

U.S. MARKET:

Gross Domestic Product	<p>The U.S. GDP increased at an annual rate of 2.6% in the second quarter of 2017 according to the advance estimate released by the Bureau of Economic Analysis in late July. The increase was consistent with what most economist expected. In the first quarter, real GDP increased 1.2%. The increase in real GDP in the second quarter reflected positive contributions from personal consumption expenditures, nonresidential fixed investments, exports, and federal government spending. (Source: US BEA) The latest GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the third quarter of 2017 is 3.5%. (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 decreased 6.03% in June 2017 to \$43.6 billion. In June, the U.S. had a trade surplus with Hong Kong, South and Central America, Singapore, Brazil, and the United Kingdom. The U.S. had a trade deficit with China, the European Union, Germany, Japan, Mexico, Italy, India, South Korea, Taiwan, France, Canada, OPEC, and Saudi Arabia. (Source: US DOC & Census Bureau)</p>
Import Volumes	<p>In June 2017, the U.S. imported \$194.3 billion of cargo, decreasing 0.21% from May. The June imports of food, feed, and beverages (\$11.5 billion) and capital goods (\$52.9 billion) were the highest on record. (Source: US Census)</p>
Export Volumes	<p>In June 2017, the U.S. exported \$129.0 billion of cargo, increasing 1.42% from May. The June exports of goods were the highest since April 2015. (Source: US Census)</p>
Import & Export Price Index	<p>U.S. import prices increased 0.08% in July 2017. Higher fuel prices drove the increase in July, which more than offset lower nonfuel prices. U.S. export prices increased 0.41% in July 2017, the largest monthly advance since June 2016. Rising prices for both agricultural and nonagricultural exports drove the increase. (Source: Bureau of Labor Statistics)</p>
Unemployment Rate	<p>The unemployment rate in America decreased to 4.3% in July 2017, down from 4.4% the previous month. A preliminary 209,000 net new jobs were created in July 2017, with food services, professional and business services, and health care creating the most net new jobs. In the first seven months of 2017 1.29 million net new jobs were created, slightly less than the first seven months of 2016. The unemployment rate in Georgia was 4.7% in July 2017, down from 4.8% recorded the previous month. (Source: US DOL)</p>
Workforce Participation Rate	<p>The workforce participation rate was 62.9% in July 2017, up 0.16% from the prior month. The workforce participation rate for people who are considered prime working age (25-54) rose to 81.8% in July, the highest it's been since December 2010. (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>
Leading Economic Index	<p>The Leading Economic Index for the U.S. increased 0.31% in July 2017, ending at a reading of 128.3. According to The Conference Board, the increase in July suggests that the U.S. economy may experience further improvements in economic activity 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>
Housing Starts	<p>In June, housing starts were an annualized 1,215,000 units, up 8.29% from the previous month and the most starts in the last four months. The index of pending home sales (sales that haven't closed yet but contracts have been signed) was 110.2 in June 2017, up 1.5% from the previous month and 0.5% higher from June 2016. According to the National Association of Realtors, market conditions in many areas continue to be fast paced with few properties to choose from, which is forcing buyers to act almost immediately on an available home that fits their criteria. (Source: U.S. DOC, National Association of Realtors)</p>
Light Vehicle Sales	<p>New light vehicle sales were an annualized and seasonally adjusted 16.7 million in July 2017, up 0.6% from the previous month but 7.1% lower from July 2016. July marks the seventh straight year-over-year decline and the biggest percentage decline in those seven months. (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 decreased 0.02% to \$16.37 trillion in June 2017. The decrease in June primarily reflected decreases in personal dividend income and personal interest income that were partially offset by an increase in compensation of employees. The June decrease reflected a return to prior levels after a notable increase in May. 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>
Retail Sales	<p>Advanced estimates of retail and food service sales in July 2017 were \$478.9 billion, an increase of 0.60% from the previous month, and up 4.63% from July 2016. Non-store retail sales were up 1.33% from the previous month and were 17.94% 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>

