

U.S. MARKET:

Gross Domestic Product	<p>The U.S. GDP increased at an annual rate of 33.1% in the third quarter of 2020, according to the second estimate released by the Bureau of Economic Analysis in late November. With the second estimate, upward revisions to nonresidential fixed investment, residential investment, and exports were offset by downward revisions to state and local government spending, private inventory investment, and personal consumption expenditures (PCE). Imports, which are a subtraction in the calculation of GDP, were revised up. (Source: US BEA) As of December 4, the latest GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the fourth quarter of 2020 is 11.2%. (Source: Federal Reserve Bank of Atlanta) (The GDPNow forecast aggregates statistical model forecasts of 13 subcomponents that comprise GDP.)</p>
U.S. Trade Deficit	<p>The U.S. goods and services trade deficit increased 1.7% in October 2020 to \$63.1 billion. Exports and imports in October reflect both the ongoing impact of the COVID-19 pandemic and the continued recovery from the sharp declines earlier this year. In October, the U.S. had a trade surplus with South and Central America, Hong Kong, Brazil, OPEC, Saudi Arabia, and United Kingdom. The U.S. had a trade deficit with China, European Union, Germany, Japan, Mexico, Italy, Canada, South Korea, India, Taiwan, Singapore, and France. (Source: US DOC & Census Bureau)</p>
Import Volumes	<p>In October 2020, the U.S. imported \$207.8 billion of cargo, increasing 2.1% from the previous month. The October imports from Mexico, South Korea, and Taiwan were the highest on record. (Source: US Census)</p>
Export Volumes	<p>In October 2020, the U.S. exported \$126.3 billion of cargo, increasing 3.0% from the previous month. The October exports to China (\$14.7 billion) were the highest on record. (Source: US Census)</p>
Import & Export Price Index	<p>U.S. import prices increased 0.1% in November 2020, after decreasing 0.1% the previous month. Higher fuel prices in November more than offset lower nonfuel prices. U.S. export prices also rose in November, increasing 0.6% following advances of 0.2% in October. Higher prices for both agricultural exports and nonagricultural exports contributed to the November rise. (Source: Bureau of Labor Statistics)</p>
Unemployment Rate	<p>The unemployment rate in America was 6.7% in November 2020, down from 6.9% the previous month. A preliminary 245,000 net new jobs were created in November 2020. Job gains have been shrinking steadily since June, when they peaked at 4.8 million; November's job gains were no better than in some months before the pandemic and leave 10.1 million jobs lost in March and April that haven't yet been recovered. The unemployment rate in Georgia was 5.7% in November, up from 4.5% the previous month. (Source: AAR, US DOL, GDOL)</p>
Labor Force Participation Rate	<p>The labor force participation rate was 61.5% in November 2020, down from 61.7% the previous month. The labor force participation rate for those of prime working age (25-54) was 80.9% in November, down from 81.2% the previous month. (Source: U.S. Bureau of Labor Statistics, AAR, FRED) <i>(The Workforce Participation Rate measures the share of Americans at least 16 years old who are either employed or actively looking for work)</i></p>
Leading Economic Index	<p>The Leading Economic Index for the U.S. increased 0.6% in November 2020, to a reading of 109.1. According to The Conference Board, "The US LEI continued rising in November, but its pace of improvement has been decelerating in recent months, suggesting a significant moderation in growth as the US economy heads into 2021." (Source: Conference Board Note: The LEI was recently revised the seasonally adjusted index to 2016 = 100) <i>(The LEI is a composite of 10 economic indicators that together create an analytic system designed to signal peaks and troughs in the business cycle. The LEI reveals patterns in economic data in a clearer and more convincing manner than any individual component alone.)</i></p>
Housing Starts	<p>Existing home sales were an annualized and seasonally adjusted 1.53 million in October 2020, up 4.9% from the previous month, and up 14.2% year-over-year. The index of pending home sales (sales that up closed yet but contracts have been signed) was 128.9 in October 2020, down 1.1% from the previous month but 20.2% higher year-over-year. According to the National Association of Realtors, "The housing market is still hot, but we may be starting to see rising home prices hurting affordability." (Source: AAR, National Association of Realtors)</p>
Light Vehicle Sales	<p>New light vehicle sales were an annualized and seasonally adjusted 15.6 million in November 2020, down from 16.3 million the previous month. Sales of light trucks (SUVs, minivans, and pickups) accounted for 76.7% of total sales in November — up from just over 50% as recently as 2014. (Source: AAR) <i>(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.)</i></p>
Personal Income	<p>Personal Income decreased 0.7% to \$19.7 trillion in October 2020. The decrease in personal income in October was led by a decrease in government social benefits. Within government social benefits, "other" social benefits decreased which primarily reflected a decrease in Lost Wages Supplemental Payments, a Federal Emergency Management Agency program that provides wage assistance to individuals impacted by the pandemic. (Source: U.S. Bureau of Economic Analysis) <i>(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).</i></p>
Retail Sales	<p>Advanced estimates of retail and food service sales in November 2020 were \$546.5 billion, a decrease of 1.1% from the previous month, and 4.1% above November 2019. Non-store retail sales were 22.6% higher from the same month last year. (Source: US Census) <i>(Non-store retail sales are measured on a monthly basis and include internet-only sales outlets as well as other direct-to-customer channels)</i></p>

