportation Service Index</b>	<p>The USDOT's freight transportation services index was 126.8 in May 2017, an <b>increase of 2.18%</b> from the previous month, and an <b>all-time high for the index</b>. The May increase was broad based with gains in most modes, especially water and pipeline. May's reading was only the third time overall that the Freight TSI has exceeded 125.0. (Source: US DOT)</p>
<b>Cass Freight Index</b>	<p>The June shipments index <b>decreased 0.43%</b> from the previous month to 1.163 and <b>increased 4.8%</b> year-over-year. Data is suggesting that the consumer is starting to spend a little, although not with brick and mortar retailers. The June expenditures index <b>increased 1.88%</b> from the previous month to 2.497, and <b>increased 5.4%</b> year-over-year, continuing a positive turn in trend. (Source: Cass Information Systems   Cassinfo.com) <i>(Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)</i></p>
<b>Shippers Conditions Index</b>	<p>The Shippers Conditions Index for April 2017 <b>decreased to a reading of -3.6</b>. According to FTR, the modest decline of this index, despite tightening capacity utilization, reflects the ability of shippers to avoid pricing increases from their contract carriers. FTR is forecasting the index to decrease slightly through the year as capacity is anticipated to tighten due to strengthening economics. (Source: FTR Transportation Intelligence   ftrintel.com) <i>(Figures below zero indicate a less-than-ideal environment for shippers)</i></p>

**Multimodal News Clips:** According to Amazon, Prime Day 2017 (held on July 11) was the biggest sales day in the company's history with purchases clocking in at 6,000 items a minute in 13 countries. Analysts estimate the company garnered \$500 to \$600 million in sales. While Amazon does not release sales figures, the company stated it had record revenue--60 percent more than the same 30-hour period in 2016, and more than Black Friday and Cyber Monday 2016 combined. Amazon also confirmed that it signed up more Prime members in the 30-hour window than ever before in that timeframe, and the number of customers participating grew by more than 50 percent over last year. Prime Day gives Amazon an opportunity to test new technology and work out any kinks well before the peak holiday shopping season begins. This year the company is testing its Prime Air cargo delivery service for its two-day delivery program. Prime Air allows for a later cut-off purchase time for two-day delivery. By flying direct point-to-point rather than using hubs, Amazon estimates it can decrease cross-country shipping time by 12 to 15 hours. (Source: PracticalEcommerce.com)

## RAIL:

**U.S. Freight Rail Traffic** Originations of carloads in June 2017 totaled 1,065,976 a **decrease of 17.1%** from the previous month but an **increase of 4.43%** from June 2016. June was **the eighth straight year-over-year monthly increase** following 21 straight year-over-year monthly declines. (Source: AAR.org) *(Report includes rail car-loadings by 20 different major commodity categories as well as intermodal units)*

**U.S. Intermodal Rail Traffic** Intermodal rail traffic totaled 1,113,575 units in June 2017, a **decrease of 16.8% from the previous month but 4.64% higher than June 2016**. Weekly average intermodal volume in June 2017 was the **second best for June** in history (slightly behind 2015). In June, the number of intermodal units originated by U.S. railroads exceeded the number of carloads for the ninth straight month. (Source: AAR.org) *(Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)*

**Intermodal Competitive Index** The Intermodal Competitive Index **decreased to a reading of 2.80** in January 2017. Despite the decrease, the ICI is still above 0, indicating relatively favorable conditions for cargo owners to ship via intermodal. (Source: FTR Transportation Intelligence | ftrintel.com) *(Index includes factors like relative rates vs. truck, industry capacity vs. demand, fuel prices, and intermodal service levels. Figures above 0 indicate favorable conditions for intermodal to compete with truck)*

**Railroad Fuel Price Index** The index of average railroad fuel prices in June 2017 was 299.8, **down 5.31%** from the previous month and **4.31% lower** year-over-year. (Source: AAR.org) *(Average monthly price for gallons purchased by freight railroads; Includes federal excise taxes, transportation, and handling expenses)*

**Class 1 Railroad Employment** Railroad employment in May 2017 **decreased 0.05% from the previous month**, to 149,032 employees total. Increases in train and engine employment offset declines in other major employment categories including professional and administrative employees and executives and staff assistants. Train and engine employment has risen for four straight months. (Source: U.S. STB)

**Short Line Rail Traffic** In May 2017, short line railroad shipments across North America **increased 6.12% from the previous month and increased 12.5% year-over-year**. A sampling of about 500 short line and regional railroads **loaded 369,120 railcars** and intermodal units during the month of May. (Source: Railinc Short Line and Regional Traffic Index)

