

U.S. MARKET:

Gross Domestic Product	<p>The U.S. GDP increased at an annual rate of 3.3% in the third quarter of 2017 according to the second estimate released by the Bureau of Economic Analysis in late November. In the second quarter, real GDP increased 3.1%. In the second estimate, the general picture of economic growth remains the same; nonresidential fixed investment, state and local government spending, and private inventory investment were revised up from the prior estimate. (Source: US BEA) As of December 8, the latest GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the fourth quarter of 2017 is 2.9%. (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 8.46% in October 2017 to \$48.7 billion. In October, the U.S. had a trade surplus with Hong Kong, South and Central America, Brazil, United Kingdom, Singapore, and Saudi Arabia. The U.S. had a trade deficit with China, European Union, Germany, Japan, Mexico, Italy, South Korea, India, Canada, OPEC, Taiwan, and France. (Source: US DOC & Census Bureau)</p>
Import Volumes	<p>In October 2017, the U.S. imported \$199.4 billion of cargo, increasing 1.8% from September. The October imports of foods, feeds, and beverages (\$11.8 billion) and non-petroleum imports (\$182.6 billion) were the highest on record. (Source: US Census)</p>
Export Volumes	<p>In October 2017, the U.S. exported \$130.3 billion of cargo, decreasing 0.2% from September. The October exports of industrial supplies and materials (\$41.0 billion) were the highest since November 2014. (Source: US Census)</p>
Import & Export Price Index	<p>U.S. import prices increased 0.73% in November 2017. Higher fuel prices were the main contributor to the overall advance in import prices for November. U.S. export prices increased 0.48% in November 2017. Higher prices for nonagricultural exports offset lower prices for agricultural exports. (Source: Bureau of Labor Statistics)</p>
Unemployment Rate	<p>The unemployment rate in America remained at 4.1% in November 2017, staying the lowest it's been since December 2000. A preliminary net 228,000 jobs were gained in November 2017, exceeding what most economists were expecting. The majority of job gains came from manufacturing, health care, construction, food services, retail trade, and temporaries. The unemployment rate in Georgia was 4.3% in October 2017, down 4.5% from the previous month. (Source: US DOL, US BLS)</p>
Labor Force Participation Rate	<p>The labor force participation rate remained at 62.7% in November 2017. The labor force participation rate for those of prime working age (25-54) was 81.8% in November, matching its highest level since late 2010. (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 October 2017, housing starts were an annualized 1,290,000 units, up 13.7% from the previous month and the most for any month since October 2016. The index of pending home sales (sales that haven't closed yet but contracts have been signed) was 109.3 in October 2017, up 3.5% from the previous month, and the highest reading since June 2017 (110.0). According to the National Association of Realtors, pending sales in October were primarily driven higher by activity in the South, which saw a bounce-back after hurricane-related disruptions in September. (Source: U.S. DOC, National Association of Realtors)</p>
Light Vehicle Sales	<p>New light vehicle sales were an annualized and seasonally adjusted 17.3 million in November 2017, down 3.9% from the previous month, but 1.0% higher from November 2016, and only the second time this year that year-over-year sales have been up. (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 0.39% to \$16.6 trillion in October 2017. The increase in October primarily reflected increases in wages and salaries and personal interest income. During Q2 2017, Personal Income in Georgia was estimated at \$450.4 billion, an increase of 1.0% from Q1 2017 and the 4th fastest growth rate in the country. (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 November 2017 were \$492.7 billion, an increase of 0.8% from the previous month, and up 5.8% from November 2016. Non-store retail sales were up 2.5% from the previous month and were 10.4% 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

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) *(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.)*

