

LOGISTICS MARKET SNAPSHOT

U.S. MARKET:

Gross Domestic Product Real GDP increased at an annual rate of **7.0% in the fourth quarter of 2021** according to the "second" estimate released by the BEA. In the third quarter, real GDP increased 2.3%. The acceleration in real GDP primarily reflected upturns in exports and residential investment, and accelerations in private inventory investment and consumer spending, that were partly offset by a downturn in state and local government spending; Imports also accelerated.
Source: Bureau of Economic Analysis

U.S. Trade Deficit The goods and services deficit was **\$80.7 billion for December 2021, up \$1.4 billion from \$79.3 billion in November 2021**. The December increase in the goods and services deficit reflected an increase in the goods deficit of \$3.2 billion to \$101.4 billion and an increase in the services surplus of \$1.8 billion to \$20.7 billion.
Source: Bureau of Economic Analysis

Import Volumes December 2021 imports of goods and services were **\$308.9 billion, a 1.6% increase from the previous month and were the highest on record**. December imports of capital goods (\$67.7 billion) were the highest on record. December imports of consumer goods (\$71.9 billion) were the highest on record.
Source: U.S. Census Bureau

Export Volumes Totals for November 2021 exports of goods and services were **\$224.2 billion, a 0.2% increase from October**. November exports of foods, feeds, and beverages (\$14.8 billion) were the highest on record. December exports of consumer goods (\$21.9 billion) were the highest on record. December exports to Netherlands (\$5.1 billion) were the highest on record.
Source: U.S. Census Bureau

Import & Export Price Index Prices for **U.S. imports advanced 2.0% in January** following a 0.4% drop in December 2021. Higher fuel and nonfuel prices in January contributed to the overall increase in import prices. **U.S. export prices rose 2.9% in January**, after declining 1.6% in December 2021.

Unemployment Rate Total nonfarm payroll employment **rose by 467,000 in January 2022**, and the **unemployment rate was little changed at 4.0%**. Employment growth continued in leisure and hospitality, in professional and business services, in retail trade, and in transportation and warehousing. The unemployment rate in **Georgia was 2.6% for December 2021**. The state of Georgia is currently tied with New Hampshire and South Dakota, ranking 7th in the U.S. of states with lowest unemployment.
Source: Bureau of Labor Statistics

Labor Force Participation Rate The labor force participation rate **increased to 62.2% for January 2021**. The labor force participation rate for those of **prime working age (25-54) rose to 82.0%** for January 2021.
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 LEI for the United States decreased by 0.3% in January 2022 to 119.6, following a 0.7% increase in December 2021 and a 0.8% increase in November. According to The Conference Board, "The U.S. LEI posted a small decline in January, as the Omicron wave, rising prices, and supply chain disruptions took their toll. Initial claims for unemployment insurance, consumers' outlook and declines in stock prices, and the average work week in manufacturing all contributed to the decline—the first since February 2021. Despite this month's decline and a deceleration in the LEI's six-month growth rate, widespread strengths among the leading indicators still point to continued, albeit slower, economic growth into the spring."
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 **January 2022 PHSA fell 5.7% to 109.5**. Year-over-year, transactions decreased 9.5%. This continues what is now a three-month drop in transactions, with only the West registering an increase in month-over-month contract activity out of the four major U.S. regions. According to the National Association of Realtors, "With inventory at an all-time low, buyers are still having a difficult time finding a home. Alongside persistent supply constraints, house hunters are contending with a number of additional market issues, including escalating home prices and rising interest rates."
Source: National Association of Realtors

Housing Starts Privately-owned housing starts in January 2022 were at a seasonally adjusted annual rate of **1,638,000. This is 4.1% below the revised December estimate of 1,708,000, but is 0.8% above the January 2021 rate of 1,625,000**. Single-family housing starts in January were at a rate of 1,116,000; this is 5.6% below the revised December figure of 1,182,000. The January rate for units in buildings with five units or more was 510,000.
Source: U.S. Census Bureau

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Light Vehicle Sales

December 2021's new light-vehicle sales totaled 12.44 million units, down 23.7% from December 2020. Since the summer, light-vehicle sales have been held back by limited inventory caused primarily by the ongoing global semiconductor microchip shortage's impact on new-vehicle production. Dealers sold most of their inventory soon after it reached their lots in December. **The average number of days a new vehicle sat on the lot fell to a record-low 17 days, down from 49 days a year ago.** Light-vehicle inventory improved slightly during December 2021. At the end of December inventory on the ground totaled 1.12 million units, up 7.4% compared to the end of November 2021 but down by 59.1% compared to December 2020.

