

**U.S. MARKET:**

<b>Gross Domestic Product</b>	The U.S. GDP <b>increased at an annual rate of 2.1%</b> in the third quarter of 2019, according to the second estimate released by the Bureau of Economic Analysis in late November. The increase reflected positive contributions from PCE, federal government spending, residential investment, private inventory investment, exports, and state and local government spending that were partly offset by a negative contribution from nonresidential fixed investment. Imports, which are a subtraction in the calculation of GDP. (Source: US BEA) As of January 3, the latest GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the <b>fourth quarter of 2019 is 2.3%</b> . (Source: Federal Reserve Bank of Atlanta) (The GDPNow forecast aggregates statistical model forecasts of 13 subcomponents that comprise GDP.)
<b>U.S. Trade Deficit</b>	The U.S. goods and services <b>trade deficit decreased 8.2%</b> in November 2019 to \$43.1 billion. In November, the U.S. had a trade surplus with South and Central America, Hong Kong, Brazil, OPEC, Singapore, United Kingdom, and Saudi Arabia. The U.S. had a trade deficit with China, European Union, Germany, Japan, Mexico, Italy, Canada, South Korea, India, Taiwan, and France. (Source: US DOC & Census Bureau)
<b>Import Volumes</b>	In November 2019, the U.S. <b>imported \$201.1 billion</b> of cargo, <b>decreasing 2.9%</b> from October. The November imports of services (\$50.7 billion) were the <b>highest on record</b> . (Source: US Census)
<b>Export Volumes</b>	In November 2019, the U.S. <b>exported \$137.2 billion</b> of cargo, <b>increasing 1.2%</b> from October. The November exports of services (\$71.5 billion) were the <b>highest on record</b> . (Source: US Census)
<b>Import &amp; Export Price Index</b>	U.S. import prices <b>increased 0.3%</b> in December 2019, the largest monthly advance since March 2019. Overall, prices for imports rose 0.5% in 2019, after decreasing 0.9% in 2018. U.S. export prices <b>decreased 0.2%</b> in December 2019. Prices for overall exports declined 0.7% in 2019 following a 1.1% increase in 2018. (Source: Bureau of Labor Statistics)
<b>Unemployment Rate</b>	The unemployment rate in America <b>was 3.5%</b> in December 2019, <b>unchanged</b> from November. A preliminary <b>145,000 net new jobs were created</b> in December 2019, signaling steady economic growth going into 2020 and closing a decade of robust job creation. <b>For all of 2019, employers added 2.11 million jobs</b> , the ninth consecutive year of job gains around 2 million. Most of the new jobs created in 2019 were in the health care, <b>transportation and logistics</b> , and professional and business services sectors. The unemployment rate in <b>Georgia was 3.2%</b> in December 2019, <b>down from 3.3%</b> the previous month and <b>a record low</b> . For all of 2019, <b>Georgia added an all-time high of 4.65 million jobs</b> . (Source: US DOL, GDOL, AAR)
<b>Labor Force Participation Rate</b>	The labor force participation rate <b>was 63.2% in December 2019, unchanged</b> from the previous month. The labor force participation rate for those of prime working age (25-54) was 82.9% in December, <b>up 0.1%</b> from 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>
<b>Leading Economic Index</b>	The Leading Economic Index for the U.S. <b>was unchanged</b> in November 2019, remaining at a reading of 111.6. According to The Conference Board, "Strength in residential construction, financial markets, and consumers' outlook offset weakness in manufacturing and labor markets. While the six-month growth rate of the LEI remains slightly negative, the Index suggests that economic growth is likely to stabilize around 2 percent in 2020." (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>
<b>Housing Starts</b>	Existing home sales were an annualized and seasonally adjusted 1.37 million in November 2019, <b>up 3.2%</b> from October, and <b>13.6% higher</b> than November 2018. The index of pending home sales (sales that haven't closed yet but contracts have been signed) was 108.5 in November 2019, <b>up 1.2%</b> from the previous month and <b>7.4% higher</b> year-over-year. According to the National Association of Realtors, "Despite the insufficient level of inventory, pending home contracts still increased in November. The favorable conditions are expected throughout 2020 as well, but supply is not yet meeting the healthy demand." (Source: U.S. DOC, National Association of Realtors)
<b>Light Vehicle Sales</b>	New light vehicle sales were an annualized and seasonally adjusted 17 million in 2019, <b>the fifth consecutive year</b> in which automakers hit the 17 million sales mark. In 2019, sales of light trucks continued to dominate, accounting for 72% of total light vehicle sales, their highest percentage for any year in history. (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>
<b>Personal Income</b>	Personal Income <b>increased 0.5%</b> to \$18.9 trillion in November 2019. The increase in personal income in November primarily reflected an increase in compensation of employees, farm proprietors' income, and personal interest income. During Q3 2019, Personal Income in Georgia was estimated at \$515.1 billion, an <b>increase of 3.8%</b> from Q2 2019. (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>
<b>Retail Sales</b>	Advanced estimates of retail and food service sales in December 2019 were <b>\$529.6 billion, an increase of 0.3%</b> from the previous month, and <b>up 5.8%</b> from December 2018. Non-store retail sales were <b>13.1% higher</b> 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>