Consumer Confidence

The Consumer Confidence Index **increased to 129.5** in November, **up 2.6%** from October and the **highest level in 17 years**. According to The Conference Board, consumers' assessment of current conditions improved moderately, while their expectations regarding the short-term outlook improved more so, driven primarily by optimism of further improvements in the labor market. Consumers are entering the holiday season in very high spirits and foresee the economy expanding at a healthy pace into the early months of 2018. (Source: The Conference Board) *(The consumer confidence index is based on a monthly survey of 5,000 U.S. household. It is designed to gauge the financial health, spending power, and confidence of the average U.S. consumer.)*

Consumer & Producer Price Index

The Consumer Price Index for all urban consumers was **247.6 in November**, **up 0.41%** from the previous month. The energy index rose 3.9% and accounted for about three-fourth of the increase. The Producer Price Index for final demand was **114.4 in November**, **an increase of 0.44%** from the previous month. (Source: US Bureau of Labor Statistics)

Small Business Optimism Index

The Small Business Optimism Index was 107.5 in November, **an increase of 3.56% from the previous month**, **9.25% higher than November 2016**, and the **second highest reading in the 44-year history of NFIB surveys**. Eight of 10 components posted gains, including a "stunning and rare 16-point gain in Expected Better Business Conditions and a 13-point jump in Sales Expectation" according to the NFIB. The NFIB anticipates further upticks in economic growth during the fourth quarter of 2017. (Source: National Federation of Independent Business) *(This Index collects data from small businesses on economic topics ranging from current job openings to expected credit conditions)*

Industrial Production and Capacity Utilization

The Industrial Production Index was 106.4 in November 2017, **an increase of 0.28%** from the previous month and **2.1% higher than November 2016**. Excluding the post-hurricane rebound in oil and gas extraction, total industrial production would have been unchanged in November. Capacity utilization for the industrial sector **increased 0.12%** in November 2017 to 77.1%. (Source: Federal Reserve) *(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)*

Manufacturing & Trade Sales

Total combined sales and manufacturing shipments totaled nearly **\$1.40 trillion** in October 2017, **up 0.6% from September 2017 and up 6.5% from October of the previous year**. (Source: US Census)

Manufacturing & Trade Inventory

Total value of inventory on-hand is estimated at **\$1.89 trillion** in October 2017, **down 0.1% from September 2017 but up 3.5% from October of the previous year**. (Source: US Census)

Purchasing Managers Index

The National PMI slightly **decreased to 58.2%** in November 2017, a **decrease of 50 basis points** from the previous month. New orders **increased 60 basis point** to 64.0% and production **increased 290 basis points** to 63.9%. According to the Institute for Supply Management, this indicates growth in manufacturing for the 15th consecutive month led by expansion in new orders and production, offset by supplier delivery improvement and declines in raw material inventory. In November, 14 out of the 18 manufacturing industries tracked by the ISM reported growth during the month. (Source: Institute for Supply Management) *(The PMI combines data on new orders, inventory, production, supplier deliveries, and employment. A reading above 50 indicates that the manufacturing economy is generally expanding.)*

Purchasing Managers Index in Georgia

Georgia's PMI increased 610 basis points month-over-month, to 62.5% in November 2017. New orders in Georgia **increased to 68.8%** and production **increased to 68.8%** as well. With readings above 50, Georgia's manufacturing activity continues to expand. In the month of November, Georgia's PMI was 430 basis points above the national PMI. (Source: Kennesaw State University) *(The PMI combines data on new orders, inventory, production, supplier deliveries, and employment. A reading above 50 indicates that the manufacturing economy is generally expanding.)*

U.S. Market News

With Christmas just days away, an unusually high level of daily package volume continues to affect UPS, FedEx, DHL, and the other express carriers. UPS estimates they will reach 750 million package deliveries this holiday season. They're working hard on all fronts to support their contract logistics, fulfillment, freight transportation and express delivery operations in December. Forecasters predict approximately \$107.4 billion in holidays sales for online orders, making 2017 the first to reach \$100 billion. Even with this increased on-line volume, retailers still expect shipments to reach consumers with increasingly tight windows, regardless of complications and uncontrollable issues like weather. (Source: SupplyChainDive.com)