**Railroad News Clips:** The Building Rail Access for Customers and the Economy (BRACE) Act, introduced in March of this year, has achieved majority support in Congress. The BRACE Act includes language to make the Railroad Track Maintenance Tax Credit, also known as the 45G Tax Credit, permanent (the tax credit expired December 31, 2016). Under the terms of the credit a short line railroad must invest one dollar for every 50 cents in credit up to a credit cap equivalent to \$3,500 per mile of track. Since it was implemented in 2005, the tax credit has enabled short line and regional railroads to invest \$4 billion in infrastructure, assisting the nation's 603 short line railroads in upgrading track and bridges. (Source: Railway Age)

## TRUCKING:

**Truck Tonnage Index** The ATA's seasonally adjusted For-Hire Truck Tonnage Index was 138.5 in June 2017, a **decrease of 4.3% from the previous month and an increase of 1.32% from June 2016**. According to the ATA, despite the month-over-month decline, they still expect moderate growth going forward as key sectors of the economy continue to improve slowly. (Source: American Trucking Associations | Trucking.org)

**Truckload Freight** The spot market for truckload-freight available for pick-up in June **increased 2,200 basis points** compared to the previous month, and was **9,000 basis points higher** year-over-year. Truck capacity **decreased 1,100 basis points** for the month, and **decreased 80 basis points** year-over-year. (Source: DAT Trendlines | www.dat.com)

The Trucking Conditions Index for May 2017 **decreased slightly, but still remains positive with a reading of 7.01**. According to FTR, the spot rate market is a strong indicator that conditions for trucking companies are on the upswing with active truck utilization at just below 100%. FTR notes that the freight environment in 2017 remains strong, although economic conditions are fluctuating enough that freight growth could weaken. If growth does slow, that may mitigate the potential for capacity issues with the onset of ELD implementation at the end of the year. (Source: FTR Transportation Intelligence | ftrintel.com) *(Figures below zero indicate a less-than-ideal environment for trucking)*

## Trucking Conditions Index

## Diesel Prices

As of July 17, 2017 the U.S. average diesel price was **\$2.49 per gallon**. The U.S. average diesel price was **\$0.08 higher** than the same week last year. The average price of diesel in the Southeastern Atlantic states was **\$2.42 per gallon, 2.81% less than the national average price**. (Source: U.S. DOE) *(Reflects the costs and profits of the entire production and distribution chain.)*

## Trucking Employment

The trucking industry workforce **decreased by approximately 1,400 employees to 1,471,600 employees total** in June 2017. The trucking industry workforce **decreased 0.10%** over the previous month and **increased 1.18%** over June 2016. (Source: U.S. Bureau of Labor Statistics)

## Trucking Earnings and Hours

The average earnings of truck transportation employees were \$23.27/hour in May 2017, **unchanged** from the previous month. The average weekly hours totaled 4210 in May, **up 0.72%** 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 **17,600 units** in June 2017, an **increase of 7.8%** from the previous month and **38% higher year-over-year**. According to FTR, it is assumed that most of the June orders are for Q4 delivery enabling OEMs to maintain their current build rates throughout the year. The Class 8 market continues to perform at a steady pace and is consistent with summer's seasonal trends. Final June 2017 net trailer orders came in at **18,900 units, up 13.8%** from the previous month and **up 58.8%** from June 2016. According to FTR, June trailer orders were above expectations, with most segments moderately exceeding their May totals. Backlogs are decreasing, but that's due to the high build rates rather than lower orders. Production was the highest since July 2015. (Source: FTR Transportation Intelligence | ftrintel.com)

## NAFTA Trade

Surface transport-related trade between the U.S. and its NAFTA partners, Canada and Mexico totaled \$91.1 billion in April 2017, **down 9.19%** from the previous month, and **up 0.76%** year-over-year. April marked the sixth straight month in which the year-over-year value of U.S. NAFTA freight increased from the same month of the previous year. The value of commodities moving by pipeline increased 63.5%, vessel by 27.8%, and rail by 5.8%. The large percentage increase in the value of goods moving by pipeline and vessel is due in part to a 25% increase in the year-over-year price of crude oil between April 2016 and April 2017. (Source: US BTS)

## Trucking News Clip

Earlier this month a bill was filed in the House of Representatives that would delay the compliance date of the federal government's electronic logging device (ELD) mandate by two years. The change, if enacted, would give carriers until December 2019 to switch from paper logs to an electronic logging device. The introduction of the bill came a day after a House panel recommended that the Department of Transportation study whether a "full or targeted delay" of the mandate is needed. Both developments signal that efforts to engage Congress on the issue have gained traction. In a report, members of the House cited the burden placed on smaller carriers, like owner-operators, and questions surrounding enforcement and "technological concerns" as reasons to delay the ELD mandate. (Source: TruckersNews.com)

