

# LOGISTICS MARKET SNAPSHOT

## U.S. MARKET:

<b>Gross Domestic Product</b>	<p>Real GDP increased at an annual rate of <b>6.9% in the fourth quarter of 2021</b> according to the "third" estimate released by the BEA. In the third quarter, real GDP increased 2.3%. The "third" estimate of GDP is based on more complete source data than were available for the "second" estimate issued last month. The downward revision primarily reflected downward revisions to personal consumption expenditures and exports that were partly offset by an upward revision to private inventory investment. <i>Source: Bureau of Economic Analysis</i></p>
<b>U.S. Trade Deficit</b>	<p>The goods and services deficit was <b>\$89.7 billion in January 2022, up \$7.7 billion from \$82.0 billion in December 2021</b> (revised). The January increase in the goods and services deficit reflected an increase in the goods deficit of \$7.1 billion to \$108.9 billion and a decrease in the services surplus of \$0.6 billion to \$19.2 billion. Year-over-year, the goods and services deficit increased \$24.6 billion, or 37.7%, from January 2021. <i>Source: Bureau of Economic Analysis</i></p>
<b>Import Volumes</b>	<p>January 2022 imports were <b>\$314.1 billion, \$3.8 billion more than December imports</b>. January imports of consumer goods (\$72.6 billion) were the highest on record. January imports of foods, feeds, and beverages (\$17.1 billion) were the highest on record. <i>Source: U.S. Census Bureau</i></p>
<b>Export Volumes</b>	<p>January 2022 exports were <b>\$224.4 billion, \$3.9 billion less than December exports</b>. January exports of industrial supplies and materials (\$58.0 billion) were the highest on record. <i>Source: U.S. Census Bureau</i></p>
<b>Import &amp; Export Price Index</b>	<p><b>Import prices rose 1.4% in February</b>, after advancing 1.9% in January. Higher fuel and nonfuel prices drove the increases in both months. Prices for <b>U.S. exports advanced 3.0% in February</b> following a 2.8% rise the previous month. <i>Source: Bureau of Labor Statistics</i></p>
<b>Unemployment Rate</b>	<p>Total nonfarm payroll employment <b>rose by 678,000 in February 2022, and the unemployment rate edged down to 3.8%</b>. Job growth was widespread, led by gains in leisure and hospitality, professional and business services, health care, and construction. The unemployment rate in <b>Georgia was 3.2% for February 2021</b>. The state of Georgia is currently tied with Virginia, ranking 16<sup>th</sup> in the U.S. of states with lowest unemployment. <i>Source: Bureau of Labor Statistics</i></p>
<b>Labor Force Participation Rate</b>	<p>The labor force participation rate had a <b>slight bump to 62.3% for February 2022</b>. The labor force participation rate for those of <b>prime working age (25-54) rose to 82.2%</b> for February 2022. <i>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)</i></p>
<b>Leading Economic Index</b>	<p>The LEI for the U.S. <b>increased by 0.3% in February to 119.9, following a 0.5% decrease in January and a 0.8% increase in December</b>. According to The Conference Board, "The US LEI rose slightly in February, partially reversing January's decline. The latest results do not reflect the full impact of the Russian invasion of Ukraine, which could lower the trajectory for the US LEI and signal slower-than-anticipated economic growth in the first half of the year. The global economic impact of the war on supply chains and soaring energy, food, and metals prices—coupled with rising interest rates, existing labor shortages, and high inflation—all pose headwinds to US economic growth." <i>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)</i></p>
<b>Pending Home Sales Index</b>	<p><b>February 2022 PHSI decreased 4.1% to 104.9</b>. Year-over-year, transactions dropped 5.4%. According to the National Association of Realtors, "Pending transactions diminished in February mainly due to the low number of homes for sale, but it's as simple as 'one cannot buy what is not for sale.'" <i>Source: National Association of Realtors</i></p>
<b>Housing Starts</b>	<p>Privately-owned housing starts in February 2022 were at a seasonally adjusted annual rate of <b>1,769,000. This is 6.8% above the revised January estimate of 1,657,000 and is 22.3% above the February 2021 rate of 1,447,000</b>. Single-family housing starts in February were at a rate of 1,215,000; this is 5.7% above the revised January figure of 1,150,000. The February rate for units in buildings with five units or more was 501,000. <i>Source: U.S. Census Bureau</i></p>