AUGUST LOGISTICS MARKET SNAPSHOT

E-Commerce	<p>The estimate of U.S. retail e-commerce sales for the second quarter of 2017, adjusted for seasonal variation, was \$111.5 billion, an increase of 4.8% from the first quarter of 2017 and 16.2% higher than the second 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 increased to 121.1 in July, up 3.24% from June. According to The Conference Board, consumers' assessment of current conditions remained at a 16-year high (the CCI was 151.3 in July 2001) and their expectations for the short-term outlook improved slightly after somewhat easing last month. Overall, consumers anticipate the current economic expansion continuing well into the second half of the year. (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 244.0 in July, up 0.08% from the previous month. The indexes for shelter, medical care, and food all rose in July. The Producer Price Index for final demand was 112.7 in July, a decrease of 0.09% from the previous month. The majority of the decrease is attributable to the index for final demand services, which fell 0.2%. (Source: US Bureau of Labor Statistics)</p>
Small Business Optimism Index	<p>The Small Business Optimism Index was higher than expected in July 2017, with a reading of 105.2. This marked an increase of 1.54% from the previous month and was 11.21% higher than July 2016. Seven of the 10 index components increased, two declined, and one was unchanged. (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 105.5 in July 2017, an increase of 0.19% from the previous month, 0.86% higher year-over-year, and the sixth consecutive monthly increase for the index. In July, manufacturing output slightly decreased; the production of motor vehicles and parts fell substantially, but was mostly offset by a net gain for other manufacturing industries. Capacity utilization for the industrial sector was unchanged in July 2017, remaining at 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>
Manufacturing & Trade Sales	<p>Total combined sales and manufacturing shipments totaled nearly \$1.36 trillion in June 2017, up 0.26% from May 2017 and up 3.74% from June of the previous year. (Source: US Census)</p>
Manufacturing & Trade Inventory	<p>Total value of inventory on-hand is estimated at \$1.87 trillion in June 2017, up 0.48% from May 2017 and up 3.06% from June of the previous year. (Source: US Census)</p>
Purchasing Managers Index	<p>The National PMI decreased to 56.3% in July 2017, a decrease of 150 basis points over the previous month but the fourth highest reading in the last 12 months. New orders decreased 310 basis point to 60.4% and production decreased 180 basis points to 60.6%. According to the Institute for Supply Management, comments from respondents generally reflected expanding business conditions, with new orders, production, employment, backlog and exports all growing in July compared to June, as well as supplier deliveries slowing (improving) and inventories unchanged during the period. In July, 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 310 basis points month-over-month, to 56.9% in July 2017. New orders in Georgia decreased to 69.4 and production decreased to 62.5. With readings above 50, Georgia's manufacturing activity continues to expand, but at a more moderate pace. Despite the decreases, Georgia's PMI is 60 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>
MULTIMODAL:	
Dow Jones Transportation Index	<p>Dow Jones Transportation Index decreased 3.98% in July 2017 ending at a reading of 9,182. <i>(A price-weighted average of 20 U.S. companies in the transportation industry, average of July 1st thru July 31st. The index includes railroads, airlines, trucking, marine transportation, delivery services, and logistics companies.)</i></p>
NASDAQ Transportation Index	<p>NASDAQ Transportation Index decreased 3.48% in July 2017, ending at a reading of 4,490. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of July 1st thru July 31st)</i></p>
DOT Freight Transportation Service Index	<p>The USDOT's freight transportation services index was 126.2 in June 2017, a decrease of 0.79% from the previous month but the second highest level of all time. The June decrease was due to significant decreases in trucking and water while air freight, rail carloads, and intermodal grew. (Source: US DOT)</p>