## AIR FREIGHT:

### Air Cargo Traffic

Global air freight traffic in May 2017 **increased by 12.7% year-over-year. This pace is more than three times the five-year average growth rate (3.8%) and the strongest start to a year since 2010.** (Source: IATA.org.) *(Global air freight covers international and domestic scheduled air traffic.)*

### Atlanta Air Cargo Traffic

In May 2017, Hartsfield-Jackson Atlanta International Airport transported **5455,915 metric tons** of cargo, a **3.12% increase** from the previous month and a **7.58% increase** year-over-year. (Source: HJIA)

### Air Freight Price Index

The latest report from Drewry shows that airfreight rates **decreased by 3.1%** in May due to lower rates on Asia to North America routes. Drewry expects airfreight rates to rebound in June. Average east-west airfreight prices **increased by 5.3%** year-over-year in May to reach \$2.78/kg. (Source: Drewry, Air Cargo News) *(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 July 14, 2017 the global average jet fuel price was \$60.60 per barrel; **up 7.5%** from the previous month, and **10.3% 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:

Kuehne + Nagel (K+N) has expanded its global perishable network with the acquisition of sector specialist forwarders Commodity Forwarders Inc. (CFI) in the U.S. and Trillvane in Kenya. According to K+N, the two acquisitions would add more than 150,000 tons of annual perishables traffic to its network and “further strengthens its position in providing end-to-end international and domestic fresh chain solutions”. Together with CFI, K+N has become the number two airfreight forwarders in the U.S. and the acquisition of Trillvane confirms their leading position in Kenya. (Source: AirCargoNews.net)

## OCEAN FREIGHT:

### Import Volumes by Ocean

In May 2017, the latest month for which after-the-fact numbers are available, U.S. container ports handled 1.72 million TEUs, a **7.3% increase** from April and **6.2% higher** from May 2016. According to the National Retail Federation and Hackett Associates, July and August are expected to be two of the busiest months ever seen for imports at the nation’s major retail container ports, possibly setting new records as merchants enter the back-to-school season and begin to stock up for the holiday season that will follow. (Source: NRF/Hackett Associates)

### Shanghai Containerized Freight Index

The July 14<sup>th</sup> SCFI comprehensive reading was **\$861.91 per FEU, up 2.81%** from last month. The **spot rate for shipments to the U.S. East Coast was \$2,251 per FEU, up 8.17%** from the previous month. (Source: Shanghai Shipping Exchange | [www1.chineseshipping.com.cn/en](http://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 **increased 2.62%** in June 2017, ending at 901. According to analysts, the slight increase is somewhat surprising, due to raw material demand typically decreasing as summer approaches. (Source: [www.bloomberg.com/quote/BDIY:IND](http://www.bloomberg.com/quote/BDIY:IND), [www.marketwatch.com](http://www.marketwatch.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 **337,710 TEUs** in June 2017, a **3.54% decrease from the previous month, but 17.11% higher year-over-year, and the busiest June in GPA’s history**. June capped off a **record fiscal year** for the Georgia Port Authority. In FY17, the GPA moved an all-time high **3.85 million TEUs, an increase of 6.7% over the previous year**. In the last half of FY17 alone, the Port of Savannah handled 1.99 million TEUs, for a **growth rate of 11.6%** over the same period in FY2016. Also during FY17, the GPA moved 33.4 million tons of cargo across all terminals, setting another **all-time high record and an increase of 8.3%** over FY2016. (Source: GPA)

### Port of Brunswick

At Colonel’s Island, more than 200 acres are in the design or development stages, bringing auto processing space to 547 acres. Twenty-four of 50 acres purchased by Mercedes Benz were paved in May. Another 168 acres will be completed between mid-July and November, of which 124 acres have been leased. Previously, 20 acres for vehicle processing were completed and leased to Wallenius Wilhelmsen Logistics. The long-term plan is to add another 510 acres on the island’s south side to support auto processing, doubling the capacity for cars and heavy machinery in Brunswick. (Source: GPA)