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## Light Vehicle Sales

New light-vehicle sales in **February 2022 totaled 14.1 million units, off by 6.4% from January 2022** and by 11.7% from the February 2021 of 15.9 million units. Despite this decline, Q1 2022 is tracking to be the highest since Q2 2021. New light-vehicle sales are expected to improve throughout the year but will continue to be restrained by the ongoing semiconductor microchip shortage and other supply chain-related issues. Month-end inventory data in February 2022 will show little change from the end of January.

*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 \$101.5 billion (0.5%) in February 2022**, according to BEA estimates. Disposable personal income increased \$76.1 billion (0.4%) and personal consumption expenditures increased \$34.9 billion (0.2%).

*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 **February 2022 were \$658.1 billion, an increase of 0.3% from the previous month, and 17.6% above February 2021**. Total sales for the December 2021 through February 2022 period were up 16.0% from the same period a year ago. The December 2021 to January 2022 percent change was revised from up 3.8% to up 4.9%.

*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 increased slightly in March 2022, after a decrease in February. **The Index now stands at 107.2, up from 105.7 in February**. According to The Conference Board, "Consumer confidence continues to be supported by strong employment growth and thus has been holding up remarkably well despite geopolitical uncertainties and expectations for inflation over the next 12 months reaching 7.9 percent—an all-time high. However, these headwinds are expected to persist in the short term and may potentially dampen confidence as well as cool spending further in the months ahead."

*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

**Producer Price Index for final demand increased 0.8% in February** (seasonally adjusted). This rise followed advances of 1.2% in January and 0.4% in December 2021. **The Consumer Price Index increased 0.8% for February 2022** (seasonally adjusted) after rising 0.6% 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)*

## Small Business Optimism Index

The February 2022 Index **decreased by 1.4 points to 95.7**, the second consecutive month below the 48-year average of 98. According to NFIB, "Inflation continues to be a problem on Main Street, leading more owners to raise selling prices again in February. Supply chain disruptions and labor shortages also remain problems, leading to lower earnings and sales for many."

*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 **rose 0.5% in February to a level that is 103.6% of its 2017 average**. Manufacturing output increased 1.2% after having been little changed in each of the previous two months. In February, the index for utilities declined 2.7%, and the output of mines edged up 0.1%. Preliminary numbers for capacity utilization for the industrial sector holding steady at 77.6%

*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 **January 2022, adjusted for seasonal and trading day differences but not for price changes, was estimated at \$1,784.8 billion, up 3.7% from December 2021 and was up 15.5% from January 2021**. The total business inventories/sales ratio based on seasonally adjusted data at the end of January was 1.25. The January 2021 ratio was 1.30.

*Source: U.S. Census Bureau*

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## Manufacturing & Trade Inventory

Manufacturers' and trade inventories for January 2022, adjusted for seasonal and trading day differences but not for price changes, **were estimated at an end-of-month level of \$2,237.9 billion, up 1.1% from December 2021** and were up 11.4% from January 2021.

Source: U.S. Census Bureau

## Purchasing Managers Index, Manufacturing

The February Manufacturing PMI **registered 58.6%, an increase of 1 percentage point from the January reading of 57.6%**. This figure indicates expansion in the overall economy for the 21st 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. The COVID-19 omicron variant remained an impact in February; however, there were signs of relief, with recovery expected in March. A higher-than-normal quits rate and early retirements continued."

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 February 2022, economic activity in the services sector grew for the 21st month in a row with **the Services PMI registering 56.5%, 3.4 percentage points below January's reading of 59.9%**. According to the Institute of Supply Management, "Growth continues for the services sector, which has expanded for all but two of the last 145 months. Respondents continue to be impacted by supply chain disruptions, capacity constraints, inflation, logistical challenges, and labor shortages. These conditions have affected the ability of businesses to meet demand, leading to a cooling in business activity and economic growth."