Cass Freight Index

The July shipments index **decreased 3.18%** from the previous month to 1.126 and **increased 1.44%** year-over-year. Data is suggesting that the consumer is starting to spend a little, although not with brick and mortar retailers. The July expenditures index **decreased 1.48%** from the previous month to 2.460, and **increased 4.68%** year-over-year. In part because of normal seasonality, and in part because of more difficult comparisons, both indexes were less strong in July. (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 May 2017 **increased to a reading of -1.9**. According to FTR, May's reading is a reflection of moderately favorable truck freight growth and continued weak contract pricing. FTR is forecasting the index to have dynamic swings over the next year, with shifts in overall capacity utilization and pricing taking effect as freight demand and regulations potentially alter the landscape to differing degrees. (Source: FTR Transportation Intelligence | ftrintel.com) *(Figures below zero indicate a less-than-ideal environment for shippers)*

Multimodal News Clips:

- Analysts at eMarketer indicate that total U.S. holiday e-commerce sales are forecasted to increase by 16.6% this year. eMarketer is forecasting total 2017 holiday season spending of \$923.15 billion, representing 18.4% of U.S. retail sales for the year, which is down by 0.1% from last year. The e-commerce share of this year's holiday spending is expected to be 11.5% of all holiday spending this year, and the two months of November and December are slated to account for nearly 24% of full-year e-commerce sales. (Source: 24/7 Wall St, eMarketer)
- A new study by Radial, in partnership with EKN Research, found that the average cost for a company to fulfill an order is 70% of the average order value. Today, more than 55% of consumers use multiple channels such as online and mobile to shop, yet more than 40% of retailers describe fulfillment costs as a major challenge impacting their business, according to the study. The study found that 31% of retailers are challenged by split orders, where multiple products in one order must be shipped from different locations and 56% of retailers say their order management systems need to be able to process at higher volumes and velocity as well being able to source from a variety of channels. (Source: Inbound Logistics)

RAIL:

U.S. Freight Rail Traffic

Originations of carloads in July 2017 totaled 1,019,239, a **decrease of 4.38%** from the previous month and a **decrease of 0.6%** from July 2016. This marked the first year-over-year monthly decrease for total carloads since October 2016. Average total weekly carloads in July 2017 (254,810) were the lowest for the month of July since sometime prior to 1988, when AAR's records began. (Source: AAR.org) *(Report includes rail car-loadings by 20 different major commodity categories)*

U.S. Intermodal Rail Traffic

Intermodal rail traffic totaled 1,058,398 units in July 2017, a **decrease of 4.95% from the previous month but 5.59% higher than July 2016**. Weekly average intermodal volume in July 2017 (264,589) were the **second best for July** in history, slightly behind 2015. Through the first seven months of 2017, U.S. intermodal volume totaled 7,951,027 units, up 3.1% over the first seven months of 2016 and a **year-to-date record**. (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 July 2017 was 310.6, **up 3.60%** from the previous month and **5.07% higher** 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 June 2017 **decreased 0.27% from the previous month**, to 148,627 employees total. The vast majority of the decline in June was attributable to one railroad, and most of those were maintenance of equipment personnel. Train and engine employment rose in June, its fifth straight monthly gain. (Source: U.S. STB)

Short Line Rail Traffic

In June 2017, short line railroad shipments across North America **decreased 2.16% from the previous month but increased 5.19% year-over-year**. A sampling of about 500 short line and regional railroads **loaded 361,165 railcars** and intermodal units during the month of June. Coal led the year-over-year gains, with a 37.3% increase over June 2016. (Source: Railinc Short Line and Regional Traffic Index)

Railroad News Clips:

The U.S. Surface Transportation Board has issued a decision determining the railroad industry's cost of capital for 2016. In "Railroad Cost of Capital-2016", the Board found that the rail industry's after-tax cost of capital was 8.88% for 2016. For 2015, the cost of capital was 9.61%. The cost of capital figure represents the Board's estimate of the average rate of return needed to persuade investors to provide capital to the freight rail industry. Calculated annually, it "is an essential component of many of the agency's core regulatory responsibilities," STB said. "The Board uses the cost-of-capital figure in evaluating the adequacy of an individual railroad's revenues each year. It also uses the figure when determining the reasonableness of a challenged rail rate, considering a proposal to abandon a rail line, or valuing a particular railroad operation." (Source: Railway Age)