### Ocean Freight Business News:

COSCO Shipping Holdings and Shanghai International Port (Group) Co., Ltd. have made a joint offer for Orient Overseas International Ltd., parent of Hong Kong-based container carrier OOCL, valued at roughly \$6.3 billion. With OOCL’s fleet, COSCO SHIPPING Lines, a subsidiary of COSCO SHIPPING Holdings, will sport a containership fleet of more than 400 vessels with capacity exceeding 2.9 million TEUs including orderbook, the companies said. COSCO and OOCL are currently the fourth and seventh largest container carriers worldwide in terms of operating fleet capacity. Based on present figures, the combined entity would operate vessels with an aggregate capacity of 2.21 million TEUs, making it the third largest container carrier, just ahead of the recently merged CMA CGM and APL with 2.19 million TEUs. (Source: AmericanShipper.com)

Earlier this month, the Georgia Ports Authority approved the purchase of six new Neopanamax ship-to-shore cranes. The new machines will arrive in 2020, and are in addition to a previous order of four cranes that will be operational in June of next year. The combined 10 additional cranes will bring the fleet to 36, able to move more than 1,300 containers per hour across a single dock – a capacity unmatched by any other single terminal in North America. (Source: GPA)

## WAREHOUSING & DISTRIBUTION:

### Industrial Vacancy

The **nationwide vacancy rate was 5.4%** at the end of the first quarter in 2017, **the lowest level in nearly 30 years**. It is down from 5.7% in Q4 2016 and 6.1% in Q1 2016. The industrial vacancy rate in Savannah, GA was 3.0% in Q1 of 2017, unchanged compared to Q4 2016. (Source: NGKF, Cushman & Wakefield)

<b>Warehouse Rent Rates</b>	<p>In Q1 2017, the average asking rent across the U.S. was <b>\$6.12/SF, up 1.9%</b> from the prior quarter <b>and up 7.1%</b> from Q1 2016, the strongest year-over-year increase in the current cycle. The average asking rent in Atlanta was \$4.38/SF. (Source: NGKF)</p>
<b>Industrial Absorption</b>	<p>Net absorption in the U.S. during Q1 2017 totaled 51.7 million square feet, <b>down 9.2%</b> from the previous quarter and <b>down 16.8%</b> from Q1 2016, but the 10<sup>th</sup> consecutive quarter above 50 million. Of the 50 industrial markets tracked by NGKF, 19 absorbed 1 million square feet or more in Q1, with <b>Atlanta leading the way with 6.7 million square feet of absorption.</b> (Source: NGKF) <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></p>
<b>Warehouse Employment</b>	<p>The nationwide warehousing industry workforce <b>decreased by 800 employees</b> to 948,500 employees total in June 2017. The warehouse industry workforce <b>decreased 0.08%</b> from the previous month and <b>increased 3.89%</b> year-over-year. (Source: U.S. Bureau of Labor Statistics)</p>
<b>Warehouse Earnings and Hours</b>	<p>The average earnings of warehousing &amp; storage employees across the U.S. were \$19.63/hour in May 2017, <b>down 0.10%</b> from the previous month. The average weekly hours totaled 41.5 in May, <b>up 0.24%</b> from the previous month. (Source: U.S. Bureau of Labor Statistics)</p>
<b>W&amp;D Business News:</b>	<ul style="list-style-type: none"> <li>• According to a report published by CBRE earlier this month, last-mile distribution centers are locating in close proximity to the population centers of major U.S. cities. CBRE defines last-mile fulfillment centers as the final point of distribution for goods before they arrive on customers' doorsteps. In its research, CBRE tracked newly-opened (within the past two years) distribution centers smaller than 200,000 square-feet in the top 15 U.S. population centers. Its chief finding was that these centers are typically between 6-to-9 miles from the population centers they serve, with denser cities more likely to have shorter average distances and cities that are more spread out have longer averages closer to 9 miles. According to CBRE, the impetus for growth in last-mile distribution facilities is not so much about real estate as it is about consumer activity. Consumers want packages delivered as quickly as possible and expect things to happen quickly more so now than ever, and having these last-mile facilities closer to the endpoint helps facilitate these expectations. (Source: Supply Chain 24/7)</li> <li>• Coyote Logistics LLC, a business unit of Atlanta-based UPS, will build nearly 48,000 square feet of office space in Northeast Atlanta, creating 325 new jobs. Coyote Logistics utilizes proprietary technology and a strong, high-performing workforce to facilitate the movement of goods between shipping companies and carriers across a range of modes and services. The Atlanta office will support Coyote's growth for their customer, carrier, operations and 24/7 response teams. (Source: Georgia.org)</li> </ul>

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**Emily Schrenk Butler, Industry Coordinator | [EButler@georgia.org](mailto:EButler@georgia.org) | 912.966.7842**