E-Commerce	<p>The estimate of U.S. retail e-commerce sales for the third quarter of 2020, adjusted for seasonal variation, was \$209.5 billion, a decrease of 1.0% from the previous quarter and 36.7% higher than the third quarter of 2019. E-commerce sales in the third quarter of 2020 accounted for 14.3% of total sales. (Source: US Census) <i>(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.)</i></p>
Consumer Confidence	<p>The Consumer Confidence Index decreased to 96.1 in November 2020, down 5.3% from the previous month. According to The Conference Board, “Heading into 2021, consumers do not foresee the economy, nor the labor market, gaining strength. In addition, the resurgence of COVID-19 is further increasing uncertainty and exacerbating concerns about the outlook.” (Source: The Conference Board) <i>(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)</i></p>
Consumer & Producer Price Index	<p>The Consumer Price Index for all urban consumers was 260.8 in November 2020, up 0.2% from the previous month. The increase in the all items index was broad-based, with no component accounting for more than a quarter of the increase. The Producer Price Index for final demand was 119.4 in November 2020, up 0.1% from the previous month. In November, the rise in the final demand index can be traced to a 0.4% increase in prices for final demand goods. (Source: US Bureau of Labor Statistics)<i>(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)</i></p>
Small Business Optimism Index	<p>The Small Business Optimism Index was 101.4 in November 2020, down 2.6% from the previous month. According to the National Federation of Independent Business (NFIB), “Small business owners are still facing major uncertainties, including the COVID-19 crisis and the upcoming Georgia runoff election, which is shaping how they’re viewing future business conditions.” Out of 10 index components, four posted gains, zero were unchanged, and six declined. (Source: National Federation of Independent Business) <i>(This Index collects data from small businesses on economic topics ranging from current job openings to expected credit conditions. Base year 1986=100)</i></p>
Industrial Production and Capacity Utilization	<p>The Industrial Production Index was 104.0 in November 2020, an increase of 0.4% from the previous month and 5.5% lower year-over-year. Capacity Utilization for the industrial sector was 73.3% in November 2020, up 0.3% from the previous month and unchanged year-over-year. (Source: Federal Reserve) <i>(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)</i></p>
Manufacturing & Trade Sales	<p>Total combined sales and manufacturing shipments totaled nearly \$1.48 trillion in October 2020, up 0.9% from the previous month and up 2.2% from October of the previous year. (Source: US Census)</p>
Manufacturing & Trade Inventory	<p>Total value of inventory on-hand is estimated at \$1.95 trillion in October 2020, up 0.7% from the previous month and down 4.0% from October of the previous year. (Source: US Census)</p>
Purchasing Managers Index	<p>The National PMI was 57.5% in November 2020, down 1.8% from the previous month. This figure indicates expansion in the overall economy for the seventh straight month. New Orders decreased 2.8% to 65.1%, and Production decreased 2.2% to 60.8%. According to the Institute for Supply Management (ISM), “Survey Committee members reported that their companies and suppliers continue to operate in reconfigured factories, but absenteeism, short-term shutdowns to sanitize facilities and difficulties in returning and hiring workers are causing strains that will likely limit future manufacturing growth potential. Panel sentiment, however, is optimistic (2.5 positive comments for every cautious comment), an improvement compared to October.” In November, 16 out of the 18 manufacturing industries tracked by the ISM reported growth. (Source: Institute for Supply Management) <i>(The PMI combines data on new orders, inventory, production, supplier deliveries, and employment. A reading above 50 indicates that the manufacturing economy is generally expanding.)</i></p>
Purchasing Managers Index in the Southeast	<p>In November 2020, the Southeast PMI decreased 6.3% month-over-month to 54.2%. New Orders in the Southeast decreased 18.4% to 50.0% and Production decreased 8.0% to 60.4%. In the month of November, the Southeast’s PMI was 5.7% lower than the national PMI. (Source: Kennesaw State University) <i>(The Southeast region includes the states of Georgia, Alabama, Florida, Tennessee, Louisiana, and Mississippi. The PMI combines data on new orders, inventory, production, supplier deliveries, and employment. A reading above 50 indicates that the manufacturing economy is generally expanding.)</i></p>
Logistics Manager’s Index	<p>The Logistics Manager’s Index was 70.8% in November 2020, a decrease of 0.8% from the previous month, but still representing a significant rate of growth. The high rates of growth reported in November stem from high prices and a record contraction in available capacity. According to the LMI researchers, “Much of this growth stems from the increased demand for logistics services and infrastructure due to the new ways in which people are shopping due to the ongoing pandemic. Ecommerce tends to be more logistics-intensive, requiring firms to carry more inventory and utilize more trucks and warehouses. Because ecommerce is growing much more quickly than predicted, it has been difficult for firms to procure the infrastructure necessary to fulfill consumer demand.” (Source: the-lmi.com) <i>(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.)</i></p>