TRUCKING:

Truck Tonnage Index

The ATA's seasonally adjusted For-Hire Truck Tonnage Index was 138.5 in July 2017, an **increase of 0.07% from the previous month and an increase of 2.3% from July 2016**. According to the ATA, July's small increase in truck tonnage fits with other mixed economic indicators. The ATA expects truck tonnage to continue increasing at a moderate pace on a year-over-year basis. (Source: American Trucking Associations | Trucking.org)

Truckload Freight

The spot market for truckload-freight available for pick-up in July **decreased 1,600 basis points** compared to the previous month, and was **8,900 basis points higher** year-over-year. Truck capacity **decreased 540 basis points** for the month, and **increased 30 basis points** year-over-year. (Source: DAT Trendlines | www.dat.com)

Trucking Conditions Index

The Trucking Conditions Index for June 2017 **decreased by more than two points, but still remains positive with a reading of 4.54**. According to FTR, despite the monthly drop from May to June, the TCI has stayed in a relatively stable range since this time last year. It remains positive, but does not yet indicate that a significant change in operations is occurring. FTR expects the potential for such a change to increase as the year continues, with ELD implementation and continued freight growth potentially limiting truck capacity. (Source: FTR Transportation Intelligence | ftrintel.com) *(Figures below zero indicate a less-than-ideal environment for trucking)*

Diesel Prices

As of August 14, 2017 the U.S. average diesel price was **\$2.59 per gallon**. The U.S. average diesel price was **\$0.28 higher** than the same week last year. The average price of diesel in the Southeastern Atlantic states was **\$2.52 per gallon, 2.7% 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 **increased by approximately 400 employees to 1,470,600 employees total** in July 2017. The trucking industry workforce **increased 0.03%** over the previous month and **increased 0.98%** over July 2016. (Source: U.S. Bureau of Labor Statistics)

Trucking Earnings and Hours

The average earnings of truck transportation employees were \$23.34/hour in June 2017, **up 0.43%** from the previous month. The average weekly hours totaled 42.5 in June, **up 0.95%** 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 July 2017 net trailer orders came in at **13,400 units, down 29.1%** from the previous month but **up 41.1%** from July 2016. According to FTR, July trailer orders met expectations with all segments except flatbeds, which were below expectations. Orders typically decrease in July, as fleet managers take a break and turn their focus to next year. (Source: FTR Transportation Intelligence | ftrintel.com)

NAFTA Trade

Surface transport-related trade between the U.S. and its NAFTA partners, Canada and Mexico totaled \$98.2 billion in May 2017, **up 7.83%** from the previous month, and **up 9.31%** year-over-year. May marked the seventh 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 60.3%, vessel by 28.4%, air by 8.7%, rail by 7.0% and truck by 5.0%. Trucks carried 63.4% 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)

Trucking News Clip

Transportation and logistics provider Roadrunner Transportation Systems Inc. announced earlier this month that it has agreed to sell its cold chain logistics subsidiary Unitrans Inc. to Quick International Courier Inc. for \$95 million in cash. Roadrunner, which generates the bulk of its revenue from less-than-truckload (LTL) and truckload operations, said Unitrans was sold because it no longer fit in Roadrunner's portfolio. Based in Los Angeles, Unitrans' niche is in providing logistics services to support the life sciences market. However, it was out of step with Roadrunner's core business of offering truckload and LTL services through an "asset-light" model, where it effectively controls capacity without employing drivers or owning equipment. By contrast, Quick International specializes in the expedited movement of life sciences products. (Source: DC Velocity)

AIR FREIGHT:

