

## MULTIMODAL:

<b>Dow Jones Transportation Index</b>	Dow Jones Transportation index <b>rose 4.1%</b> during the month of December. <i>(Stock performance of twenty large, well-known U.S. companies in the transportation industry, average of December 10<sup>th</sup> thru January 10<sup>th</sup>)</i>
<b>NASDAQ Transportation Index</b>	NASDAQ Transportation Index <b>increased 6.6%</b> in December. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of December 10<sup>th</sup> thru January 10<sup>th</sup>)</i>
<b>DOT Freight Transportation Index</b>	The USDOT's freight transportation services index <b>rose 1.2%</b> in November 2013. The index's reading of 116.5 was <b>up 5.2%</b> from November 2012. (Source: US DOT)
<b>Cass Freight Index</b>	The December shipments index <b>fell 6.2%</b> over the previous month and <b>fell 3.2%</b> year-over-year. The December expenditures index <b>fell 5.4%</b> for the month, and <b>increased 1.0%</b> year-over-year. (Source: Cass Information Systems   Cassinfo.com) <i>(Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)</i>
<b>Import Volumes</b>	In November, the U.S. <b>imported</b> about <b>\$229 billion</b> of cargo. November U.S. imports <b>fell 3.4%</b> in terms of value from October, and <b>fell 1.1%</b> year-over-year. (Source: US Census)
<b>Export Volumes</b>	In November, the U.S. <b>exported</b> more than <b>\$194.9 billion</b> of cargo, the <b>highest on record</b> . November U.S. exports have <b>increased 0.9%</b> in terms of value over the previous month and <b>rose 5.2%</b> year-over-year. (Source: US Census)
<b>Import &amp; Export Price Index</b>	U.S. import prices <b>declined 0.6%</b> in November. Import prices <b>fell 1.5%</b> over the past year. The price index for U.S. exports <b>rose 0.1%</b> in November. Export prices <b>decreased 1.6%</b> year-over-year. (Source: Bureau of Labor Statistics)
<b>Multimodal News Clips:</b>	<ul style="list-style-type: none"> <li>U.S. auto sales in 2013 <b>rose 7.6%</b> over the previous year to <b>15.6 million autos</b>. Ford's U.S. sales totaled about 2.5 million vehicles, accounting for a <b>10.8% increase</b>, the largest of any other automaker in 2013. Nissan and Chrysler increased sales more than <b>9%</b> while sales for Toyota and General Motors <b>rose 7.4%</b> and <b>7.3%</b>, respectively. U.S. auto sales are expected to rise to <b>16.5 million vehicles</b> in 2014.</li> <li>U.S. crude oil production averaged <b>7.5 million bpd</b> (barrels per day) in 2013, the highest annual average rate of production since 1989, and a 1 million bpd increase over 2012. Crude oil production in the U.S. is expected to continue rising to <b>8.5 million bpd</b> in 2014 and <b>9.3 million bpd</b> in 2015. Growing expectations put the country on pace to become the <b>world's largest oil producer</b> by 2015, five years faster than the EIA's earlier predictions. (Source: U.S. EIA)</li> <li>The growth in domestic production has contributed to a steep decline in petroleum imports. The share of total U.S. fuel consumption met by net imports totaled <b>33%</b> in 2013. That number is expected to <b>decline to 24%</b> in 2015, which would be the <b>lowest level since 1970</b>. With U.S. exports of gasoline and other refined products hitting a <b>record high</b> last month, political leaders are beginning to contemplate lifting restrictions on the export of U.S. crude oil. (Source: U.S. EIA)</li> </ul>

