

MULTIMODAL:

Dow Jones Transportation Index	Dow Jones Transportation index rose 3.3% during the month of November. <i>(Stock performance of twenty large, well-known U.S. companies in the transportation industry, average of Nov. 10th thru Dec. 10th)</i>
NASDAQ Transportation Index	NASDAQ Transportation Index increased 1.1% in November. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of Nov. 10th thru Dec. 10th)</i>
DOT Freight Transportation Index	The USDOT's freight transportation services index fell 1.9% in October 2012. The index's reading of 107.1 was 1.6% lower year-over-year. (Source: US DOT)
Cass Freight Index	The November shipments index fell 4% over the previous month and rose 3.5% year-over-year. The October expenditures index decreased 5.8% for the month, and increased 3.3% year over year. <i>(Source: Cass Information Systems Cassinfo.com) (Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)</i>
Import Volumes	In October, the U.S. imported about \$222.8 billion of cargo. October U.S. imports have decreased 2.1% in terms of value from September, and remained flat year-over-year. (Source: US Census)
Export Volumes	In October, the U.S. exported more than \$180.5 billion of cargo, the lowest amount since April 2011. October U.S. exports have decreased 3.6% in terms of value over the previous month and grew 1% year-over-year. (Source: US Census)
Import & Export Price Index	U.S. import prices fell 0.9% in November. Import prices fell 1.6% over the past year. The price index for U.S. exports fell 0.7% in November. Export prices increased 0.7% year-over-year. (Source: Bureau of Labor Statistics)
Multimodal News Clips:	<ul style="list-style-type: none"> A record 247 million shoppers visited stores and websites to make purchases over the Black Friday sales weekend. The number of shoppers was up 9% from the 226 million who shopped last year. Total spending over the four-day weekend reached a record \$59.1 billion, a 13% increase over last year. (Source: NRF) E-Commerce also received a big boost during the Black Friday sales weekend. Black Friday online sales increased 28% year-over-year and surpassed \$1 billion for the first time. Cyber Monday became the heaviest online spending day on record at \$1.46 billion, a 17% increase over last year. (Source: ComScore, Inc.) FedEx shipped more than 19 million packages on Monday, December 10, making it the single busiest shipping day in company history. UPS expects its own peak shipping day on December 20, when more than 28 million packages will be delivered. In the next week, UPS expects to deliver 135 million packages of the 527 million it has forecasted for the period between Thanksgiving and Christmas.

RAIL:

U.S. Freight Rail Traffic	Railroad bulk carload freight in November 2012 rose 2.9% from October 2012. Freight traffic in November fell 4% from November 2011. Carloads excluding coal and grain increased 5.5% over the previous year. <i>(Source: AAR.org) (Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)</i>
U.S. Intermodal Rail Traffic	Intermodal rail traffic in November 2012 was 1.2% higher than in November 2011 and 0.1% higher than October 2012 totals. Intermodal loadings have experienced year-over-year gains for 36 straight months . <i>(Source: AAR.org) (Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)</i>
Railroad Fuel Price Index	The index of average railroad fuel prices in October was 662.6, up 0.5% from the previous month and 9.4% higher year-over-year. (Source: AAR.org) <i>(Average monthly price for gallons purchased by freight railroads; Includes federal excise taxes, transportation, and handling expenses)</i>
Freight Cars in Storage	The number of freight cars in storage has increased to 308,780 (20.2% of the fleet) on December 1, up 4,370 from a month earlier. (Source: AAR.org) <i>(A freight car is "in storage" if it has had a loaded revenue move since 2005, but not in the past 60 days. Decrease here = more demand)</i>
Class 1 Railroad Employment	Railroad employment in October 2012 increased by 1,191 employees to 162,443 employees. Total Class 1 rail employment in October 2012 was 1.4% higher than it was in October 2011. (Source: U.S. STB)
Short Line Rail Traffic	In November 2012, short line railroad shipments across North America rose 2% compared to the same month last year. A sampling of about 423 small railroads in the U.S. and Canada loaded 522,640 railcars and intermodal units during the month of November. (Source: RMI RailConnect Index rmiondemand.com)

Railroad News Clips:

- Total U.S. coal consumption in 2013 is expected to **increase 5.6%** year-over-year to about **956.6 million tons** due to higher natural gas prices. Coal consumption this year is expected to be **10.7% lower** than consumption in 2011. The declines in coal traffic in 2012 have hit eastern railroads the hardest. CSX's coal traffic **fell 25%** in the fourth quarter through mid-November. Norfolk Southern's coal traffic **declined 14%** year-over-year in the third quarter.
- Between **56,000 and 60,000 railcars** are expected to be delivered in the next year, with tanks and hopper cars making up a majority of the new cars. About **55%** of new railcars are being bought by leasing companies, **35%** are being bought by shippers, and **10%** by railroads. The average price for new tank cars has surged to **\$101,500** in 2012 from \$73,800 in 2011. Tank car prices will further increase to about **\$133,000** in 2013. (Source: Transportation Consultants Co.)

