

LOGISTICS MARKET SNAPSHOT

U.S. MARKET:

Gross Domestic Product

Real gross domestic product (GDP) **decreased at an annual rate of 1.4% in the first quarter of 2022** according to the advance estimate released by the Bureau of Economic Analysis. In the fourth quarter, real GDP increased 6.9%. The decrease in real GDP reflected decreases in private inventory investment, exports, federal government spending, and state and local government spending, while imports, which are a subtraction in the calculation of GDP, increased. Personal consumption expenditures, nonresidential fixed investment, and residential fixed investment increased.

Source: Bureau of Economic Analysis

U.S. Trade Deficit

The goods and services deficit (revised) was **\$89.2 billion in February 2022, down less than \$0.1 billion from January 2022 numbers**. The February decrease in the goods and services deficit reflected a decrease in the goods deficit of \$1.1 billion to \$107.5 billion and a decrease in the services surplus of \$1.1 billion to \$18.3 billion. **Year-to-date, the goods and services deficit increased \$45.7 billion, or 34.5%**, from the same period in 2021.

Source: Bureau of Economic Analysis

Import Volumes

February 2022 **imports were \$317.8 billion, \$4.1 billion more than January imports**. February imports of capital goods (\$69.7 billion) and February imports of consumer goods (\$73.1 billion) were the highest on record.

Source: U.S. Census Bureau

Export Volumes

February 2022 **exports were \$228.6 billion, \$4.1 billion more than January exports**. February exports of industrial supplies and materials (\$59.9 billion) and February exports to Ukraine (\$0.3 billion) were the highest on record.

Source: U.S. Census Bureau

Import & Export Price Index

The price index for **U.S. imports increased 2.6 percent in March 2022, the largest monthly rise since April 2011**. Higher fuel prices drove the March advance, and nonfuel prices also increased. U.S. export prices rose 4.5% in March, after advancing 3.0% the previous month. Prices for **U.S. exports advanced 4.5% in March** following a 3.0% rise in February and a 2.8% increase in January. All 3 advances were the largest monthly increases since 1-month percent changes were first published in January 1989. Higher prices for both agricultural and nonagricultural exports in March contributed to the overall rise in U.S. export prices.

Source: Bureau of Labor Statistics

Unemployment Rate

Total nonfarm payroll employment **rose by 431,000 in March 2022**, and the unemployment rate **declined to 3.6%, down 0.2% from the previous month**. Notable job gains continued in leisure and hospitality, professional and business services, retail trade, and manufacturing. The unemployment rate in **Georgia decreased to 3.2% for March 2022, down 0.1% from the previous month**. The state is currently tied with Arkansas, ranking 16th in the U.S. of states with lowest unemployment.

Source: Bureau of Labor Statistics

Labor Force Participation Rate

The labor force participation rate **rose to 62.4% for March 2022**. The labor force participation rate for those of **prime working age (25-54) increased to 82.5%** for March 2022.

Source: U.S. Bureau of Labor Statistics (Workforce Participation Rate measures the share of Americans at least 16 years old who are either employed or actively looking for work)

Leading Economic Index

The March 2022 **index increased by 0.3% to 119.8 following a 0.6% increase in February**. According to The Conference Board, "This broad-based improvement signals that economic growth is likely to continue through 2022 despite volatile stock prices and weakening business and consumer expectations. However, downside risks to the growth outlook remain, associated with intensification of supply chain disruptions and inflation linked to lingering pandemic shutdowns and the war, as well as with tightening monetary policy and persistent labor shortages."

Source: The 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)

Pending Home Sales Index

The March 2022 index decreased to 103.7, down 1.2% from the previous month. Month-over-month, only the Northeast saw an increase in contract signings, while the three other major U.S. regions experienced declines in transactions. All four regions reported decreases in year-over-year contract activity. Per the National Association of Realtors, "The aspiration to purchase a home remains, but the financial capacity has become a major limiting factor. The sudden large gains in mortgage rates have reduced the pool of eligible homebuyers, and that has consequently lowered buying activity. As of March 2022, higher mortgage rates and sustained price appreciation has led to a year-over-year increase of 31% in mortgage payments."