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 \$9.0 billion** (less than 0.1%) in January 2022. Disposable personal income **increased \$19.8 billion** (0.1%) and personal consumption expenditures **increased \$337.2 billion** (2.1%).

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

Advanced estimates of U.S. retail and food services sales for **January 2022 were \$649.8 billion, an increase of 3.8% from the previous month,** and 13.0% above January 2021. Total sales for the November 2021 through January 2022 period were up 16.1% from the same period a year ago. The November 2021 to December 2021 percent change was revised from down 1.9% to down 2.5%.

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.**

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 for **February 2022 stands at 110.5, down from 111.1 in January.** According to The Conference Board, "Concerns about inflation rose again in February, after posting back-to-back declines. Despite this reversal, consumers remain relatively confident about short-term growth prospects. While they do not expect the economy to pick up steam in the near future, they also do not foresee conditions worsening. Nevertheless, confidence and consumer spending will continue to face headwinds from rising prices in the coming months."

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 0.6% for January 2022,** repeating the 0.6% increase from December 2021. The **Producer Price Index increased 1.0% in January 2022,** following a 0.4% advance in December 2021.

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)

Small Business Optimism Index

The January 2022 index **decreased slightly in to 97.1, down 1.8 points from December 2021.** According to NFIB, "Inflation remains a problem for small businesses as 22% of owners reported that inflation was their single most important business problem, unchanged from December when it reached the highest level since 1981. The net percent of owners raising average selling prices increased four points to a net 61%, the highest reading since the fourth quarter of 1974. More small business owners started the New Year raising prices in an attempt to pass on higher inventory, supplies, and labor costs. In addition to inflation issues, owners are also raising compensation at record high rates to attract qualified employees to their open positions."

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. Base year 1986=100)

Industrial Production & Capacity Utilization

Total industrial production **increased 1.4% in January 2022.** Manufacturing output and mining production rose 0.2% and 1.0%, respectively. At 103.5% of its 2017 average, total industrial production in January was 4.1 percent higher than its year-earlier level and 2.1% above its pre-pandemic (February 2020) reading. Capacity utilization for the industrial sector **increased 1.0 percentage point in January to 77.6%,** a rate that is 1.9 percentage points below its long-run average.

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)

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Manufacturing & Trade Sales

The combined value of distributive trade sales and manufacturers' shipments for **December 2021 was estimated at \$1,717.2 billion, down 0.7% from November 2021**, but was up 15.9% from December 2020. The total business inventories/sales ratio at the end of December was 1.29. The December 2020 ratio was 1.35.

Source: U.S. Census Bureau

Manufacturing & Trade Inventory

Manufacturers' and trade inventories for December 2021 were estimated at an **end-of-month level of \$2,206.7 billion, up 2.1% from November 2021 and up 10.5% from December 2020**.

Source: U.S. Census Bureau

Purchasing Managers Index, Manufacturing

The January Manufacturing PMI registered 57.6%, a decrease of 1.2 percentage points from the December reading of 58.8%. This figure indicates expansion in the overall economy for the 20th month in a row after a contraction in April and May 2020. According to the Institute of Supply Management, "The U.S. manufacturing sector remains in a demand-driven, supply chain-constrained environment, but January was the third straight month with indications of improvements in labor resources and supplier delivery performance. Still, there were shortages of critical intermediate materials, difficulties in transporting products and lack of direct labor on factory floors due to the COVID-19 omicron variant. Quits rate and early retirements hinder reliable consumption".