## RAIL:

<b>U.S. Freight Rail Traffic</b>	Railroad bulk carload freight in December 2013 <b>fell 0.3%</b> from November 2013. Freight traffic in December <b>fell 0.9%</b> from December 2012. Carloads excluding coal <b>increased 2.1%</b> over the previous year. (Source: AAR.org) <i>(Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)</i>
<b>U.S. Intermodal Rail Traffic</b>	Intermodal rail traffic in December 2013 was <b>8% higher</b> than in December 2012, and <b>rose 0.6%</b> from November 2013. Intermodal loadings have experienced year-over-year gains for <b>48 straight months</b> . For all of 2013, U.S. rail intermodal volume totaled a <b>record</b> 12,831,692 containers and trailers, <b>up 4.6%</b> over 2012. (Source: AAR.org) <i>(Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)</i>
<b>Railroad Fuel Price Index</b>	The index of average railroad fuel prices in November was 589.5, <b>down 9.8%</b> from the previous month and <b>5.1% lower</b> 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>
<b>Freight Cars in Storage</b>	The number of freight cars in storage has <b>decreased to 277,543</b> (18% of the fleet) on January 1 <sup>st</sup> , <b>down 4,851</b> cars 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>
<b>Class 1 Railroad Employment</b>	Railroad employment in November 2013 <b>increased by 96 employees</b> to 163,199 employees. Total Class 1 rail employment in November was <b>0.3% higher</b> than it was in November 2012. (Source: U.S. STB)
<b>Short Line Rail Traffic</b>	In December 2013, short line railroad shipments across North America <b>fell 0.9%</b> compared to the same month last year. A sampling of about 438 small railroads in the U.S. and Canada <b>loaded 528,872 railcars</b> and intermodal units during the month of December. (Source: RMI RailConnect Index   rmiondemand.com)

## Railroad News Clips:

- The commodity with the largest increase in 2013 was **petroleum products**. Petroleum product shipments increased by 167,868 carloads, representing a **31.1% increase** year-over-year. Coal was the commodity with the largest carload decline in 2013, down 256,751 carloads, a **4.3% decrease** from 2012. In 2013, coal accounted for **39.5%** of U.S. rail carloads, down from 41% in 2012 and coal's **lowest share since 1995**. (Source: AAR.org)
- XPO Logistics will acquire intermodal operator Pacer International for approximately **\$335 million**. The acquisition is expected to close in the second quarter of 2014 and is expected to double the size of XPO's revenue run rate to nearly **\$2 billion** in 2014. Pacer is the **third-largest intermodal operator**, handling roughly 10% of all U.S. domestic intermodal freight movements.

## TRUCKING:

### Trucking Volume

The ATA's seasonally adjusted cargo index **rose 2.7%** in November. The for-hire truck tonnage index **rose 5.8%** from November 2012. (Source: American Trucking Association | Trucking.org)

### Truckload Freight

The spot market for truckload freight in December **rose 11%** compared to the previous month, and was **49% higher** year-over-year. Truck capacity **fell 17%** for the month, and was **down 2.3%** year-over-year. (Source: DAT Trendlines | www.dat.com)

### Diesel Prices

U.S. average diesel prices rose **0.7¢ to \$3.91 per gallon** last week. The U.S. average diesel price was **0.1¢ lower** than the same week last year. The average price of diesel in the lower Atlantic states was \$3.85 per gallon. (Source: U.S. DOE) *(Reflects the costs and profits of the entire production and distribution chain.)*

### Trucking Employment

The trucking industry **added 100 jobs** in December after posting a gain of 8,300 in November. The trucking workforce **increased 1.8%** 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 **31,506 units** in December 2013, the highest December total in eight years. December orders were **50% higher** than the previous month and **51% higher** 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, **increased 5.5%** in October compared to the same month last year, totaling nearly **\$85.5 billion**. (Source: US DOT)

## Trucking News Clips:

- More than **80%** of motor carriers surveyed have experienced a loss of productivity since the new Hours-of-Service rules went into effect, with **nearly half** stating that they require more drivers to haul the same amount of freight. Among commercial drivers surveyed, **67%** reported that the new rules have resulted in decreases in pay. The impacts on driver wages for all over-the-road drivers total **\$1.6 billion to \$3.9 billion** in annualized loss. (Source: American Transportation Research Institute)
- UPS Freight, the nation's **fourth-largest LTL carrier**, has secured five years of labor peace with ratification of a new five-year labor agreement by its 13,000 Teamsters.