Source: National Association of Realtors

Housing Starts

Privately-owned housing starts in March 2022 were at a seasonally adjusted annual rate of **1,793,000**. This is **0.3% above the revised February estimate of 1,788,000** and is **3.9% above the March 2021 rate of 1,725,000**. Single-family housing starts in March were at a rate of 1,200,000; this is 1.7% below the revised February figure of 1,221,000. The March rate for units in buildings with five units or more was 574,000.

Source: U.S. Census Bureau

Light Vehicle Sales

For March 2022, new light-vehicle sales continued to be limited by available inventory, **totaling 13.3 million units, down from 14 million in February and off 24.4% from March 2021's total of 17.6 million units**. Sales fell throughout Q1 2022 as production that was already limited by scarce microchips was further curtailed by global shocks from the war in Ukraine and continuing supply chain disruptions beyond microchips. Despite the low quarterly average sales rate of 14 million units in the first quarter, new-vehicle sales had their best quarter since Q2 2021. Supply chain disruptions have prevented OEMs from utilizing full capacity in their final assembly plants, with the average production capacity utilization rate for assembly plants (North America, Q4 2021) around 70.3%, down from 85.4% year-over-year. The average monthly payment for a new vehicle will likely hit \$658, an increase of 12.4% from March 2021. Average monthly payments haven't risen as quickly as transaction prices because of elevated trade-in equity, which, for the average new-vehicle buyer, is expected to be up by 81.3% in March 2022 from a year ago.

Source: National Automobile Dealers Association (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)

Personal Income

Personal income **increased 0.5% to \$101.5 billion** in February 2022. Disposable personal income **increased \$76.1 billion (0.4%)** and personal consumption expenditures saw a **0.2% increase to \$34.9 billion**.

Note: Next release for Personal Income and Outlays, March 2022, will be published Friday, April 29, 2022.

Source: U.S. Bureau of Economic Analysis (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)

Retail Sales

Advance estimates of U.S. retail and food services sales for **March 2022 (seasonally adjusted) were \$665.7 billion, an increase of 0.5% from the previous month**, and 6.9% above March 2021. Total sales for the January 2022 through March 2022 period were up 12.9% from the same period a year ago. The January 2022 to February 2022 percent change was revised from up 0.3% to an increase of 0.8%.

Source: U.S. Census Bureau (Non-store retail sales are measured monthly and include internet-only sales outlets as well as other direct-to-customer channels)

E-Commerce

U.S. retail e-commerce sales for the fourth quarter of 2021 **was \$218.5 billion, an increase of 1.7%** from the third quarter of 2021. The fourth quarter 2021 e-commerce estimate increased 9.4%. E-commerce sales in the fourth quarter of 2021 **accounted for 12.9 percent of total sales**.

Note: Next release for Quarterly E-Commerce report, Q1 2022, will be published Thursday, May 19, 2022.

Source: U.S. Census Bureau (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 Index

The index **decreased slightly in April 2022 and now stands at 107.3** down from 107.6 in March. According to The Conference Board, "Expectations, while still weak, did not deteriorate further amid high prices, especially at the gas pump, and the war in Ukraine. Vacation intentions cooled but intentions to buy big-ticket items like automobiles and many appliances rose somewhat. Looking ahead, inflation and the war in Ukraine will continue to pose downside risks to confidence and may further curb consumer spending this year."

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. Base year 1985=100)

Consumer & Producer Price Index

The **Consumer Price Index increased 1.2% in March 2022** on a seasonally adjusted basis after rising 0.8% in February. The **Producer Price Index increased 1.4% in March 2022** (seasonally adjusted). This rise followed advances of 0.9% in February and 1.2% in January.