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

The **February 2022 reading of 75.2 is the second-highest in the history of the index, up 3.3 points from January's reading of 71.9**. This is now 13 consecutive months over 70.0, which would classify as significant expansion, with no obvious signs of a slowdown on the horizon. Like January, this month's growth is driven by rapid growth in Inventory Levels, which are up 9.1 points to 80.2 – crossing the 80.0 threshold for the first time and shattering the previous record of 72.6. This is a reversal from the Fall of 2021, when firms struggled to build up inventories. Now the combination of over-ordering to avoid shortages, late-arriving goods due to supply chain congestion, and a softening of consumer spending has created a logjam, with inventory levels a full 21.4 points higher than they were in November. There is a possibility that this surge in inventories will result in some price markdowns for durable goods. However, it seems unlikely that this will lead to a meaningful break in the inflation we have observed across supply chains, as Warehousing and Transportation Prices remain high due to the continued mismatch in demand and available capacity.

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

The United States has reached a deal with the United Kingdom to partially lift tariffs on steel and aluminum exports from the U.K. beginning June 1, the two countries announced Tuesday. The U.K. will be able to export a certain amount of steel and aluminum into the U.S. duty-free before tariffs take effect. In return, the U.K. will lift approximately \$500 million worth of tariffs on U.S. products such as whiskey and blue jeans.

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

## MULTIMODAL:

### Dow Jones Transportation Index

As of March 30, 2022, the Dow Jones Transportation Average Index **closed at a reading of 16,546.85**.

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 March 30, 2022, the NASDAQ Transportation Index **closed at a reading of 6,279.19**.

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

### Freight Transportation Services Index

The Index **rose 1.2% in January 2022 from December 2021**, rising for the fifth consecutive month. From January 2021 to January 2022 the index rose 1.7% compared to a rise of 0.1% from January 2020 to January 2021 and a decline of 1.5% from January 2019 to January 2020.

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

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## Cass Freight Index for Shipments & Expenditures

The February 2022 CFI for shipments was at **1.171**, rising **8.6%** from January 2022 numbers. The February 2022 CFI for expenditures was at **4.453**, increasing **7.0%** month over month. Omicron effects lingered into February, so expect further sequential improvement in March. War-related effects on freight volume are likely to be small in the near-term, but higher energy prices will have an increasingly negative effect over time.

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 fell sharply in January 2022 to **-10.1** from the December reading of **-6.9**. Rising fuel costs and higher freight rates resulted in difficult market conditions for shippers in January despite a slight relief in freight demand and utilization. The near-term outlook is quite negative as the February forecast already presumes the toughest market conditions since March 2021.

The war in Ukraine raises the odds that conditions will remain significantly negative for a longer term.

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

## North American Transborder Freight

For January 2022, total transborder freight between the United States, Canada, and Mexico reached **\$113.7 billion** moved by all modes of transportation, up **20.6%** compared to January 2021. January 2022 transborder freight was up 17.1% compared to \$97.1 billion in January 2020. Freight between the U.S. and Canada totaled \$56.8 billion. Freight between the U.S. and Mexico totaled \$56.9 billion. Trucks moved **\$69.0 billion** of freight, up **12.9%** compared to January 2021. Railways moved **\$15.5 billion** of freight, up **11.8%** compared to January 2021.

Source: U.S. Bureau of Transportation Statistics

## Multimodal News Clip

STG Logistics its acquisition of the intermodal division of XPO Logistics, one of the largest providers of container transportation services in North America. The combined business, which will go to market as STG Logistics, will stand as North America's leading provider of seamless, fully integrated, port-to-door containerized logistics services including drayage, transloading, warehousing, fulfillment, rail transportation, and associated final mile distribution. The XPO intermodal division acquired by STG is North America's third largest provider of containerized transportation services, providing intermodal drayage and rail brokerage services for retailers, manufacturers, third party logistics providers, and other types of customers. The network features 48 locations, 11,000 containers, 2,200 tractors, and 5,200 chassis. The division was formed through XPO's purchase of Pacer in 2014 and Bridge Terminal Transport in 2015.