Air Cargo Traffic

Global air freight traffic in June 2017 **increased by 11.0% year-over-year**, down from 12.7% in May but well ahead of the five-year average pace (3.9%). In the first six months of 2017, global air freight traffic grew by 10.4% in annual terms, the **strongest first half of a year since 2010**. (Source: IATA.org,) *(Global air freight covers international and domestic scheduled air traffic.)*

AUGUST LOGISTICS MARKET SNAPSHOT

Atlanta Air Cargo Traffic

In June 2017, Hartsfield-Jackson Atlanta International Airport transported **58,043 metric tons** of cargo, a **3.81% increase** from the previous month and a **7.93% increase** year-over-year. (Source: HJIA)

Air Freight Price Index

The latest report from Drewry shows that airfreight rates in June **increased by 1.1%** year-over-year. According to Drewry, the latest East-West Airfreight Price Index indicates that, as load factors increase, demand for airfreight is outstripping new capacity coming into the market. The latest numbers also provide a strong base rate to build on as the industry moves from the summer into an early peak season. Drewry expects airfreight rates to further increase in July. (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 August 11, 2017 the global average jet fuel price was \$64.80 per barrel; **up 9.4%** from the previous month, and **21.8% 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:

Emirates SkyCargo is rolling out a new pharma solution developed with DuPont. The new White Cover Xtreme will offer “enhanced protection for temperature sensitive cargo in hot, cold, and wet weather conditions.” The White Cover Xtreme acts as a shield reflecting solar heat when temperatures are high and as a barrier for conduction--preventing heat from escaping--when temperatures are low, thereby helping maintain cargo internally at the correct temperature. The collaboration between Emirates SkyCargo and DuPont on the new product is part of an existing agreement between the two companies to develop new temperature protection solutions, in particular thermal covers, for the air cargo industry. (Source: AirCargoNews.net)

OCEAN FREIGHT:

Import Volumes by Ocean

In June 2017, the latest month for which after-the-fact numbers are available, U.S. container ports handled 1.69 million TEUs, a **1.74% decrease** from May but **7.5% higher** from June 2016. The National Retail Federation and Hackett Associates expect August to be the busiest month on record for imports at the nation’s major retail container ports, and 2017 is on track to set a new annual high. According to the NRF, retailers are selling more which in turn equates to importing more. The latest numbers are a good sign of what retailers expect in terms of consumer demand over the next several months. (Source: NRF/Hackett Associates)

Shanghai Containerized Freight Index

The August 18th SCFI comprehensive reading was **\$859.92 per FEU, down 0.23%** from last month. The **spot rate for shipments to the U.S. East Coast was \$2,592 per FEU, up 15.15%** from the previous month. (Source: Shanghai Shipping Exchange | www.1.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 4.99%** in July 2017, ending at 946. According to analysts, while rates are not where shipping companies want them to be (many are still in a loss-making territory), things are definitely much better than they were a year ago when the BDI was at 665 points. Even though rates are fluctuating, the overall trend is upward. (Source: www.bloomberg.com/quote/BDIY:IND, www.hellenicshippingnews.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 **336,099 TEUs** in July 2017, a **0.48% decrease from the previous month, but 6.8% higher year-over-year, and the busiest July in GPA’s history**. The GPA has moved 2.33 million TEUs for the calendar year through July, **up 10.8%** from the same time in CY2016. Also in the calendar year-to-date through July, total tonnage crossing GPA docks **grew by 13%**, or 2.37 million tons, to reach 20.67 million tons. In July alone, **breakbulk cargo grew by 12.3%** for a total of 232,390 tons, reflecting strong performances in Savannah and Brunswick for bulk and breakbulk commodities. (Source: GPA)

Port of Brunswick

At East River Terminal in Brunswick, wood pellets used for fuel rebounded from zero last July to 49,011 tons in July 2017, powering a **75.7% growth** in overall bulk cargo business at East River terminal, which reached 68,813 tons. (Source: GPA)