Source: U.S. Bureau of Labor Statistics (the CPI measures the change in prices paid by consumer for goods and services. Base year 1999=100; the PPI measures the average price changes by producers for domestically produced goods, services, and construction. Base year 2009=100)

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Small Business Optimism Index

The March 2022 index **decreased by 2.4 points to 93.2, the third consecutive month below the 48-year average of 98.** Inflation has now replaced “labor quality” as the single most important problem business owners face. Inflation, ongoing staffing shortage, and supply chain disruptions contribute to small business owners’ pessimism about their future business conditions.

Source: *National Federation of Independent Business*

Industrial Production & Capacity Utilization

Total industrial production **advanced 0.9% in March 2022 and rose at an annual rate of 8.1%** for the first quarter. Manufacturing output gained 0.9% in March; the output of motor vehicles and parts jumped 7.8%, while factory output elsewhere moved up 0.4%. In March, the jump in motor vehicle production contributed to increases of 3.9% and 5.2% for consumer durables and transit equipment, respectively, and to a smaller increase for durable materials. Gains were recorded by all other major market groups except construction supplies and nondurable materials, each of which recorded a decrease of 0.2%.

Source: *The 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

The combined value of distributive trade sales and manufacturers’ shipments for **February 2022 (seasonally adjusted) was estimated at \$1,804.6 billion, up 1.0% from January 2022** and was up 18.8% from February 2021. The total business inventories/sales ratio at the end of February was 1.26. The February 2021 ratio was 1.33.

Source: *U.S. Census Bureau*

Manufacturing & Trade Inventory

Manufacturers’ and trade inventories for February 2022, adjusted for seasonal and trading day differences but not for price changes, **were estimated at an end-of-month level of \$2,270.3 billion, up 1.5% from January 2022** and were up 12.4% from February 2021.

Source: *U.S. Census Bureau*

Purchasing Managers Index, Manufacturing

For March 2022 the Manufacturing PMI **registered at 57.1%, a decrease of 1.5 percentage points** from the February reading of 58.6%. According to the Institute of Supply Management, “Progress was made to solve the labor shortage problems at all tiers of the supply chain, which will result in improved factory throughput and supplier deliveries. Lower rates of quits and early retirements were reported as compared to previous months, as well as improving internal and supplier labor positions. March brought back increasing rates of price expansion, due primarily to instability in global energy markets.”

Source: *Institute for Supply Management (The PMI combines data on new orders, production, employment, supplier deliveries, and inventory. A reading above 50 percent indicates that the manufacturing economy is generally expanding.)*

Purchasing Managers Index, Services

Economic activity in the services sector grew in March for the 22nd month in a row — with the Services PMI registering 58.3%, 1.8 percentage points higher than February’s reading of 56.5%. According to the Institute of Supply Management, “Growth continues for the services sector, which has expanded for all but 2 of the last 146 months. There was an uptick in business activity in March, but companies continue to be impacted by capacity constraints, logistical challenges, and inflation. Labor shortages have eased slightly, as COVID-19 cases have declined, and public-health restrictions have been relaxed. Geopolitical concerns — particularly the Russia/Ukraine war, which has impacted material costs, most notably fuel and chemical prices — have created uncertainty for many businesses.”

Source: *Institute for Supply Management (The PMI combines data on business activity, new orders, employment, supplier deliveries, and inventory. A reading above 50 percent indicates that the manufacturing economy is generally expanding.)*

Logistics Managers’ Index

March 2022 overall LMI reading of 76.2 is the highest in the history of the index, up from February’s reading of 75.2. The first three months of 2022 have been marked by high levels of inventory, and insufficient capacity to deal with it. This was driven particularly by downstream retailers, who saw inventories up by 4.5% in December, handily outgaining manufacturers and wholesalers. This influx, combined with a cool-down in consumer demand due to the move away from goods and back towards services with easing COVID restrictions, as well as price pressure due to burgeoning inflation, has left firms with more inventory than they know what to do with. Warehousing capacity hit a record in March, transportation prices remain high, and transportation capacity is still contracting this month. A contraction in the transportation market does not necessarily mean a freight recession is imminent — although that is a possibility. This could also mean that industry may finally see a move away from the unsustainable supply/demand mismatch seen over the past 18 months and moving back towards a more viable market equilibrium.