<b>E-Commerce</b>	<p>The estimate of U.S. retail e-commerce sales for the third quarter of 2019, adjusted for seasonal variation, was \$154.5 billion, <b>an increase of 5.0%</b> from the second quarter of 2019 and <b>16.9% higher than the third quarter of 2018</b>. E-commerce sales in the third quarter of 2019 accounted for 11.2% 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>
<b>Consumer Confidence</b>	<p>The Consumer Confidence Index <b>decreased to 126.5</b> in December 2019, <b>down 0.2%</b> from the previous month. According to The Conference Board, “While consumers’ assessment of current conditions improved, their expectations declined, driven primarily by a softening in their short-term outlook regarding jobs and financial prospects. While the economy hasn’t shown signs of further weakening, there is little to suggest that growth, and in particular consumer spending, will gain momentum in early 2020.” (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.)</i></p>
<b>Consumer &amp; Producer Price Index</b>	<p>The Consumer Price Index for all urban consumers was <b>258.5</b> in December 2019, <b>up 0.2%</b> from the previous month. For all of 2019, the all items index increased 2.3% before seasonal adjustment. The Producer Price Index for final demand was <b>118.8</b> in December 2019, <b>up 0.1%</b> from the previous month. On an unadjusted basis, the final demand index moved up 1.3% in 2019, after a 2.6% advance in 2018. (Source: US Bureau of Labor Statistics)</p>
<b>Small Business Optimism Index</b>	<p>The Small Business Optimism Index was 102.7 in December 2019, <b>down 2.0% from the previous month</b>. According to the National Federation of Independent Business (NFIB), “December marked the end of another banner year for the small business economy, as owners took full advantage of strong consumer spending, and federal tax and regulatory relief. 2020 is starting out with a solid foundation for continued growth, two-years into the Tax Cuts and Jobs Act that’s providing fuel to grow small businesses and their workforce.” Out of 10 index components, two posted gains, two 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)</i></p>
<b>Industrial Production and Capacity Utilization</b>	<p>The Industrial Production Index was 109.4 in December 2019, <b>a decrease of 0.3%</b> from the previous month and <b>1.0% lower than December 2018</b>. Capacity Utilization for the industrial sector was <b>77.0%</b> in December 2019, <b>down 2.8%</b> from its long-run average. (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>
<b>Manufacturing &amp; Trade Sales</b>	<p>Total combined sales and manufacturing shipments totaled nearly <b>\$1.47 trillion</b> in November 2019, <b>up 0.7% from the previous month and up 1.0% from November of the previous year</b>. (Source: US Census)</p>
<b>Manufacturing &amp; Trade Inventory</b>	<p>Total value of inventory on-hand is estimated at <b>\$2.04 trillion</b> in November 2019, <b>down 0.2% from the previous month and up 2.8% from November of the previous year</b>. (Source: US Census)</p>
<b>Purchasing Managers Index</b>	<p>The National PMI was <b>47.2%</b> in December 2019, <b>a decrease of 0.9%</b> from the previous month, reflecting economic activity in the manufacturing sector contracting. <b>This is the PMI’s lowest reading since June 2009</b>, when it registered 46.3%. New Orders <b>decreased 0.4% to 46.8%</b>, and Production <b>decreased 5.9%</b> to 43.2%. In December, 3 out of the 18 manufacturing industries tracked by the ISM reported growth. According to the Institute for Supply Management, “Global trade remains the most significant cross-industry issue, but there are signs that several industry sectors will improve as a result of the phase-one trade agreement between the U.S. and China. Among the six big industry sectors, Food, Beverage &amp; Tobacco Products remains the strongest, while Transportation Equipment is the weakest. Overall, sentiment this month is marginally positive regarding near-term 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>
<b>Purchasing Managers Index in the Southeast</b>	<p>In December 2019, the Southeast PMI <b>increased 1.6%</b> month-over-month to <b>47.0%</b>. New Orders in the Southeast <b>decreased 0.4%</b> to 47.8% and Production <b>decreased 3.3%</b> to 41.3% as well. In the month of December, the Southeast’s PMI was <b>0.4% lower</b> 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>
<b>U.S. Market News</b>	<p>UPS predicts a seventh consecutive record-breaking National Returns Day as consumers send back holiday orders ranging from ill-fitting sweaters to duplicate kitchen gadgets. On Jan. 2, consumers are expected to deposit 1.9 million returns packages into the UPS network – a 26% spike from last year’s peak returns day. The increase illustrates how e-commerce continues transforming shopping patterns. This process is a change from years past, when consumers would rush to physical retailers the day after Christmas and stand in long lines to make returns. Now, consumers make purchases with returns in mind, and, according to the UPS Pulse of the Online Shopper study, 73% of online shoppers say the returns experience affects their likelihood to buy from a retailer again. (Source: UPS)</p>
<b>MULTIMODAL:</b>	
<b>Dow Jones Transportation Index</b>	<p>Dow Jones Transportation Index <b>increased 3.8%</b> in December 2019, ending at a reading of 10,901. <i>(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.)</i></p>
<b>NASDAQ Transportation Index</b>	<p>NASDAQ Transportation Index <b>increased 2.0%</b> in December 2019, ending at a reading of 5,292. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies)</i></p>