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

For January 2022, economic activity in the **services sector grew for the 20th month in a row with a PMI reading of 59.9%**. This is 2.4 percentage points below December's reading of 62.3%. According to the Institute of Supply Management, "Although there was a pullback for most of the subindexes in January, the rate of growth remains strong for the services sector, which has expanded for all but two of the last 144 months. Respondents continue to be impacted by coronavirus pandemic-related supply chain issues, including capacity constraints, demand-pull inflation, logistical challenges and labor shortages. Moreover, the COVID-19 omicron variant has disrupted operations, especially through reduced staffing levels. Despite these impediments, business activity and economic growth continue."

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

January's reading of 71.9 is up from the December 2021 reading of 70.1. The marks a full year of growth rates above 70.0 – classifying as significant expansion. Only two months of the last 17 saw sub-70.0 growth -- December 2020 and January 2021, with January's numbers largely a function of the seasonal wind-down of inventories. December saw relatively high inventories upstream, speculating that we may be seeing significant inventory that was ordered for the holiday season continue to flow through supply chains even after Q4 was over. Excess inventory in the system is eating up more capacity and causing costs to increase further. Essentially, low capacity and high costs led to higher levels of inventory, and now higher inventory is leading to even less capacity and higher costs. The result of this is that the high levels of inventory of durable goods in the supply chain is eating up capacity, and preventing high-turn inventories from moving as quickly as they need to which explains why some firms (i.e. apparel) are weighed down with inventory, and others such as grocery stores are facing shortages.

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.)

U.S. Market News Clip

Although companies across industries have raised prices to offset higher costs of labor, transportation and raw materials, federal regulators are now looking to root out those that "seek to use supply chain disruptions as a cover for collusive schemes," according to the DOJ statement. State and federal governments have targeted price gouging during the pandemic before, but they've largely targeted health care sectors or industries raising prices on hand sanitizers, personal protective equipment and other products meant to reduce transmission of the coronavirus. Recently, the U.S. Department of Justice unveiled an initiative to identify and prosecute companies that exploit supply chain disruptions for profit.

Source: Supply Chain Dive; [link to article](#)

MULTIMODAL:

Dow Jones Transportation Index

As of February 25, 2022, the Dow Jones Transportation Average Index **closed at a reading of 15,207.21**.

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.)

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NASDAQ Transportation Index

As of January 28, 2022, the NASDAQ Transportation Index **closed at a reading of 6,083.52**.
Source: Marketwatch, Inc (Averaged share weights of NASDAQ-listed companies classified as transportation companies)

Freight Transportation Services Index

The TSI **fell 0.2% in December 2021 from November, falling for the first month after three consecutive months of growth**. From pre-pandemic December 2019, the index fell 0.3%, but is up 1.0% from December 2020 compared to a decline of 1.3% from December 2019 to December 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 January 2022 CFI for shipments was at **1.078, a 10.8% drop** from December 2021. The January 2022 CFI for expenditures was at **4.027, falling 8.9% higher** from the previous month. These numbers indicate how big an impact Omicron-related absenteeism and quarantines had on the freight economy. Though U.S. freight volumes reeled in January, this was not a demand-driven decline, as inventories are still lean and consumer balance sheets strong.
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

The SCI for **December 2021 improved from the November -9.0 reading to -6.9** primarily due to a drop in fuel prices during the month. Even though lower fuel costs helped shippers in December, they will be a significant near-term negative as diesel prices surged in January. Per FTR, "The improvement in fuel prices that powered an improvement in December will not carry over into the new year and may in fact turn into a negative factor in the coming months. Tensions in Eastern Europe threaten to elevate and sustain fuel prices at high levels and add volatility to global supply chains. Each of these factors could pressure the index significantly in the months ahead."
Source: FTR Transportation Intelligence (Figures below zero indicate a less-than-ideal environment for shippers)