Source: *Logistics Managers’ Index (The LMI score is a combination eight unique components that make up the logistics industry, including: inventory levels and costs, warehousing capacity, utilization, and prices, and transportation capacity, utilization, and prices. The LMI is calculated using a diffusion index, in which any reading above 50 percent indicates that logistics is expanding; a reading below 50 percent is indicative of a shrinking logistics industry.)*

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U.S. Market News Clip

The March inflation figure issued yesterday in the Bureau of Labor Statistics (BLS) Consumer Price Index (CPI) showed yet another new high, rising 8.5% annually, and marking its biggest percentage gain going back to 1981. The impact of inflation on supply chain and logistics operations cannot be overstated and has been on full display for several months going back to the middle of 2021, or even sooner. Examples of how inflation has thwarted the sector include factors like: port congestion and import container backlogs; labor availability; and fuel prices. While the Federal Reserve gets set to raise interest rates, in an effort to quell, or slow down, the gains in inflation, it remains to be seen if taking those types of steps are enough.

Source: *Logistics Management*; [link to article](#)

MULTIMODAL:

Dow Jones Transportation Index

As of April 26, 2022, the Dow Jones Transportation Average Index closed at a reading of **14,748.01**.

Source: *Marketwatch* (A price-weighted average of 20 U.S. companies in the transportation industry. The index includes railroads, airlines, trucking, marine transportation, delivery services, and logistics companies.)

NASDAQ Transportation Index

As of April 26, 2022, the NASDAQ Transportation Index closed at a reading of **5,676.59**.

Source: *Marketwatch, Inc* (Averaged share weights of NASDAQ-listed companies classified as transportation companies)

Freight Transportation Services Index

The index **fell 0.2% in February 2022 from January 2022 to 138.5**. This was the first month-over-month decrease since August 2021. From February 2021 to February 2022 the index rose 4.0% compared to a decline of 2.2% from February 2020 to February 2021 and a decline of 1.2% from February 2019 to February 2020.

Source: *U.S. Bureau of Transportation Statistics* (TSI is based on the amount of freight carried by the for-hire transportation industry)

Cass Freight Index for Shipments & Expenditures

The March 2022 CFI for shipments rose to **1.203**, a 2.7% increase from the previous month, but 1.0% below the normal seasonal pattern. U.S. freight volumes slowed further in March -- while a few points of softness in Q1 were due to Omicron-related absenteeism, freight was slowing even before the war in Ukraine began. March's CFI for expenditures rose **1.1% to a reading of 4.501**. Year over year, freight expenditures were up 33%. On a seasonally adjusted basis, expenditures fell 0.2% m/m, essentially unchanged, with shipments falling 1.0% m/m and rates still creeping higher. On a two-year stacked basis, the Shipments component of the Index was up 11% in March; the Expenditures component was up 70% in March.

Source: *Cass Information Systems* (Based upon transportation dollars and measures the total amount spent on freight and shipments of Cass clients comprised of over 400 shipping companies)

Shippers Conditions Index

This index **fell sharply in February 2022 to -17.9 after a precious sharp decline to -10.1 in January**. The February reading narrowly beats March 2021 as the toughest month to date for shippers. March 2022 is expected to be much lower still as some rate relief will not nearly offset a surge in diesel prices. Per FTR, "Uncertainty abounds going forward as the war in Ukraine rages, supply chains remain disrupted in China and elsewhere, and fuel prices are likely to remain high. This will put significant downward pressure on the index in March and many of those pressures add downward risk to the index through the balance of the year. There is the potential that a slowing economy improves conditions later in the year, but it is far too early to predict that with any certainty."