Ocean Freight Business News:

Self-driving ships could become a reality by 2020. Norwegian maritime technology firm Kongsberg Gruppen plans to begin testing its fully electric autonomous ship next year. The tech company partnered with fertilizer manufacturer Yara International to build the *Yara Birkeland* and get it on the water with a test crew by 2018, with unmanned voyages planned as soon as 2020. In another development, ocean shippers Mitsui O.S.K. Lines (MOL) and Nippon Yusen have teamed up with Japanese shipbuilder Japan Marine United, pledging to put unmanned ships on the water by 2025. MOL and Nippon Yusen agreed to split the several hundred-million-dollar development cost. Ships driven by artificial intelligence and tracked using the Internet of Things could help lower greenhouse gas emissions, reduce accidents at sea, and lower operating costs for ocean shippers. (Source: InboundLogistics.com)

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The nationwide vacancy rate was unchanged during the second quarter of 2017, remaining at 5.5%. It is down from 5.9% in Q2 2016. None of the 46 markets tracked by NGKF had a double-digit vacancy rate as of mid-year 2017. The industrial vacancy rate in Savannah, GA was 1.96% in Q2 of 2017, down compared to 2.54% in Q1 2017. The vacancy rate in Atlanta, GA was 7.6% in Q2 of 2017. (Source: NGKF, Colliers)

Warehouse Rent Rates

In Q2 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 Q2 2016. Only seven of the 46 markets tracked by NGKF experienced declines 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. The average asking rent in Atlanta was \$4.75/SF in Q2 2017. (Source: NGKF)

Industrial Absorption

Net absorption in the U.S. during Q2 2017 remained robust, totaling 46.7 million square feet. While demand remained strong, it was down 11.7% from the previous quarter and down 22.5% from Q2 2016. Of the 46 industrial markets tracked by NGKF, 17 absorbed 1 million square feet or more in Q2, led by Dallas with 5.9 million square feet and Atlanta with 5.4 million square feet of absorption. The largest lease of the quarter was signed by Owens Corning, a fiberglass and insulation company, for 1.0 million square feet in Palmetto, Georgia, in the Atlanta market. (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 2,200 employees to 949,500 employees total in July 2017. The warehouse industry workforce decreased 0.23% from the previous month and increased 3.66% 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 \$19.68/hour in June 2017, up 0.25% from the previous month. The average weekly hours totaled 42.1 in June, up 1.45% from the previous month. (Source: U.S. Bureau of Labor Statistics)

W&D Business News:

- DHL Supply Chain has made augmented reality supported glasses now business-as-usual in warehouses around the globe. The company has successfully completed its augmented reality pilots and is expanding its "Vision Picking" solution in more warehouses around the globe, potentially establishing a new standard in order picking for the industry. The smart glasses provide visual displays of order picking instructions along with information on where items are located and where they need to be placed on a cart, freeing pickers' hands of paper instructions and allowing them to work more efficiently and comfortably. The international trials have shown an average improvement of productivity by 15% and higher accuracy rates. The user-friendly and intuitive solution has also halved onboarding and training times. (Source: Supply Chain 24/7)
- Safavieh, a manufacturer and distributor of home goods, will create 200 jobs and invest more than \$60 million in a new Chatham County, GA distribution facility. Safavieh will build a 1.1 million square foot facility at the Savannah River International Trade Park. The new facility will triple their Savannah warehouse capacity by the end of 2018 and will be customized for rugs and furniture. Darius Yaraghi, principal of Safavieh stated that they "are pleased that the State of Georgia and the Georgia Ports Authority (GPA) continue to invest in infrastructure which enables our expansion and allows us to create even more quality jobs in the region. Safavieh will continue to increase our facilities across the U.S. to provide better and faster service to the customer." (Source: Georgia.org)

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Emily Schrenk Butler, Industry Coordinator | EButler@georgia.org | 912.966.7842