North American Transborder Freight

For December 2021, total transborder freight (all modes of transportation) between the United States, Canada, and Mexico **reached \$117.5 billion, up 22.0% compared to pre-pandemic December 2019** and up 21.5% compared to December 2020. Freight between the U.S. and Mexico totaled \$57.0 billion, up 15.8% from December 2020. Freight between the U.S. and Canada totaled \$60.6 billion, up 27.4% from December 2020. **Railways moved \$16.3 billion of freight**, up 13.2% from December 2019 and 15.5% from December 2020. **Trucks moved \$69.8 billion of freight**, up 22.0% from December 2019 and up 15.3% from December 2020.
Source: U.S. Bureau of Transportation Statistics

Multimodal News Clip

The extremely consolidated container manufacturing industry in China built more containers than ever before in 2021: 7.18 million twenty-foot equivalent units, up 130% from 2020 and 62% from the previous record year in 2018. Record container production coincided with a record surge in prices, underscoring the sheer intensity of demand as supply chains buckled. Factories were getting close to \$4,000 per TEU for newly built containers at the peak, double the historical norm. But now, both the factory output and the price of new containers are pulling back.
Source: American Shipper; [link to article](#)

RAIL:

U.S. Freight Rail Traffic

U.S. railroads originated 902,265 carloads in January 2022, down 3%, or 27,861 carloads, from January 2021. U.S. railroads originated 1,001,443 containers and trailers in January 2022, down 14.6%, or 171,796 units, from the same month last year. Combined U.S. carload and intermodal originations in January 2022 were 1,903,708, down 9.5% or 199,657 carloads and intermodal units from January 2021.
According to the Association of American Railroads, "January 2021 was the best January for grain since 1990, and was also, at the time, the highest volume month ever for intermodal. Conversely, and more optimistically, this year's January was the highest volume month ever for rail carloads of chemicals, providing a strong base for future growth in a critical commodity."
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 January 2022 was 505.6, a **9% increase** from the previous month and a **58.8% increase over January 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 December 2021 **increased 0.48% to 114,499 workers**.
Source: U.S. Surface Transportation Board

LOGISTICS MARKET SNAPSHOT

Railroad News Clip

Norfolk Southern's Inman Yard intermodal facility in Northwest Atlanta has begun replacing the diesel-powered cranes used at its rail facilities with ones that operate mostly on electricity. Workers are preparing three new 60-foot tall hybrid cranes, which are made by the manufacturer Konecranes. They're expected to be in service soon. Josh Raglin, Norfolk-Southern's chief sustainability officer, says not only will the new cranes be quieter and reduce greenhouse gas emissions – they'll actually store up energy as shipping containers are lowered. The company first introduced a handful of hybrid cranes in Chicago last year. It plans to upgrade its entire fleet of cranes to either hybrid or electric-only in the next decade.

Source: WABE; [link to article](#)

TRUCKING:

Truckload Linehaul Index

The TLI for January 2022 **rose 2.2 points to 150.2 from 148.0** in December 2021, up 1.5% month-over-month and up 7.2% year-over-year – this is slower than the 8.0% increase in December. Strong freight demand and tight capacity are continuing to press this index higher. As intermodal network congestion gradually eases over the course of 2022, a reversal to shorter length of haul will likely add upward pressure to this index above and beyond market rate increases.

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 accessories. Provides trends in baseline truckload prices)

Truck Tonnage Index

American Trucking Associations' For-Hire Truck Tonnage Index **rose 0.6% in January after a 0.9% increase in December 2021**. In January, the index equaled 115.5 compared with 114.9 in December. According to ATA, "January's gain was the sixth straight month totaling 4.4%. In January, truck tonnage was helped by rising retail sales and factory output. While housing starts fell last month, which is another important driver of truck tonnage, it remained at high levels."

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 **January 2022 was 6.54, a stunning 43.5% jump** from December 2021. **Georgia's load-to-truck ratio for vans remains elevated at a reading of 5.5+**. The spot market for dry van freight **increased 10 cents to \$3.10** for the month of January.

Source: DAT Freight & Analytics

Truckload Freight, Refrigerated

For January 2022, the national load-to-truck ratio for refrigerated loads was **20.43 loads per truck, a staggering 45.7% jump** from the previous month. **Georgia's ratio remained high at an average of 12+ reefer loads per truck**. The national spot market reefer rate for January was **\$3.59 per mile, up about a dime from December 2021**.