Source: *FTR Transportation Intelligence* (Figures below zero indicate a less-than-ideal environment for shippers)

North American Transborder Freight

For February 2022 freight shipped across the U.S. borders with Canada and Mexico by all modes of transportation **was valued at \$112.5 billion in February 2022, down 1.1% from January 2022** but up 17.3% from February 2021 and up 17.2% from pre-pandemic February 2020. Freight between the U.S. and Canada totaled \$56.2 billion in February 2022, up 18.6% from February 2021. Freight between the U.S. and Mexico totaled \$56.3 billion, up 16% from February 2021. Trucks moved \$69.2 billion of freight, up 16.3% compared to February 2021 and railways moved \$15.3 billion of freight, up 19.0% from February 2021.

Source: *U.S. Bureau of Transportation Statistics*

Multimodal News Clip

Some of the country's largest fleets are growing their intermodal partnerships and working to improve efficiency, but not soon enough to deal with current intermodal congestion. Freight carriers of all kinds have had their work cut out for them since COVID-19 upended supply and demand. Yet rail and trucking companies are coming together to find efficiencies, increase capacity and get freight moving. One railroad has rolled out a pilot program to incentivize truck drivers to chuck away at the congestion faster.

Source: *TruckingInfo*; [link to article](#)

RAIL:

U.S. Freight Rail Traffic

U.S. railroads **originated 1,169,546 carloads in March 2022, up 1.2%**, or 13,456 carloads, from March 2021. U.S. railroads also **originated 1,338,138 containers and trailers in March 2022, down 6.4%**, or 92,170 units, from the same month last year. Combined U.S. carload and intermodal originations in March 2022 were 2,507,684, down 3%, or 78,714 carloads and intermodal units from March 2021. According to the Association of American Railroads, “March was another mixed month for U.S. rail volumes. It was the best month ever for carloads of chemicals while carloads of crushed stone and sand, food products, lumber and motor vehicles were higher than they’ve been in months. On the other hand, carloads of grain, petroleum products and paper products, among others, were down in March. These conflicting trends reflect an economy with a good deal of directional uncertainty.”

Source: Association of American Railroads (Report includes rail car-loadings by 20 different major commodity categories)

Railroad Fuel Price Index

The index of average railroad fuel prices for **March 2022 was 700.5, a 23.7% jump** from the previous month and **a 76.5% increase over March 2021.**

Source: Association of American Railroads (Average monthly price for gallons purchased by freight railroads; Includes federal excise taxes, transportation, and handling expenses)

Class 1 Railroad Employment

Total railroad employment for March 2022 **was 114,592 workers, an increase from 113,822 workers in February 2022.**

Source: U.S. Surface Transportation Board

Railroad News Clip

The Surface Transportation Board (STB), an independent adjudicatory and economic-regulatory agency charged by Congress with resolving railroad rate and service disputes and reviewing proposed railroad mergers, signed off on the revised merger application filed by Jacksonville-based Class I railroad carrier CSX Transportation Inc. to acquire control of North Billerica, Mass.-based short-line railroad carrier Pan Am System Inc. and its short-line railroad subsidiaries. In its decision, the STB said that it found that CSX’s control of Pan Am and subsequent merger of six of Pan Am’s subsidiary railroads into CSX would not likely cause a substantial lessening of competition or create a monopoly or restraint of trade. STB added that it found that any anticompetitive effects that might be caused by the transaction—in the unlikely event they were to occur—would be outweighed by the public interest in meeting significant transportation needs.