## AIR FREIGHT:

### Air Cargo Traffic

Global air freight traffic in November **increased 6.1%** from one year ago, and **rose 2.5%** over the previous month. North American air freight in November **rose 2.5%** year-over-year. (Source: IATA.org) *(Global air freight covers international and domestic scheduled air traffic.)*

### Atlanta Air Cargo Traffic

In October, Hartsfield-Jackson Atlanta International Airport transported **54,970 metric tons** of cargo, an **8% decrease** from the previous month and a **1.8% decrease** year-over-year. (Source: HJIA)

### Air Freight Price Index

In November, the index of East-West air cargo rates **jumped 2.1%** from the previous month, and was **5.5% higher** year-over-year. The average price of air cargo leaving the United States in November stood at **\$3.81 per kilogram**. (Source: Drewry) *(The Drewry East-West Air Freight Price Index is based on the average of rates (\$US per kg) for air freight services on 21 major East-West routes.)*

### Jet Fuel Prices

As of January 3, 2014, the global average jet fuel price was \$124.7 per barrel; **down 2.6%** from the previous month, and **2.8% lower** 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 airfreight volumes will grow 17% over the next five years. By 2017, the five largest international freight markets will be the U.S., China, Germany, Hong Kong, and the UAE. The U.S. and China are likely to add more than 1 million additional tons each over the forecast period; as a result, China is expected to replace Germany as the second largest airfreight market in 2017. (Source: IATA.org)

- During the first week of January, domestic airlines cancelled about 20,000 flights due to inclement weather. These cancellations are expected to cost the industry between \$50 million and \$100 million. (Source: Cowen and Company)

## OCEAN FREIGHT:

**Import Volumes** Import shipment volume at U.S. ports totaled **1.64 million TEUs** in September. U.S. vessel imports **increased 2%** from the previous month and **rose 7%** year-over-year. (Source: Zepol Corporation | zepol.com)

**Shanghai Containerized Freight Index** The January 1<sup>st</sup> SCFI comprehensive reading was **\$1,176 per FEU; down 4.5%** year-over-year. The spot rate for shipments to the U.S. East Coast was **\$3,137 per FEU, down 11%** from 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 25%** in December, ending at **2,277**. The BDI has **decreased 25%** during the first half of January. (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 January 1 and March 31, 2014, the bunker fuel surcharge will total **\$525 per FEU** for shipments to the West coast ocean ports and **\$980 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** In November, Georgia ports moved **243,233 TEUs** of cargo. TEU shipments in November **increased 6.6%** year-over-year. Total tonnage across all terminals in Georgia reached 2,414,630 tons, a **7.3% increase** over November 2012. (Source: GPA)

**Port of Brunswick** The Port of Brunswick has moved **275,020 auto and heavy machinery units** through the first five months of the fiscal year, contributing to a **5.6% improvement** over the same period last year. (Source: GPA)

**Ocean Freight Business News:**

- Import volume through major U.S. container ports is expected to **increase 1.8%** in December. In October, the latest month for which numbers are available, U.S. container ports handled 1.43 million TEUs, a **0.4% decrease** over the previous month and a **6.4% increase** over the same month last year. Total U.S. containerized imports are expected to **increase 2.3%** in 2013. (Source: NRF/Hackett Associates)

- More than **1.6 million TEUs** of new capacity are scheduled for delivery in the upcoming year, possibly making 2014 a **record-breaking year** for capacity. New capacity growth in the upcoming year will be led by Evergreen, Maersk Line, China Shipping Container Lines, and Hamburg Süd, which will each receive **between 110,000 and 200,000 TEUs**. (Source: Alphaliner)

- Deliveries of new container ships are expected to continue through 2016, adding to the industry's overcapacity problem. The fleet of idled surplus container ships hit **718,000 TEUs** in mid-December. The idle fleet averaged **595,000 TEUs** in 2013, down from 651,000 TEUs in 2012, mainly due to the record number of vessels scrapped this year. In 2014, the supply-demand gap is expected to widen to **3 percentage points**, as supply is projected to **increase 7.6%** while demand will **rise 4.6%**. This compares to the 2.6 supply-demand gap estimated for 2013. (Source: Alphaliner)

## WAREHOUSING & DISTRIBUTION:

**Industrial Vacancy** The U.S. average industrial vacancy rate was **8.36%** during Q3 2013, down from 8.65% in the previous quarter. Overall vacancy was **12.33%** in Atlanta and **11.06%** in Savannah during the third quarter. (Source: Colliers International)