MULTIMODAL:

Dow Jones Transportation Index

Dow Jones Transportation Index **increased 5.29%** in November 2017 ending at a reading of 10,274. *(A price-weighted average of 20 U.S. companies in the transportation industry, average of November 1st thru November 30th. The index includes railroads, airlines, trucking, marine transportation, delivery services, and logistics companies.)*

NASDAQ Transportation Index

NASDAQ Transportation Index **increased 8.51%** in November 2017, ending at a reading of 5,112. *(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of November 1st thru November 30th)*

DOT Freight Transportation Service Index

The USDOT's freight transportation services index was 129.2 in October 2017, an **increase of 0.6%** from the previous month, **5.3% higher** than October 2016, and the **highest level of all time**. Significant increases in trucking, rail carloads, rail intermodal, and water led the October increase while air freight declined and pipeline was stable. The Freight TSI was above 124.0 in every month of 2017, a level it exceeded in only two months during 2016. (Source: US DOT)

Cass Freight Index

The October shipments index **increased 0.5%** from the previous month to 1.153 and **increased 2.9%** year-over-year. Data continues to suggest that the consumer is starting to spend a little, although not with brick and mortar retailers. The October expenditures index **increased 3.9%** from the previous month to 2.606, and **increased 11.2%** year-over-year, the **second largest Y-o-Y percentage increase in the last five years**. (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 September 2017 **decreased to -8.2**. Data shows underlying tightness in capacity that is raising rates as well as some continued uptick from hurricane-impacted capacity utilization. FTR expects the environment for shippers to somewhat improve as pressure from the hurricane demand subsides. (Source: FTR Transportation Intelligence | ftrintel.com) *(Figures below zero indicate a less-than-ideal environment for shippers)*

Multimodal News Clips:

Earlier this month Target announced it will acquire Shipt, a rapidly growing same-day delivery company, for \$550 million. The move—one of the largest acquisitions in Target's history—means same-day delivery will be an option at about half of Target stores beginning in early 2018. Same-day delivery is the closest that e-commerce can get to an in-store purchase where shoppers walk away immediately with products. Shipt's model essentially takes that brick-and-mortar advantage and turns it into a service. The company enlists a network of more than 20,000 "shoppers" who pick out customers' orders. The same person shopping also makes the delivery, and when a match works well (based on Shipt's rating system allowing customers to give feedback in real-time) the same shopper and customer are likely to be paired again. (Source: Target, Supplychaindrive.com)

RAIL:

U.S. Freight Rail Traffic

Originations of carloads in November 2017 totaled 1,307,521 units, an **increase of 22.6%** from the previous month and a **decrease of 0.87%** from November 2016. Average total weekly carloads in November 2017 (261,504) were the second lowest weekly average for November since sometime prior to 1988, when AAR's data began. In the first eleven months of 2017, total U.S. rail carloads were 12.48 million, **up 2.9% over the same period last year**. (Source: AAR.org) *(Report includes rail car-loadings by 20 different major commodity categories)*

U.S. Intermodal Rail Traffic

Intermodal rail traffic totaled 1.37 million units in November 2017, an **increase of 20.1% from the previous month and 3.8% higher than November 2016**. Weekly average intermodal volume in November 2017 (273,832) were the **eighth largest weekly average** for any month on record and the **fourth highest** for any month this year. Week 48, the last week in November, had intermodal volume of 292,443 units, the **highest single week in U.S. rail history**. To date, **nine of the top 10 intermodal weeks in history have been 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 November 2017 was 392.4, **up 4.2%** from the previous month and **31.4% 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 October 2017 **decreased 0.23% from the previous month** to 146,342 employees total, the seventh straight month-to-month decline and the lowest employment total since the STB started collecting employment data in 1997. In October, the majority of the employment decline was in the executive & staff assistants and maintenance of way categories. (Source: U.S. STB, AAR)