Source: Logistics Management; [link to article](#)

TRUCKING:

Truckload Linehaul Index

This index rose **14.2% year-over-year in March 2022 to 163.4** after rising 12.7% year-over-year in February to 158.0. The combination of inflation, Fed monetary tightening, war in Europe, and a substitution back to services from goods are shifting the freight cycle from the early stage to the late stage. The recovery in labor capacity is again a key feature, though equipment production remains constrained and marginal capacity entering the market by paying nearly new truck prices for three-year-old used trucks will have a high cost base and difficulty competing at lower spot rates. Supply shortages may still tighten the truckload sector, depending particularly on neon, and will continue to have a big impact on the direction of the U.S. freight cycle.

Source: Cass Information Systems (this index is an indicator of market fluctuations in per-mile dry van truckload pricing in the U.S. and does not include other components like fuel and accessorials. Provides trends in baseline truckload prices)

Truck Tonnage Index

American Trucking Associations’ advanced estimates of the For-Hire Truck Tonnage Index **increased 2.4% in March 2022 after rising 0.7% in February.** In March, the index equaled 118.8 versus 116.1 in February. According to ATA, “February’s data is dominated by contract freight with minimal amounts of spot market loads. Contract freight was solid in March, witnessing the largest sequential gain since May 2020. March was also the eighth straight month-to-month improvement, with a total increase of 7.4% over that period.”

Source: American Trucking Associations (Note: ATA recently revised the seasonally adjusted index to 2015 = 100)

Truckload Freight, Van

The national van load-to-truck ratio for **March 2022 was 4.57, a 37.6% decrease** from the previous month. **Georgia’s load-to-truck ratio for vans lowered** to an average reading of 2.6 – 5.4. The March 2022 **spot market for dry van freight saw a decrease to \$3.02**, down from \$3.09 for the month of February.

Source: DAT Freight & Analytics

Truckload Freight, Refrigerated

For March 2022, the national load-to-truck ratio for refrigerated hauls **dropped to 8.39 loads per truck, a 38.9% decrease. This follows last month’s 32.7% decline** from January to February. Georgia’s ratio remained steady at an average of 5.6 - 11.9 reefer loads per truck. The national spot market reefer rate for March 2022 was **\$3.40 per mile, falling a little over a dime since February 2022.**

Source: DAT Freight & Analytics

LOGISTICS MARKET SNAPSHOT

Trucking Conditions Index

Despite a sizeable increase in fuel costs, freight rates were strong and freight demand improved. The TCI **strengthened marginally in February 2022, increasing to 12.06 from January's reading of 11.46**. The truck freight market has entered the inevitable period where conditions for carriers are transitioning from uniformly strong to those that will be more variable from month to month and from segment to segment. Uncertainty is high on both the demand and supply sides. The record surge in diesel prices during March almost certainly will send the TCI measure into negative territory for the first time since May 2020 once that data is finalized. It is premature to declare doom and gloom for carriers or major relief for shippers, but both should be weighing threats and opportunities.

Source: *FTR Transportation Intelligence* (Figures below zero indicate a less-than-ideal environment for trucking)

Diesel Prices

As of April 25, 2022, the **U.S. average diesel price was \$5.16 per gallon**. This is \$2.03 higher than the same week last year. The average price of diesel in the **Lower Atlantic states was \$5.08 per gallon**, \$2.10 higher than the same week last year.

Source: *U.S. Energy Information Administration* (Reflects the costs and profits of the entire production and distribution chain)

Trucking Employment

March 2022 numbers (preliminary) for the trucking industry **decreased to 1,550,800 employees** down from 1,555,700 employees for February 2022 (revised).

Source: *U.S. Bureau of Labor Statistics*

Trucking Earnings & Hours

For February 2022, the average earnings (preliminary) for occupations commonly found in truck transportation **were 28.5/hour, a \$0.39 increase** from the previous month (revised). February showed **average weekly hours totaling 40.8**.