Source: PR Newswire; [link to article](#)

## RAIL:

## U.S. Freight Rail Traffic

U.S. railroads originated **915,329** carloads in February 2022, up 11%, or 90,525 carloads, from February 2021. U.S. railroads also originated **1,030,317** containers and trailers in February 2022, up 1.4%, or 14,294 units, from the same month last year. Combined U.S. carload and intermodal originations in February 2022 were 1,945,646, up 5.7%, or 104,819 carloads and intermodal units from February 2021. According to the Association of American Railroads, "U.S. rail traffic had big year-over-year gains in February largely because severe winter storms held volumes back last February. For example, carloads of chemicals set a new monthly record last month, carloads of coal were the highest in five months, and carloads of lumber were the most in eight months."

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 February 2022 was 566.3, a **12% increase** from the previous month and a **59.2% increase over February 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 February 2022 was **113,822** workers up from **111,754** in January 2022.

Source: U.S. Surface Transportation Board

## Railroad News Clip

The Senate has allocated \$8 million to conduct an environmental impact study for a proposed 400 km high speed line between Savannah and Atlanta via Macon. The budget allocation forms part of a larger legislative package to fund the federal government for the rest of 2022, which was passed on March 10. The inter-city passenger service between Atlanta and Savannah ceased in 1971 when the newly formed Amtrak declined to continue running the Southern Railway's *Nancy Hanks II*, which completed the journey in around 6 h. A private car trip between the cities today takes around 4 h, depending on traffic. The proposed high-speed line would run in the same corridor as the I16 and I75 highways which link Atlanta with Macon and Savannah; end-to-end journey time is estimated at 75 minutes.

Source: Railway Gazette; [link to article](#)

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## TRUCKING:

### Truckload Linehaul Index

The TLI for February 2022 was **158.0**. Strong freight demand and significant capacity limitations are continuing to press truckload rates 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' advanced estimates for For-Hire Truck Tonnage Index **was unchanged in February 2022 after increasing 0.4% in January. In February, the index equaled 115.3**, the same as January. According to ATA, "Demand for trucking freight services remains strong, but for-hire contract carriers are capacity constrained due to the driver and equipment markets. The spot market has been surging as these carriers can't haul all of the freight they are asked to move. The fact that the tonnage index hasn't fully recovered is a supply problem, not a lack of demand. Other data shows that for-hire carriers are operating around 7% fewer trucks, both company and independent contractor equipment, than prior to the pandemic."

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 **February 2022 was 7.33, a 21.9% decrease** from the previous month. **Georgia's load-to-truck ratio for vans remains elevated at a reading of 5.5+**. The spot market for dry van freight **held steady at \$3.09** for the month of February.

Source: DAT Freight & Analytics

### Truckload Freight, Refrigerated

For February 2022, the national load-to-truck ratio for refrigerated loads was **13.74 loads per truck, a 32.7% decrease** from the previous month. **Georgia's ratio declined to an average of 5.6 - 11.9 reefer loads per truck**. The national spot market reefer rate for February was **\$3.51 per mile, falling almost a dime since January 2022**.

Source: DAT Freight & Analytics

### Trucking Conditions Index

The TCI for January 2022 **fell to 11.46 from 14.45 in December 2021** amid rising diesel prices. Although more robust freight rates more than offset the effects of higher fuel costs, freight volume was a significantly weaker positive factor than it had been in December. A record surge in fuel costs in the wake of Russia's invasion of Ukraine certainly will hit trucking conditions in the near term, but the longer-term effects of geopolitical tensions are not yet clear.

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

### Diesel Prices

As of March 28, 2022, the **U.S. average diesel price was \$5.18 per gallon**. This is \$2.02 higher than the same week last year. The average price of diesel in the **Lower Atlantic states was \$5.14 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

February 2022 numbers for the trucking industry **increased to 1,549,100 employees** up from 1,543,700 employees for January 2022.

Source: U.S. Bureau of Labor Statistics

### Trucking Earnings & Hours

For January 2022, the average earnings for occupations commonly found in truck transportation **were \$27.97/hour**, an increase of almost a quarter from the previous month (revised). January showed **average weekly hours totaling 40.4**.