Short Line Rail Traffic

In October 2017, short line railroad shipments across North America **increased 8.4% from the previous month and increased 3.1% year-over-year**. A sampling of about 500 short line and regional railroads **loaded 366,304 railcars** and intermodal units during the month of October. Crushed stone, sand, and gravel led gains, up 25.6% over the previous year, and coal carloads were up 25.2% from October 2016. (Source: Railinc Short Line and Regional Traffic Index)

Railroad News Clips:

A bill reauthorizing the National Transportation Safety Board (NTSB) was introduced this month in the Senate and aims to enhance the board's safety investigations through added transparency. The legislation offers several key reforms to modernize and improve transparency in the safety agency's investigations, recommendations and board member discussions. This legislation expands the agency's ability to explain causes and improves the NTSB's recommendation process so that the most pressing safety challenges can

be more effectively addressed. The bill would require the NTSB to publish a report on the process used to prioritize and select safety recommendations included in the agency's "Most Wanted List." (Source: Railwayage.com)

TRUCKING:

Truck Tonnage Index	<p>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)</p>
Truckload Freight	<p>The spot market for truckload-freight available for pick-up in November decreased 4.1% compared to the previous month, and was 96% higher year-over-year. Truck capacity decreased 5.6% for the month, and decreased 1.5% year-over-year. (Source: DAT Trendlines www.dat.com)</p>
Refrigerated Trucking	<p>The national average price for refrigerated trucks in November 2017 was \$2.43/mile, the highest mark in more than 3 years. In November, the spot market for reefer rates was 4.7% higher than the previous month and was 24% higher than November 2016. The Reefer Load-To-Truck ratio was 16% higher in November compared to the previous month, and was 78% higher compared to November 2016. (Source: DAT Trendlines www.dat.com)</p>
Trucking Conditions Index	<p>The Trucking Conditions Index increased to a reading of 9.48 in October 2017. According to FTR, "the TCI is nearing a double-digit number, which indicates that there are big opportunities for carriers with regard to both rates and the loads they choose to carry. Of course, there are still quite a few 'ifs' in the near future. If the economy can continue to grow at around a 3% rate in Q4 and 2018Q1, we will see freight demand maxing out any excess capacity. If the ELD implementation and enforcement stay on track, the spring will bring capacity utilization over 100% and the freight transportation market will be scrambling to align loads and trucks. If severe winter weather comes into play, transportation managers will be facing their toughest year since 2004. Carriers should be prepared for big changes, and big opportunities." (Source: FTR Transportation Intelligence ftrintel.com) <i>(Figures below zero indicate a less-than-ideal environment for trucking)</i></p>
Diesel Prices	<p>As of December 11, 2017 the U.S. average diesel price was \$2.91 per gallon. The U.S. average diesel price was \$0.41 higher than the same week last year. The average price of diesel in the Southeastern Atlantic states was \$2.78 per gallon, 4.5% less than the national average price. (Source: U.S. DOE) <i>(Reflects the costs and profits of the entire production and distribution chain.)</i></p>
Trucking Employment	<p>The trucking industry workforce increased by approximately 1,800 employees to 1,477,500 employees total in November 2017. The trucking industry workforce increased 0.12% over the previous month and increased 1.05% over November 2016. (Source: U.S. Bureau of Labor Statistics)</p>
Trucking Earnings and Hours	<p>The average earnings of truck transportation employees were \$23.81/hour in October 2017, up 0.93% from the previous month. The average weekly hours totaled 42.3 in October, up 0.95% from the previous month. (Source: U.S. Bureau of Labor Statistics)</p>
U.S. Truck & Trailer Orders (Class 8)	<p>Preliminary data for heavy-duty Class 8 trucks net orders in North America were 32,387 units in November 2017, a decrease of 9.2% from the previous month, and 71.2% higher year-over-year. FTR notes that the year-over-year comparison is over-stated however, due to the election tempering order amounts last November. North American Class 9 orders for the past twelve months have now totaled 274,000 units. Preliminary October 2017 net trailer orders came in at 33,600 units, up 56.2% from the previous month and up 66.3% from October 2016. Flatbed demand continues to be sturdy as the housing and energy markets continue to grow. Renewed energy activity is also helping tankers and lowbeds. Orders are expected to be healthy for the next two months as fleets complete placing orders for 2018 requirements. (Source: FTR Transportation Intelligence ftrintel.com)</p>
NAFTA Trade	<p>Surface transport-related trade between the U.S. and its NAFTA partners, Canada and Mexico totaled \$94.4 billion in September 2017, down 3.08% from the previous month, but up 3.6% year-over-year. September marked the eleventh 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 vessel increased 28.6%, pipeline by 9.1%, and truck by 2.9%. Rail decreased by 3.3% and air decreased by 3.4%. The large percentage increase in the value of goods moving by vessel is due in part to an increase in the unit value and a 6.1% increase in the volume of mineral fuels traded. Trucks carried 64.3% 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)</p>