Source: *U.S. Bureau of Labor Statistics*

U.S. Truck & Trailer Orders (Class 8)

North American Class 8 net orders for March (preliminary) stayed within the tight range of the past several months, **coming in at 21,500 units, a 3.0% increase over last month and 47% decrease year-over-year**. Orders have varied less than 400 units a month for 2022, with March activity close to the average of 21,300 for the previous seven months. Class 8 orders have totaled 300,000 units over the last twelve months. According to FTR, "OEMs are content to book orders a month at a time, just under current production rates, and keep total backlogs in check. Demand for new trucks remains robust but production has been significantly restricted by shortages of semiconductors and other components. Labor shortages at the OEMs and suppliers also remain an issue. The March order total reflects a market frozen in place. OEMs are evaluating the business environment monthly and only entering enough orders to fill in about a month's worth of production in the schedule. March's number indicates that production levels stayed flat. This trend began seven months ago and has not varied much. Once supply chain issues improve, OEMs will be able to substantially increase orders."

Source: *FTR Transportation Intelligence*

Trucking News Clip

Proposed legislation in Congress would create tax credits for truck drivers in an effort to retain current drivers and entice new recruits amid widespread labor challenges in the industry. The proposal would create two refundable tax credits — one of up to \$10,000 for new drivers or apprentices, and one of up to \$7,500 for drivers with a valid Class A commercial drivers license who drive at least 1,900 hours in a year. Both credits would last through 2023. The American Trucking Associations and American Loggers Council endorsed the driver tax credit bill, which Chris Spear, ATA president and CEO, said would attract drivers into the field by "providing substantial tax credits to reduce their federal tax liabilities." The measure, called the Strengthening Supply Chains Through Truck Driver Incentives Act, has been assigned to the House Ways and Means Committee and has not yet been scheduled for a vote as of Tuesday afternoon.

Source: *Transport Dive*; [link to article](#)

AIR FREIGHT:

Air Cargo Traffic

Industry-wide cargo tonne-kilometers (CTKs) **increased by 2.9% year-on-year in February**. Accounting for the usual volatility surrounding the Chinese New Year and taking January and February together, CTKs were 2.7% above the same period in 2021. While below the growth rates seen in late 2021, cargo traffic is still growing despite the most challenging backdrop. Lockdowns and factory closures in Asia, sanctions related to the war, and shortages of crucial inputs are driving prices higher, and economic activity and trade lower. March therefore is likely to be a challenging month for air cargo.

Source: *International Air Transport Association* (Global air freight covers international and domestic scheduled air traffic.)

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Jet Fuel Prices

As of April 22, 2022, the global average jet fuel price was **\$152.79/bbl**, a decline of **5.5% month-over-month**, and 118.5% higher than the same time a year ago.

Source: International Air Transport Association (the weekly index and price data shows the global average price paid at the refinery for aviation jet fuel)

Air Freight News Clip

Maersk is launching a branded air cargo company as its main air freight offering as the company seeks to continue to its drive becoming an integrated logistics provider. The new Maersk Air Cargo will consolidate the company's existing in-house aircraft operator, Star Air, with the goal of using the company's owned and chartered airplanes to transport approximately one-third of Maersk's annual air tonnage. Expected to be fully operational by the second half of 2022, Maersk Air Cargo will progressively deploy and operate a controlled capacity of five aircraft – two new B777F and three leased B767-300 cargo aircraft. Three new B767-300 freighters will also be added to the U.S.-China operation, which will be initially handled by a third-party operator. The new aircrafts are expected to become operational between 2022 and 2024.

Source: Maritime Executive; [link to article](#)

OCEAN FREIGHT:

Shanghai Containerized Freight Index

As of April 23, 2022, the SCFI comprehensive reading was **\$ 4,195.98 per FEU**.

Source: Shanghai Shipping Exchange (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.)

Georgia Ports Authority

The Georgia Ports Authority has ordered 7 Ship-to-Shore (STS) cranes and 15 Rubber-Tired Gantry (RTG) cranes from Konecranes. The order is Konecranes' second largest order ever and it was booked in Q1 2022. The RTG cranes will be delivered by August 2023, and the STS cranes will be delivered by mid-2025.