TRUCKING:

Trucking Volume

The ATA's seasonally adjusted cargo index **fell 3.8%** in October after falling 0.4% in September. The for-hire truck tonnage index **fell 2.1%** year-over-year, the first year-over-year decrease since November 2009. (Source: American Trucking Association | Trucking.org)

Truckload Freight

The spot market for truckload freight in November **rose 5.7%** compared to the previous month, and was **1.2% lower** year-over-year. Truck capacity **fell 13%** for the month, and was **up 19%** year-over-year. (Source: TransCore Freight Index | www.transcorefreightsolutions.com)

Diesel Prices

U.S. average diesel prices fell to **\$3.99 per gallon**, down **4¢** since last week. The U.S. average diesel price was **10¢ higher** than the same week last year. The average price of diesel in the lower Atlantic states was \$3.97 per gallon. (Source: U.S. DOE) *(Reflects the costs and profits of the entire production and distribution chain.)*

Trucking Employment

The trucking industry **added 2,500 jobs** in November. The trucking workforce **increased 0.18%** over the previous month and **rose 3.6%** over the previous year. (Source: U.S. Bureau of Labor Statistics)

Truck Orders

Orders for heavy-duty Class 8 trucks in North America are expected to total **19,683 units** in November 2012. November orders were **14% lower** than the previous month, and **3% lower** year-over-year. (Source: FTR Associates | ftrassociates.com)

NAFTA Trade

Surface transport-related trade between the U.S. and its NAFTA partners, Canada and Mexico, was **down 0.1%** in September compared to the same month in 2011, totaling **\$77.7 billion**. This was the first year-over-year decrease since November 2009. (Source: US DOT)

Trucking News Clips:

- Global trading company Perdue Partners has acquired Atlanta-based LTL carrier Benton Express. Purdue Partners intends to build on Benton's strong presence in the Southeast.
- The U.S. Department of Energy predicts that domestic crude oil production next year will reach its **highest annual average rate of production** since 1992 and diesel prices will average **less than \$4 per gallon** in 2013. The DOE's Energy Information Administration believes diesel fuel retail prices will average \$4.02 per gallon during the fourth quarter of 2012 before falling to an average of **\$3.84 per gallon** in 2013.

AIR FREIGHT:

Air Cargo Traffic

Global air freight traffic in October **decreased 3.5%** from one year ago and **fell 2.2%** from the previous month. North American air freight in October **fell 6.3%** year-over-year. (Source: IATA.org)
(Global air freight covers international and domestic scheduled air traffic. North American traffic includes only domestic freight traffic.)

Atlanta Air Cargo Traffic

In October, Hartsfield-Jackson Atlanta International Airport transported **55,884 metric tons** of cargo, a **3.6% increase** from the previous month and a **2.2% decrease** year-over-year. (Source: HJIA)

Air Freight Price Index

In October, the average international air cargo rate was **\$3.99 per kilogram**, rising **11.9%** from the previous month. Average air freight rates were **down 13.4%** year-over-year. (Source: Bureau of Labor Statistics)
(The Drewry Air Freight Price Index is based on the average of rates (\$US per kg) for cargoes of 100+kg to 1,000+kg cargoes from Shanghai to London, Moscow, Prague, New York, and Los Angeles.)

Jet Fuel Prices

As of November 30, 2012, the global average jet fuel price was \$128.3 per barrel; **up 0.1%** from the previous month, and **2.1% higher** year-over-year. (Source: IATA.org, platts.com)
(The weekly index and price data shows the global average price paid at the refinery for aviation jet fuel)

Air Freight News Clips:

- International freight volumes are expected to grow at a five-year compounded annual growth rate of **3%**, starting at **1.4% growth** in 2012 and reaching **3.7% growth** in 2016. (Source: IATA.org)

- The five fastest growing international freight markets over the 2012-2016 period will be Sri Lanka (**8.7%**), Vietnam (**7.4%**), Brazil (**6.3%**), India (**6.0%**), and Egypt (**5.9%**). Five of the 10 fastest growing countries are in the Middle East North Africa region. (Source: IATA.org)
- Delta Airlines is buying Singapore Airlines' **49% stake** in Virgin Atlantic, the United Kingdom's second-largest cargo airline, for **\$360 million**. Delta also plans to form a trans-Atlantic joint venture with Virgin Atlantic that will create an expanded trans-Atlantic network and enhance competition between the U.K. and North America. Singapore Airlines paid the equivalent of **\$960 million** for its 49% stake in 1999.