Source: U.S. Bureau of Labor Statistics

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

North American Class 8 net orders (preliminary) **held steady in February, coming in at 21,100 units. The order level for February was down 2% month over month, and down 53% year over year**. Class 8 orders have totaled 320,000 units over the last twelve months. Per FTR, "Last month's steady order numbers do not reflect at all the huge demand for new trucks. There is a severe shortage of new and used trucks and the economy continues to generate steady freight growth in all segments. Even with the recent stagnant booking volumes, orders for the last twelve months are at an impressive 320,000 units. Additionally, the stable February order total is not good news for future production. By not booking more orders, OEMs are signaling that the supply chain remains clogged, and they don't anticipate being able to ramp up production in the next couple of months."

Source: FTR Transportation Intelligence

## Trucking News Clip

New data assembled by the Georgia Department of Health shows that people employed in trucking account for 25% of COVID-19 deaths in the state. There are 7,707 employees identified as having jobs in the transportation or moving materials occupation that have died of COVID-19 as of September 2021. It's unclear why the trucking industry experienced such a high mortality rate. Data on vaccination rates among truckers and transportation employees has not been released.

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

## AIR FREIGHT:

### Air Cargo Traffic

Industry-wide cargo ton kilometers (CTKs) **continued to grow in January 2022, rising 2.7% year over year**. The pace slowed quite markedly from December, however, when the rise was 9.3% year over year. Seasonally adjusted CTKs dropped by 3.6% month over month in January. The soft patch in cargo growth is due to a combination of weaker economic drivers, and operational disruptions mainly related to the impact of Omicron on air passenger traffic and air cargo capacity. The conflict in Eastern Europe is creating significant fresh challenges, notably in air cargo rates and capacity as well as economic activity.

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

### Jet Fuel Prices

As of March 25, 2022, the global average jet fuel price **was \$161.63/bbl, up 45.5% from the previous month**, and as staggering 141.5% 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

A surge of passenger-to-freighter aircraft conversions in response to heightened shipping activity since the pandemic is raising questions about whether the boom cycle can be sustained or will lead to oversupply that lowers lease and freight rates. The number of aircraft reconfigured for main-deck cargo storage is estimated to exceed 180 by 2025, a 150% increase compared to the average annual production of 70 units last decade, according to a recent analysis by AeroDynamic Advisory. Thirty years ago, the conversion rate was about 50 aircraft per year.

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

## OCEAN FREIGHT:

### Shanghai Containerized Freight Index

As of March 25, 2022, the SCFI comprehensive reading was **\$ 4,434.07 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

Georgia Ports Authority is building a new ship berth at Garden City Terminal and the cross-dock warehouse is taking shape. **This will provide 1.5 million TEUs of annual berth capacity**. Once complete, the new Berth 1 will allow GPA to serve four 16,000-TEU vessels and three other ships simultaneously. The project is expected to be complete in June 2023.

Source: Georgia Ports Authority

### Ocean Freight News Clip

March marked the completion of a harbor deepening project at the Port of Savannah that clears the way for mega-ships to transit the Savannah River and will accelerate commerce throughout the region, according to local officials. The project was more than 20 years in the making. Initial feasibility studies began in 1997 and dredging for the Savannah Harbor Expansion started in September 2015. The harbor has been deepened to accommodate vessels carrying 16,000+ twenty-foot equivalent container units (TEUs), which allows ships to travel the river with more containers each trip and during more hours of the day, officials said. Officials from the Georgia Ports Authority joined with Georgia Governor Brian Kemp as well representatives from the U.S. Army Corps of Engineers and the state's Department of Transportation to mark the event.

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

## 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

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## 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 **rose to 1,728,200** employees for February 2022, an increase from 1,727,500 from the previous month.

Source: U.S. Bureau of Labor Statistics

## Warehouse Earnings & Hours

January 2022 average hourly earnings in the warehousing and storage subsector **were at \$23.08/hour**. The **average weekly hours were 39.1** for January 2022.

Source: U.S. Bureau of Labor Statistics

## Warehouse & Distribution News Clip

The last few years have shaken the assumptions of the industry. Supply chains and labor sources that had been dependable and robust crumbled before our eyes as the coronavirus spread. It showed that the systems we had built were not nearly as reliable as we thought they were. Now, the need for a new level of adaptability and resilience is apparent. A recent survey highlighted how leaders are thinking about adaptability, which, with 59% expecting the industry to change significantly in the next few years, is top of mind, and people, working smartly with technology, are the key to an organization's adaptability.

Source: Industry Week; [link to article](#)

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