Trucking News Clip

The soft enforcement period for Electronic Logging Devices begins this month, with roadside inspectors given leeway on whether to write citations or not. According to the Commercial Vehicle Safety Administration (CVSA), at a jurisdiction's discretion, they may issue citations to commercial motor vehicle drivers operating vehicles without a compliant ELD. "Enforcement personnel have been trained in anticipation of the ELD rule and inspectors will be verifying hours-of-service compliance by reviewing records of duty status requirements electronically," according to a statement from CVSA Executive Director Collin Mooney. CVSA also pointed out that fleets and drivers may continue using "grandfathered" automatic onboard recording devices (AOBRD) that meet the requirements of 49 CFR 395.15 until Dec. 16, 2019, which is when they, too, must switch over the ELDs. CarrierLists has been polling fleets for several months on ELD preparations ahead of the mandate. As of early December, about 75% fleets said they were ELD ready, up from around 50% in October. (Source: Fleetowner.com)

AIR FREIGHT:

Air Cargo Traffic

Global air freight traffic in October 2017 **increased by 5.9% year-over-year**, well ahead of the five and ten-year average rates (4.6% and 3.2%, respectively). According to the IATA, October is the first month of the traditional period of strong demand seen every Q4. Air freight volumes remain on course for their strongest year of growth since 2010. (Source: IATA.org.) *(Global air freight covers international and domestic scheduled air traffic.)*

Atlanta Air Cargo Traffic

In October 2017, Hartsfield-Jackson Atlanta International Airport transported **59,593 metric tons** of cargo, a **3.80% increase** from the previous month and a **1.76% increase** year-over-year. (Source: HJIA)

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 December 8, 2017 the global average jet fuel price was \$76.80 per barrel; **up 0.7%** from the previous month, and **21.7% 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:

Online platform Freightos has joined air cargo networking group Neutral Air Partner as an associate member to enhance the group's digital solutions. Neutral Air Partner said it hoped the addition of Freightos would help deliver "competitive airfreight and express services, and outstanding service". Freightos chief executive Zvi Schreiber said: "Neutral Air Partner's commitment to the digital freight industry is impressive. "We are confident that working together with partners like these will drive direct value to our global customer base, with industry-leading expertise, access to global air freight buying power, and competitive airfreight express and consolidation solutions. Chief executive and founder of Neutral Air Partner Christos Spyrou added: "We are honored and delighted to partner with Freightos, and we look forward to making a difference within the digital freight industry, by providing innovative air cargo solutions and value added services to the trade through Freightos Marketplace." (Source: AirCargoNews.net)

OCEAN FREIGHT:

Import Volumes by Ocean

In October 2017, the latest month for which after-the-fact numbers are available, U.S. container ports handled 1.77 million TEUs, a **0.3% increase** from the previous month and **5.9% higher** from October 2016. According to the National Retail Federation and Hackett Associates, retailers are doing last-minute restocking as consumers head toward the finish line of the shopping season, but the majority of holiday merchandise is already in the country and ports are beginning to quiet down. NRF expects the year, which included five of the seven busiest months for imports on record, to end with a 6.4% increase over 2016. (Source: NRF/Hackett Associates)

Shanghai Containerized Freight Index

The December 8th SCFI comprehensive reading was **\$703.67 per FEU**, **down 0.22%** from last month. The **spot rate for shipments to the U.S. East Coast was \$1,804 per FEU**, **up 7.32%** 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 **increased 3.68%** in November 2017, ending at 1,578. Some shipbrokers expect the steel output restriction in China over the winter to help support steel-making margins, giving cash-flow to mills to strategize their next move over the New Year. (Source: www.bloomberg.com/quote/BDIY:IND, Seatrade-Maritime) *(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 **309,147 TEUs** in November 2017, a **2.8% increase** from the same month last year. November marked **13 straight months of growth** in container trade, with **every month in 2017 above 300,000 TEUs** at Garden City Terminal. Overall, the GPA handled 2.8 million tons of cargo in November, an **increase of 8.4%** compared to the same month last year. Breakbulk tonnage increased by 25% to reach 248,500 tons in November, with lumber, iron, and steel leading the way. (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:

Drewry Maritime Advisors have released the results of their ports connectivity index, with **Savannah ranking as North America's most connected container port**. According to Drewry, in North America, the main ports along its east coast almost uniformly offer greater global connectivity than the west coast hubs of Los Angeles and Long Beach, despite the Southern Californian port complex handling around 40% of the US's annual container traffic. The index is based on the number of direct shipping services, and the number of world regions those services directly connect to. Drewry's research showed Savannah's 36 weekly vessel calls provide superior service to Europe, Asia and other global destinations. (Source: GPA, Drewry, theloadstar.co.uk)

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 **increased by 8,100 employees** to 974,400 employees total in November 2017. The warehouse industry workforce **increased 0.84%** from the previous month and **increased 3.7%** 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 \$19.70/hour in October 2017, **up 0.46%** from the previous month. The average weekly hours totaled 42.1 in October, **up 0.24%** from the previous month. (Source: U.S. Bureau of Labor Statistics)

W&D Business News:

- According to a report issued by CBRE, the typical U.S. warehouse has doubled in size since 2002 as booming e-commerce has created demand for ever-larger facilities to handle surging volumes. The report analyzed the average size of U.S. warehouses built during the 2002-07 development upswing and compared those figures to the 2012-17 period, when e-commerce took hold in the mainstream. The analysis found that the average facility size increased by 143%, to 184,693 square feet, and that the average warehouse's clear height rose by 3.7 feet, to 32.3 feet. The largest expansions came in metropolitan areas with the big populations coveted by online sellers and the abundant land required by developers, according to CBRE. Atlanta led the pack with a 284-percent gain in the average warehouse size from the earlier cycle to the current one. David Egan, CBRE's global head of industrial and logistics research, said in a statement that e-commerce growth over the past five years or so has created the need for massive warehouses with high ceilings to store extensive and fast-moving inventories. (Source: dcvelocity.com, CBRE)

- Graphic Packaging International (GPI), a leading company in the design and manufacturing of packaging for commercial products, will invest \$136 million in the modernization of its Macon, Georgia mill. GPI employs more than 1,330 employees in Georgia, and the Macon mill investment will help retain more than 460 manufacturing jobs. GPI's Macon mill makes paperboard used in packaging for the food and beverage industry. The investment will enhance its capability by adding a state-of-the-art curtain coater, automate certain processes, and upgrade the water, generator and air systems to improve the mill's environmental profile. (Source: Georgia.org)
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