OCEAN FREIGHT:

Import Volumes

Import shipment volume, in TEUs, at U.S. ports **decreased 12.8%** in November from the previous month and **fell 15.2%** over the previous year. *(While it is unique to see imports so low in November, this can be partially attributed to Hurricane Sandy and the labor strikes on the west coast)* (Source: Zepol Corporation | zepol.com)

Shanghai Containerized Freight Index

The December 7th SCFI comprehensive reading was **\$1,052.99 per FEU**; **down 2.8%** from the previous week, and **23.1% higher** year-over-year. The spot rate for shipments to the U.S. East Coast was **\$3,071 per FEU**, **up 6.2%** over the previous year. (Source: Shanghai Shipping Exchange | www1.chineseshipping.com.cn/en) *(The Shanghai Containerized Freight Index is a weekly reported average export spot rate from Shanghai for 15 different trade lanes.)*

Ocean Bulk Freight Rates

The Baltic Dry Index **rose 7.7%** in November, ending at **1,077**. The BDI has **fallen 23.3%** during the first half of December. (Source: www.bloomberg.com/quote/BDIY:IND) *(The Baltic Dry Index is an index that tracks and averages worldwide international shipping prices of various dry bulk cargoes.)*

TSA Bunker Surcharges

Between October 1 and December 31, 2012, the bunker fuel surcharge will total **\$527 per FEU** for shipments to the West coast ocean ports and **\$1,020 per FEU** for shipments to the East coast and Gulf ports. (Source: Transpacific Stabilization Agreement) *(The Transpacific Stabilization Agreement is a research and discussion forum of major ocean container shipping lines that carry cargo from Asia to ports in the U.S.)*

Port of Savannah

Overall tonnage was **down 5.6%** at Georgia Ports in October compared to the same month last year. Container shipments through the port of Savannah were **down 10.3%** from the previous month and **down 9.5%** year-over-year. October's decline was attributed to a possible ILA strike, shipping delays due to superstorm Sandy, and a gloomy economic climate.

Port of Brunswick

The Port of Brunswick achieved 48.4% growth in total tonnage for the month of August and 30.2% growth on the fiscal YTD. Colonel's Island terminal in Brunswick moved 109,694 auto and machinery units in July and August, an increase of 37% over the same period in FY2012. (Source: GPA)

Ocean Freight Business News:

- Import volume through major U.S. container ports is expected to **increase 3.9%** in December despite a strike that closed the nation's largest port complex for the first few days of the month and a possible strike on the East Coast and Gulf Coast. Total U.S. containerized imports in 2012 are expected to total **15.8 million TEUs**, **up 2.5%** over 2011. (Source: NRF/Hackett Associates)
- Savannah has **led U.S. port growth** in the past decade with an annual growth rate of **11%**, double the rate of Houston, the second-quickest. Exports have been a big boost for the nation's third busiest container port. While exports account for about 30% at most U.S. ports, that share is at **54%** for Savannah. One-eighth of all U.S. exports by weight already go through Savannah, trailing only Los Angeles.
- Conventional refrigerated ships are losing market share to container lines offering increased capacity for reefer boxes. In 2000, reefer ships carried half of all seaborne shipments of refrigerated cargoes. By 2011, their shares slipped **below 30%**. With refrigerated cargo demand **increasing at an annual rate of 6%**, container lines are investing in refrigerated equipment. Many newer vessels have set aside nearly **25% of their capacity** for reefer boxes.
- The Georgia Ports Authority has unveiled **North America's first electrified rubber-tired gantry cranes**. The new cranes introduce a cleaner and more efficient method of operation that will reduce fuel consumption by **up to 95%**. The system has the capacity to regenerate power back to the electrical grid, powering itself for an estimated 18 minutes each hour.