U.S. Market News

CBRE expects online retail sales to grow by 40% this year to reach \$234.9 billion, and it expects \$70.5 billion of these purchases to be returned, according to a report released this month. "The return process for an online order involves several steps that include the cost of pickup handling and many touches as items move back into inventory," Matt Walaszek, the director of research for CBRE's industrial and logistics division, said. The need to manage these steps is why many retailers will turn to a 3PL partner as they attempt to reduce their shrink by efficiently moving returns back into inventory. Other returns will be sent back to vendors for credits, sold to other retailers, donated or destroyed, CBRE said in its report. The reliance on logistics partners has led 3PLs to be the largest demand driver for warehouse space in the U.S., according to Walaszek. And more returns "means more inventory coming back, increasing space demand, especially during the holiday season," he said. (Source: CBRE, supplychaindive.com)

MULTIMODAL:

Dow Jones Transportation Index

Dow Jones Transportation Index **increased 11.0%** in November 2020, ending at a reading of 12,450. (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

NASDAQ Transportation Index **increased 10.8%** in November 2020, ending at a reading of 5,525. (Averaged share weights of NASDAQ-listed companies classified as transportation companies)

DOT Freight Transportation Service Index

The USDOT's freight transportation services index was 131.7 in October 2020, **up 0.1%** from the previous month and **4.5% lower** than October 2019. The increase was due to growth in water, rail intermodal, rail carload, pipeline, and air freight, despite a decline in trucking. The October increase took place against the background of largely positive results in other indicators. (Source: US BTS)