**Warehouse Rent Rates** In Q3 2013, warehouse and distribution rental rates in the US averaged **\$4.79 per square foot**, down from \$4.81/SF in the previous quarter. Rental rates for warehouse space averaged **\$3.25 per square foot** in Atlanta, and **\$3.95 per square foot** in Savannah. (Source: Colliers International)

**Industrial Absorption** Net absorption in the US during Q3 2013 totaled more than **+51 million square feet**. Atlanta's overall absorption during the 3Q was **1.44 million square feet**. Absorption totaled more than **+659,880 square feet** in Savannah. (Source: Colliers International) *(Absorption is the net change in occupied space between two points in time. Positive absorption means that previously unoccupied space is being occupied.)*

**Purchasing Managers Index** The National PMI **fell 0.3 of a point** to 57.0 in December 2013. New orders **rose 0.6 point** to 64.2 and production **decreased 0.6 point** to 62.2. (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 **fell 1.3 points** to 52.3 in November. New orders in Georgia remained at 54.5 and production **rose 4.5 points** to 54.5. Georgia's PMI is now **5 points below** 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.)*

## W&D Business News:

- Kautex of Georgia, a Germany-based automotive supplier, is adding a **95,000 square foot warehouse** onto its current operation in Lavonia, Georgia. The construction is planned to be finished by mid-May 2014 and represents a **\$3.3 million** investment.

## U.S. MARKET:

### Gross Domestic Product

The U.S. GDP **increased 4.1%** in the third quarter of 2013 according to the third estimate released by the Bureau of Economic Analysis. (Source: US BEA)

### U.S. Trade Deficit

The U.S. trade deficit **decreased by 12.9%** in November to \$34.3 billion, the lowest trade deficit since October 2009. **Exports rose 0.9%** to \$194.9 billion and **imports fell 1.4%** to \$229.1 billion. (Source: US DOC & Census Bureau)

### Consumer Confidence

The Consumer Confidence Index **increased to 78.1** in December 2013, **up 6.1 points** from the previous month. (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.)*

### Unemployment Rate

The unemployment rate in America **decreased to 6.7%** in December 2013 as there were **74,000 net new jobs**, the fewest in three years. About 347,000 people left the labor force during the month. The labor force participation rate fell 0.2 percentage points to **62.8%** in December. (Source: US DOL)

### Leading Economic Index

The Leading Economic Index for the U.S. **increased 0.8%** in November to 98.3 (2004=100), following a 0.1% increase in October and a 1.0% increase in September. (Source: Conference Board)  
*(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.)*

### Retail Sales

Retail and food service sales rose in November to **\$432.3 billion**, **up 0.7%** from the previous month, and **up 4.1%** above November 2012. Non-store retailer sales were **up 9.4%** from last year. (Source: US Census)

### Manufacturing & Trade Sales

Total combined sales and manufacturing shipments totaled more than **\$1.3 Trillion** in October 2013, **up 0.5%** from September and **up 3.9%** from the previous year. (Source: US Census)

### Manufacturing & Trade Inventory

Total value of inventory on hand is estimated at **\$1.69 Trillion** in October 2013, up 0.7% from September and **up 3.6%** from October 2012. (Source: US Census)

### Housing Starts

In November, housing starts **rose 22.7%** to an annual rate of 1,091,000 units. Building permits (an indicator of future housing starts) **fell 3.1%** to an annual rate of 1,007,000. Year-over-year, housing starts and building permits in November **increased 29.6%** and **7.9%**, respectively. (Source: U.S. DOC)

### Consumer & Producer Price Index

The consumer price index for all urban consumers remained steady in November from the previous month. Over the last 12 months, the all items index **increased 1.2%**. The producer price index for finished goods **was up 0.4%** in December from the previous month. Prices for finished goods **rose 1.2%** over the previous year. (Source: US Bureau of Labor Statistics)

**To sign-up to receive these free monthly snapshots, visit: [www.GeorgiaLogistics.com](http://www.GeorgiaLogistics.com)**

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

**Page Siplon, Executive Director | [psiplon@georgia.org](mailto:psiplon@georgia.org) | 912.966.7867**