Source: DAT Freight & Analytics

Trucking Conditions Index

The TCI for December 2021 **rose to 14.45, improving from 10.0 in November**. The December index reading is the highest since May 2021. The all-time high was 16.8 in April 2021. Falling diesel prices and greater freight volume were principally responsible for the improvement, but strong freight rates remain the bedrock of robust market conditions for trucking companies.

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

Diesel Prices

As of February 21, 2022, the **U.S. average diesel price was \$4.05 per gallon**. This is \$1.08 higher than the same week last year. The average price of diesel in the **Lower Atlantic states was \$4.01 per gallon**, \$1.09 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

January 2021 numbers for the trucking industry **jumped to 1,549,200 employees**, up from 1,541,700 employees for December 2021.

Source: U.S. Bureau of Labor Statistics

Trucking Earnings & Hours

For December 2021, the average earnings for occupations commonly found in truck transportation **were \$27.82/hour**, a 16-cent increase from the previous month. December showed **average weekly hours totaling 41.5**.

Source: U.S. Bureau of Labor Statistics

LOGISTICS MARKET SNAPSHOT

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

North American Class 8 net orders **remained steady in January 2022 at 21,400 units, down 8% month-over-month** and 50% year-over-year. As a group, OEMs continue to match order rates to build rates as they manage backlogs monthly. There is still tremendous demand for new trucks. The order totals for the last twelve months, at 343,000 units, would equate to a robust production year. The orders are there but the OEMs continue to be limited in what they can produce due to shortages of semiconductors and other components. OEMs are not confident they can get parts, so they limit the number of orders they enter. Order totals will rise as soon as supply chain conditions improve.”

Source: *FTR Transportation Intelligence*

Trucking News Clip

Transportation capacity has been largely taken for granted over the past two decades, with new data suggesting that shippers were violently underpaying for transportation costs prior to the pandemic in regard to the value of service provided. This space has been largely oversupplied for most of this period of time due to low barriers to entry, and the relative ease of entrants has effectively spoiled many companies into thinking they will need to devote little resources to managing this extremely crucial function. Since January of 2019, freight transportation costs have grown 28% compared to the general Producer Price Index growth of 23%, suggesting that transportation is of equal or greater importance than most other inputs, including the raw materials themselves.

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

AIR FREIGHT:

Air Cargo Traffic

Growth in industry-wide cargo tonne-kilometres (CTKs) **rebounded in December 2021 to 8.9% above December 2019, up from 3.9% from November 2021**. In 2021 overall, air cargo volumes rose by 18.7% year-over-year, the second-best yearly performance since the series started in 1990. Air cargo has been driven by a balance between robust demand for goods – including PPE at the end of the year – and supply chain issues partly linked to a lack of capacity. CTKs growth markedly overperformed growth in global goods trade (by 8.9 percentage points), partly due to the inventory restocking cycle.

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

Jet Fuel Prices

As of February 25, 2022, the global average jet fuel price **was \$111.13/bbl, up 5.1% from the previous month**, and 58.8% 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

Freight forwarder Flexport has signed a multiyear contract for dedicated transport with Eastern Air, a new entrant that intends to deploy light-duty 777 freighters focused on e-commerce shipments with a quick-to-market, low-cost strategy to fill a persistent gap for available airlift. Privately held Eastern Air Holdings has purchased 35 Boeing 777 passenger jets and is retrofitting them itself by removing the seats, bins and galleys — work that is usually outsourced to third-party specialists. U.S. e-commerce sales are estimated to grow 16% in 2022, topping \$1 trillion for the first time and two years ahead of earlier forecasts. Worldwide online sales are projected to hit \$6 trillion in 2024.