Cass Freight Index

The Cass Freight Shipments Index was 1.154 in November 2020, a **decrease of 2.2%** from the previous month, and an **increase of 2.7%** year-over-year. The month-over-month decline is likely due to the worsening pandemic numbers impacting the trajectory of the recovery in November. The Cass Freight Expenditures Index was 2.971 in November, an **increase of 2.9%** from the previous month and an **increase of 5.7%** year-over-year. According to Cass Information Systems, "This reflects a pickup in rate inflation as the effects of record truckload spot rates gradually broaden out into contract rates. Coming into the end of 2020, expenditures are testing the highs posted in late 2018/early 2019." (Source: Cass Information Systems | Cassinfo.com) (Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)

Shippers Conditions Index

The FTR Shippers Conditions Index (SCI) for September 2020 increased slightly, to a **positive reading of 0.97**. Favorable trends in volume, capacity utilization, and fuel costs offset the unfavorable rate environment during the month. The outlook is mostly negative for shippers through the balance of 2020. After modest improvements in early 2021, FTR forecasts the SCI to turn sharply negative mid-2021 due to tighter capacity and higher shipping rates. (Source: FTR Transportation Intelligence | ftrintel.com) (Figures below zero indicate a less-than-ideal environment for shippers)

North American Transborder Freight

Surface transport-related trade between the U.S., Canada, and Mexico totaled \$96.4 billion in September 2020, **3.2% higher than the previous month and 4.9% lower year-over-year**. Trucks carried \$63.5 billion of transborder freight and continued to be the most heavily utilized mode for moving goods between the U.S. and other North American countries (Canada and Mexico). (Source: US BTS)

Multimodal News Clips:

According to an Accenture report emailed to Retail Dive, none of the 116 retailers studied managed to deliver in one day this year, compared to three retailers that did so in 2019. On average, retailers took 2.8 days to fulfill orders this year, compared to 1.8 days last year, the report found. Zara, Staples, CVS, Lowe's and Amazon Prime were among the top-performing retailers that had the fastest delivery orders completed with no errors. Twenty-one percent of orders arrived at their destinations within one week, a slight decrease from 22% in 2019, per Accenture's findings. The report noted that 65% of retailers either offered buy online, pickup in store; reserve online, pickup in-store; or curbside pickup — an increase from 52% last year. It also found that 57% of retailers are offering contactless pickup, an option that wasn't offered in previous years. (Source: Accenture, supplychaindive.com)

RAIL:

U.S. Freight Rail Traffic

Total originated carloads on U.S. railroads were 900,194 in November 2020, **down 5.8% from November 2019, but the smallest year-over-year decline since August 2019**. (Source: AAR.org) (Report includes rail car-loadings by 20 different major commodity categories)

U.S. Intermodal Rail Traffic

Average weekly U.S. intermodal originations in November 2020 were 284,174 units, **up 11.5% from November 2019, and the most ever for November and the sixth best month overall**. For the first 11 months of 2020, U.S. intermodal originations were 12.3 million, down 3.1% from the same time period in 2019. (Source: AAR.org) (Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)

Railroad Fuel Price Index

The index of average railroad fuel prices in October 2020 was 249.9, **up 2.1%** from the previous month and **37.6% lower** year-over-year. (Source: AAR.org) (Average monthly price for gallons purchased by freight railroads; Includes federal excise taxes, transportation, and handling expenses)

Class 1 Railroad Employment

Railroad employment in October 2020 **decreased by 1,319 employees** to 116,804 employees total. (Source: U.S. STB, AAR)

Railroad News Clips:

Congress passed a \$2.3 trillion legislative package that provides \$14 billion in pandemic emergency funding for public transit and \$1 billion for Amtrak, according to the American Public Transportation Association (APTA). Amtrak will receive \$1 billion in grants to prevent, prepare for and respond to the pandemic, including \$655 million in grants for the Northeast Corridor and \$345 million in grants for Amtrak's national network. In annual appropriations, the bill provides \$15.5 billion for public transportation and passenger rail, a \$10 million increase from fiscal-year 2020's enacted levels, APTA officials said in a legislative alert message to its members. (Source: APTA, progressiverailroading.com)

TRUCKING:

Truck Tonnage Index

The ATA's seasonally adjusted For-Hire Truck Tonnage Index was 106.8 in October 2020, a **decrease of 6.3% from the previous month and a decrease of 8.7% from October 2019**. According to ATA Chief Economist Bob Costello, "Typical seasonality is off this year and it was a reason why October was down so much. Not seasonally adjusted tonnage was down a fraction as much as normal over the last five years during September, leading to a big seasonally adjusted gain. There are plenty of carriers still saying that tonnage, retail tonnage in particular, is good." (Source: American Trucking Associations | Trucking.org. Note: ATA recently revised the seasonally adjusted index to 2015 = 100)

Truckload Freight

The spot market for truckload-freight available for pick-up in November 2020 **decreased 13.2%** compared to the previous month and was **104.2% higher** year-over-year. Truck capacity **decreased 10.1%** for the month and **decreased 9.7%** year-over-year. (Source: DAT Trendlines | www.dat.com)

Refrigerated Trucking

In November 2020, the load-to-truck ratio for refrigerated loads was **9.4 loads per truck**, up from 8.7 the previous month. In November, the national spot market reefer rate was \$2.69 per mile, **up** from \$2.58 the previous month. (Source: DAT Trendlines | www.dat.com)

Trucking Conditions Index

FTR's Trucking Conditions Index for October **jumped to the highest level in the nearly 30 years** captured in the data to a 16.17 reading. This record comes just six months after the lowest TCI reading ever recorded (-28.66 in April) during the initial phases of the pandemic. October's extraordinary market conditions resulted from a sharp increase in capacity utilization, a robust rate environment, and improving freight demand. While October might prove to be the peak in this cycle, FTR forecasts positive TCI readings at least through 2021. (Source: FTR Transportation Intelligence | ftrintel.com) *(Figures below zero indicate a less-than-ideal environment for trucking)*

Diesel Prices

As of December 7, 2020 the U.S. average diesel price was **\$2.52 per gallon**. The U.S. average diesel price was **\$0.52 lower** than the same week last year. The average price of diesel in the Lower Atlantic states was **\$2.43 per gallon, \$0.48 lower** than the same week last year. (Source: U.S. DOE) *(Reflects the costs and profits of the entire production and distribution chain.)*

Trucking Employment

The trucking industry workforce **increased 0.9% to 1,474,400 employees total** in November 2020. (Source: U.S. Bureau of Labor Statistics)

Trucking Earnings and Hours

The average earnings of truck transportation employees were \$27.00/hour in October 2020, **up 1.8%** from the previous month. The average weekly hours totaled 41.9 in October, **up 2.2 %** from the previous month. (Source: U.S. Bureau of Labor Statistics)

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

Preliminary November 2020 Class 8 truck orders totaled **52,600 units, up 31%** from the previous month and the **third-highest total ever**. According to FTR, "The Class 8 market is trying to rebalance after suffering through woeful order numbers early in the pandemic. The huge November orders mean that Q4 will be a fabulous one, regardless of what comes in for December and that portends well for the expected increase in production early next year." November 2020 net trailer orders totaled **52,600 units, up 31%** from the previous month, **and almost three times higher** than November 2019. The tremendous volume reflects several large fleets placing their requirement orders for the entirety of 2021 to lock up build slots, which they perceive could be in short supply next year. Fleet confidence remains solid entering 2021, as carriers are getting their truck orders in early for next year's deliveries. (Source: FTR Transportation Intelligence | ftrintel.com)