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy	The U.S. average industrial vacancy rate was 9% during Q3 2012, down from 9.3% in the previous quarter. Overall vacancy was 9.9% in Atlanta and 12.4% in Savannah during the third quarter. (Source: Cushman & Wakefield)
Warehouse Rent Rates	In Q3 2012, warehouse and distribution rental rates in the US averaged \$4.30 per square foot . Rental rates for warehouse space averaged \$3.31/square foot in Atlanta and \$3.62/square foot in Savannah. (Source: Cushman & Wakefield)
Industrial Absorption	Net absorption in the US during Q3 2012 totaled +32.7 million square feet . Absorption during the 3Q totaled nearly +1.57 million square feet in Atlanta. Year-to-date, Atlanta's industrial leasing has totaled +13.2 million square feet, 10.2% ahead of the pace for the same period in 2011. (Source: Cushman & Wakefield) <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>
Purchasing Managers Index	The National PMI fell 2.2 points to 49.5 in November 2012. New orders decreased 3.9 points to 50.3 and production rose 1.3 points to 53.7. (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>
Purchasing Managers Index in Georgia	Georgia's PMI fell 5.3 points to 46.4 in November. New orders in Georgia decreased 4.5 points to 45.5 and production decreased 11.2 points to 43.2. Georgia's PMI of 46.4 is 3.1 points lower than the national PMI and has fallen below 50 for the first time in eleven months . (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>
W&D Business News:	<ul style="list-style-type: none"> • Enova Wood Pellet Group has reached a long-term port agreement with Georgia Kaolin Terminals. The agreement provides Enova with sufficient port capacity to export about 1.5 million tons per year of wood pellets through the GKT facility in Savannah, Georgia. Enova will export wood pellets from three wood pellet production plants in Georgia and South Carolina through the port of Savannah. • Purac, a biomaterials manufacturer, plans to invest more than \$20 million in a manufacturing plant in metro Atlanta. The Netherlands-based company will make resorbable polymers for the medical and pharmaceutical industry at the 60,000 square-foot plant that will open in early 2014. The project is expected to create up to 50 jobs. • Green Power Systems announced that it will open a power plant in Laurens County, Georgia with an initial capital investment of \$95 million. The new biomass-fueled plant will create 35 permanent jobs and support up to 200 additional jobs in the forest industry. The plant is slated to be the largest renewable energy qualifying facility developed to date in Georgia. • Decostar Industries, a manufacturing division of the automotive parts supplier Magna Exteriors and Interiors, will expand its facility in Carrollton, Georgia. The company will invest \$26 million and create a minimum of 120 new jobs.

U.S. MARKET:

Gross Domestic Product	The U.S. GDP increased 2.7% in the third quarter of 2012 according to the second preliminary estimate released by the Bureau of Economic Analysis. (Source: US BEA)
U.S. Trade Deficit	The U.S. trade deficit increased by 4.9% in October to \$42.2 billion. Exports decreased 3.6% to \$180.5 billion and imports decreased 2.1% to \$222.8 billion. (Source: US DOC & Census Bureau)
Consumer Confidence	The Consumer Confidence Index increased to 73.7 in November 2012 from 73.1 in October 2012. (Source: The Conference Board) <i>(The consumer confidence index is based on a monthly survey of 5,000 U.S. households. It is designed to gauge the financial health, spending power, and confidence of the average U.S. consumer.)</i>
Unemployment Rate	The unemployment rate in America fell to 7.7% in November 2012 as there were 146,000 net new jobs , up from the revised 138,000 new jobs created in October. (Source: US DOL)
Leading Economic Index	The Leading Economic Index for the U.S. increased 0.2% in October to 96.0 (2004=100), following a 0.5% increase in September and a 0.4% decrease in August. (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>
Retail Sales	Retail and food service sales rose in November to \$412.4 billion , up 0.3% from the previous month, and up 3.7% above November 2011. Non-store retailer sales were up 11.1% from last year. (Source: US Census)
Manufacturing & Trade Sales	Total combined sales and manufacturing shipments totaled \$1.26 Trillion in October 2012, down 0.4% from September and up 3.1% from the previous year. (Source: US Census)

DECEMBER 2012 LOGISTICS MARKET SNAPSHOT

Prepared: December 15, 2012

Manufacturing & Trade Inventory

Total value of inventory on hand is estimated at **\$1.62 Trillion** in October 2012, **up 0.4%** from September and **up 5.7%** from October 2011. (Source: US Census)

Housing Starts

In October, housing starts **rose 3.6%** to an annual rate of 894,000 units, the **highest rate in more than four years**. Building permits (an indicator of future housing starts) **fell 2.7%** to an annual rate of 866,000. (Source: U.S. DOC)

Consumer & Producer Price Index

The consumer price index for all urban consumers **decreased 0.3%** in November from the previous month. Over the last 12 months, the all items index **increased 1.8%**. The producer price index for finished goods **decreased 0.8%** in November from the previous month. Prices for finished goods **rose 1.5%** over the previous year. (Source: US Bureau of Labor Statistics)

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