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

OCEAN FREIGHT:

Shanghai Containerized Freight Index

As of 2/25/2022, the SCFI comprehensive reading was **\$ 4,818.47 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 Port of Savannah **handled a record 479,700 twenty-foot equivalent container units of cargo in January 2022**, an increase of 4% over the same month a year ago, a month in which cargo volumes had expanded by 22 percent. The Port of Savannah has now set monthly records for the past 18 months. GPA has now arranged a fifth pop-up container yard to grow its capabilities further. The Port of Savannah is now loading import containers for delivery to the 330-acre CCX Yard in Rocky Mount, N.C., which is owned and operated by CSX.

Source: *Georgia Ports Authority*

Ocean Freight News Clip

Leaders from across the coastal empire joined with military officials and their families to mark the commissioning of one of the US Navy’s newest entry to service. The USS Savannah was commissioned in Brunswick, GA and is the sixth navy vessel to bear the name Savannah. Although the ship that shares its name with The Hostess City was commissioned in Brunswick, its home port will be across the country in San Diego, CA.

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

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WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The U.S. industrial vacancy rate **fell to 3.7% at the end of Q4 2021—an all-time record low**. The vacancy rate is now 220 bps below the 10-year historical average of 5.9%. **Savannah continues to be one of the tightest U.S. markets**, with a reported vacancy rate of 0.5%, compared to 3.7% in Q4 2020.

Note: Next release for Q1 2022 – U.S. National Industrial Vacancy, will be published Monday, April 7, 2022.

Source: Cushman & Wakefield

Warehouse Rent Rates

Aggressive competition for space further pressured rents in Q4 2021, **increasing 9.5% year-over-year to \$7.39 per square foot (psf)**. Warehouse/distribution rents rose 6.6% during the same period to \$6.63 psf. Rent growth has been consistently accelerating each quarter in 2021, indicating strong momentum going into 2022. The average asking rent **in Savannah rose about a quarter to \$5.56 psf in Q4 2021. For Atlanta the average rate jumped over a half dollar to \$6.40 psf** during the same period.

Note: Next release for Q1 2022 - U.S. National Asking Rents, will be published Monday, April 7, 2022.

Source: Cushman & Wakefield

Industrial Absorption

The U.S. industrial market ended 2021 with record-setting demand, outpacing supply for the fourth quarter in a row. **The market absorbed 145.2 million square feet (msf) in Q4 2021—the second highest amount of space absorbed reported in a single quarter**. On a year-over-year basis, Q4 2021 registered a 47.9% increase above the 99.7 msf absorbed in Q4 2020. This brought 2021's absorption total to 532.6 msf, the most absorption recorded in a single year since record-keeping began in 1995 and the first-time net demand surpassed 400 msf—up 86% over the 286.4 msf reported in 2020.

The Atlanta market experienced a dramatic rebound in Q4, with a net absorption of 12,411,535 msf, up from 5,132,778 msf from the previous quarter. The net absorption in the fourth quarter for the Savannah market was 3,167,525 msf, decreasing from 4,699,196 msf, in Q3 2021.

Note: Next release for Q1 2022 – U.S. National Industrial Absorption, will be published Monday, April 7, 2022.

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

The nationwide warehousing industry workforce **increased to 1,728,200** employees for January 2021, an increase of 13,400 jobs from the previous month.

Source: U.S. Bureau of Labor Statistics

Warehouse Earnings & Hours

December 2021 average earnings of warehousing & storage employees across the U.S. increased to **\$21.49/hour, up from 21.35/hour** (revised) the previous month. The **average weekly hours fell to 38.7** for December 2021.

Source: U.S. Bureau of Labor Statistics

Warehouse & Distribution News Clip

Consumer spending in the U.S. has been on the upswing since March 2021, driving record-setting inventory movements through warehouses and distribution centers (DC). Billions of dollars of goods must be properly processed, stored, and routed across multiple supply chain touchpoints. Operators are now exploring different ways to increase velocity of both inbound and outbound logistics while testing new methods for inventory management. Recent consensus suggests that automation is the best way to make the efficiency gains required to match consumers' spending tempo – even among small and medium-sized businesses (SMBs). Nearly 6-in-10 SMB warehouse operators Zebra recently surveyed say automation is top of mind and expressed a strong desire to gain real-time visibility over product flow.

Source: DC Velocity; [link to article](#)

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