Trucking News Clip

Walmart's multi-temperature autonomous box trucks will go fully driverless along a two-mile test route in Bentonville, Arkansas, in early 2021, the retailer announced this month. Walmart's multi-temperature autonomous box trucks have traveled more than 70,000 miles along the test route established last year in Bentonville. The 2-mile stretch of road, which will soon carry completely driverless trucks, is a major thoroughfare for the City of Bentonville that sees around 38,000 vehicles every day, according to the Arkansas Department of Transportation. This will be the first fully-driverless, middle-mile route for both the retailer and Gatik and that the companies will continue to gather useful data to hone the operation. To date, the autonomous vehicles have had a safety driver on board. Gatik, which specializes in short-haul, light commercial middle-mile trips, is one of the many autonomous vehicle startups Walmart partners with. (Source: Walmart, supplychaindiver.com)

AIR FREIGHT:

Air Cargo Traffic

Global air freight traffic in October 2020 **was down 6.2% compared to October 2019**. The near-term outlook is upbeat since Q4 is a peak season for air cargo and demand drivers are supportive. (Source: IATA.org,) *(Global air freight covers international and domestic scheduled air traffic.)*



Jet Fuel Prices As of December 4, 2020 the global average jet fuel price was \$54.10 per barrel; **up 22.5%** from the previous month, and **30.9% lower** year-over-year. (Source: IATA.org, platts.com) *(The weekly index and price data shows the global average price paid at the refinery for aviation jet fuel)*

Air Freight News Clips: The Federal Aviation Administration confirmed the first distribution flight of the coronavirus vaccine took off late last month, according to an emailed statement from the agency. The FAA said it supported the first flight and created the "FAA COVID-19 Vaccine Air Transport Team" in October, but didn't provide details on what the team is doing beyond saying it was assisting in the safe and efficient transport of the vaccine. Air cargo will play a vital role in the distribution of the coronavirus vaccine, and cargo professionals at airports around the country have been working to prepare for the vaccine. Pfizer told Supply Chain Dive this month that its distribution will rely on 20 flights taking off daily around the world. The manufacturer plans to make 50 million doses of the vaccine available this year if it is granted approval. (Source: FAA, supplychainedive.com)

OCEAN FREIGHT:

Import Volumes by Ocean In October 2020, the latest month for which after-the-fact numbers are available, U.S. container ports handled 2.21 million TEUs, a **5.2% increase** from the previous month, **17.6% higher** year-over-year, and **the highest number of containers imported in a single month since NRF began tracking imports in 2002**. According to the NRF, "With inventories low but demand growing, we have witnessed a surge in imports as retailers try to keep up. The dramatic shift to online shopping coupled with the expectation of next-day delivery is also spurring the growth of imports at warehouses for major online sellers, who need to have enough stock on hand not just to meet demand but to meet it instantly." (Source: NRF/Hackett Associates)

Shanghai Containerized Freight Index The December 4, 2020 SCFI comprehensive reading was \$2,129 per FEU, **up 14.6%** from last month. The spot rate for shipments to the U.S. East Coast was \$4,700 per FEU, **up 0.5%** from the previous month. (Source: Shanghai Shipping Exchange | www.1.chineseshipping.com.cn/en) *(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 reached an **all-time high** of 464,095 twenty-foot equivalent container units in October, up 35,714 TEUs or **8.3 percent** compared to the same month last year. The performance eclipsed the previous all-time record, set in August, of 441,600 TEUs. Savannah's July through October trade totaled 1.68 million TEUs, **an increase of 55,378**, or 3.4 percent for the fiscal year to date. (Source: GPA)