Source: American Journal of Transportation

Ocean Freight News Clip

States-bound retail container imports are starting to get caught up to the months-long run stretch of backlogs, while the possibility of a summer surge looms, according to the most recent edition of the Port Tracker report, issued today by the National Retail Federation (NRF) and maritime consultancy Hackett Associates. Authors of the report explained that cargo import numbers do not correlate directly with retail sales or employment because they count only the number of cargo containers brought into the country, not the value of the merchandise inside them, adding that the amount of merchandise imported provides a rough barometer of retailers' expectations.

Source: Logistics Management; [link to article](#)

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The U.S. industrial vacancy rate—**already at an all-time low**—declined further to **3.3% at the end of Q1 2022**. This is the fourth straight quarter in which a new record low for vacancy was achieved, surpassing last quarter's 3.5%. The vacancy rate is now 260 bps below the 10-year historical average of 5.9% with every region in the U.S. reporting sub-4% vacancy for the first time ever.

Savannah continues to be one of the tightest U.S. markets, with a reported vacancy rate of 0.5%, compared to 3.5% during the same period last year. **Atlanta reports a vacancy rate of 3.2%** for Q1 2022, compared to 5.0% in Q1 2021.

Source: Cushman & Wakefield

Warehouse Rent Rates

The on-going tight market conditions and aggressive competition for space saw another quarter of rent growth in Q1 2022, increasing 15.2% year-over-year. **At \$7.89 per square foot (psf), Q1 2022 is fast approaching the \$8 psf mark for the first time in U.S. history**. Warehouse/distribution rents rose 15.7% during the same period to \$7.24 psf. This is the first time that overall net asking rents for warehouse/ distribution space surpassed the \$7 psf mark. **The average asking rent in Savannah** rose to \$5.88 psf in Q1 2022, up from \$5.56 the previous quarter. **For Atlanta, the average rate for Q1 2022 jumped** nearly a half dollar to \$6.71, up from \$6.29 psf (revised) in Q4 2021.

Source: Cushman & Wakefield

LOGISTICS MARKET SNAPSHOT

Industrial Absorption

The U.S. industrial market started off the year strong with demand outpacing supply for the sixth consecutive quarter. Though the first quarter of the year is traditionally slower, **the market absorbed over 108.7 million square feet (msf) in Q1 2022—up 7.8% over the 100.8 msf reported Q1 2021.** Of the 81 industrial markets tracked, 31 markets had more than 1.0 msf of positive net absorption and six markets posted over 5.0 msf of positive absorption in the first quarter alone. **New leasing activity surpassed 200 msf for the sixth quarter in a row as well.** (Prior to the last six quarters, 200 msf of leasing activity in a single quarter had never been achieved.) Such figures could put the market on pace to see another year of new leasing activity surpassing 700 msf which happened for the first time ever in 2020. Nearly half of the U.S. markets tracked—39 out of 81—posted year-over-year increases in new leasing activity.

Source: Cushman & Wakefield (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

Preliminary numbers for the warehousing industry workforce **rose to 1,764,7000 employees for March 2022**, an increase from 1,760,4000 from the previous month (preliminary).

Source: U.S. Bureau of Labor Statistics

Warehouse Earnings & Hours

February 2022 average hourly earnings in the warehousing and storage subsector **were at \$22.85/hour.** The **average weekly hours were 38.6** for February 2022.

Source: U.S. Bureau of Labor Statistics

Warehouse & Distribution News Clip

Capable of handling complex warehouse tasks on their own, AI-powered robots are beginning to permeate the space. Hundreds of businesses unveiled the latest in warehouse robotics and automation at last month's MODEX conference in Atlanta, a trade show where companies demonstrated robots that could pick, pack, sort, and everything in between. Walking around the convention center, a warehouse operator interested in deploying robots would have been spoiled for choice. But therein lies the problem: With such a wide range of warehouse robots available on the market today, how can operators pick the right one?

Source: Modern Shipper; [link to article](#)

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