Ocean Freight Business News: Demand for ocean shipping has maxed out carrier capacity for the foreseeable future, leading shippers to deal with an uptick in rolled cargo and carriers to turn away bookings for shipments out of Asia, according to Gene Graves, the executive director of United Shippers Alliance. The logjam of containers traversing the Pacific Ocean has led to expensive rates for renting equipment and congestion at ports. Carriers are turning shippers to 20-foot containers because 40-foot containers are in shortage, Graves said. Demand for the smaller containers is reflected in rates. The price of 20-foot containers more than doubled between August and this week (December 3), according to Shanghai Shipping Exchange figures cited by The Wall Street Journal. Rates for ocean shipping remain elevated as well, and high demand for ocean shipping has led to an uptick in rolled cargo. Carriers are adding capacity in an attempt to keep up, according to a report from Sea-Intelligence released this month. (Source: United Shippers Alliance, Sea-Intelligence supplychainedive.com)

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy The U.S. industrial vacancy rate in the third quarter of 2020 saw a 20-basis point uptick, coming in at **5.3%**. That vacancy rate is still 40 basis point (bps) below the five-year historical average of 5.7% for all product types. Despite vacancy increasing by 50 bps over last quarter, alleviating some—but certainly not all—of the pressure on the supply constrained markets. The vacancy rate in **Atlanta, GA was 7.2%** in Q3 of 2020. (Source: Cushman & Wakefield)

Warehouse Rent Rates The continued tight market conditions and solid demand brought on another quarter of YOY rent growth at Q3 2020, increasing 2.0% from the third quarter 2019 at \$6.63 per square foot (psf). Warehouse/distribution rents rose 3.5% during the same period to \$6.10 psf. **The average asking rent in Atlanta was \$4.61/SF in Q3 2020**. (Source: Cushman & Wakefield)

Industrial Absorption The market finished the third quarter at a strong pace, **absorbing 62.1 million square feet (msf)**, the strongest quarter so far this year. This brought the year-to-date (YTD) total to 159 msf of absorption, nearly equaling the 160 msf reported for the first three quarters of 2019. With net occupancy growth down only slightly year-over-year (YOY), absorption levels remained positive heading into the final quarter of 2020. (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 2.9%** to 1,304,900 employees total in November 2020. (Source: U.S. Bureau of Labor Statistics)

Warehouse Earnings and Hours The average earnings of warehousing & storage employees across the U.S. were \$21.14/hour in October 2020, **up 0.4%** from the previous month. The average weekly hours totaled 41.2 in October, **down 1.0%** from the previous month. (Source: U.S. Bureau of Labor Statistics)

W&D Business News:

- Sam's Club has adopted the use of GreyOrange autonomous mobile robots in its new Southern California fulfillment center for e-commerce orders. Inside Sam's Club's new Southern California fulfillment center, autonomous mobile robots guided by artificial intelligence help the company keep up with booming e-commerce orders. Sam's Club leased the 753,000-square-foot distribution building in Perris, California, near Los Angeles earlier this year. The operation is dedicated to e-commerce fulfillment and will serve as an innovation lab as well. Sam's Club's e-commerce sales hit \$363 million at the end of the third quarter of 2020, compared to \$277 million the previous year. Inside, robots driven by GreyMatter software from Atlanta-based GreyOrange scuttle among the inventory racks. Items are stored on the racks in cubbies or bins. Robots grab and move products to pick stations where workers take the items from the robot and pack them in boxes for shipment. It's an example of a goods-to-person picking system in which the robots learn continuously and reduce stress on human labor, according to Sam's Club executives, at a time when e-commerce orders are taking off. (Source: Sam's Club, supplychaindive.com)
- JinTech America, a supplier of interior automobile parts, will invest nearly \$4.5 million in opening their first U.S. advanced manufacturing facility in West Point, Georgia, creating 70 jobs in Harris County. By establishing operations to Harris County, JinTech America will be able to better serve one of their main customers – Kia – located just a few minutes away in West Point. Northwest Harris Business Park in West Point is home to JinTech America's new 45,000-square-foot advanced manufacturing facility located at 1700 South Progress Parkway. (Source: Georgia.org)

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