<b>DOT Freight Transportation Service Index</b>	The USDOT's freight transportation services index was 137.4 in November 2019, an <b>increase of 0.1%</b> from the previous month and <b>0.8% lower</b> than November 2018. The November increase was narrowly based with increases only in pipeline and rail carloads. Trucking, water, air freight, and rail intermodal declined. (Source: US BTS)
<b>Cass Freight Index</b>	The Cass Freight Shipments Index was 1.124 in November 2019, a <b>decrease of 2.4%</b> from the previous month, and a <b>decrease of 3.3%</b> year-over-year. The Cass Freight Expenditures Index was 1.810 in November, <b>an increase of 0.4%</b> from the previous month and a <b>decrease of 1.4%</b> year-over-year. According to Cass Information Systems, "Both the shipments and expenditures components of the Cass Freight Index remain down from their peaks in May and September of 2018, respectively, but both appear to be getting "less bad" with y/y comps not off as much as we saw in October. Over the coming months, expect y/y growth to flatten out, as the industrial economy is expected to bottom, while the consumer remains relatively healthy." (Source: Cass Information Systems   Cassinfo.com) <i>(Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)</i>
<b>Shippers Conditions Index</b>	The Shippers Conditions Index for October 2019 <b>was unchanged at 6.4</b> , reflecting a still-positive rate outlook. All index inputs were positive except for fuel, which was only slightly negative. However, the global reduction in the sulfur content of marine fuel "IMO 2020" could increasingly impact future fuel costs. According to FTR, "The start of the new decade will dawn with shippers still in a positive position to get their freight moved. But this position is forecast to slowly erode over the next few months as capacity utilization starts to firm and shippers start to mitigate the effects of that change." (Source: FTR Transportation Intelligence   ftrintel.com) <i>(Figures below zero indicate a less-than-ideal environment for shippers)</i>
<b>North American Transborder Freight</b>	Surface transport-related trade between the U.S., Canada, and Mexico totaled \$107.1 billion in October 2019, <b>down 3.3%</b> compared to October 2018. Trucks carried \$68.2 billion of U.S.-NAFTA freight and continued to be the most heavily utilized mode for moving goods to and from both U.S.-NAFTA partners. (Source: US BTS)
<b>Multimodal News Clips:</b>	The U.S.-Mexico-Canada Agreement (USMCA) passed the Senate 89-10 this month, with the majority of lawmakers applauding improved labor, environmental and pharmaceutical enforcement provisions approved by the U.S. House of Representatives in December. Mexico has already ratified the treaty and Canada is expected to do so once its parliamentary session resumes in late January. The trade deal expands U.S. access to duty-free agricultural, manufacturing and technology markets in Canada and Mexico while creating more robust enforcement mechanisms to protect labor rights, the environment, pharmaceutical consumers and, in a key upgrade from the North American Free Trade Agreement (NAFTA), digital trade. (Source: supplychaindive.com)

## RAIL:

<b>U.S. Freight Rail Traffic</b>	Total originated U.S. carloads <b>totaled 12.97 million</b> in 2019, <b>down 4.9%</b> from 2018 and the fewest annual carloads since sometime prior to 1988, when AAR's data began. (Source: AAR.org) <i>(Report includes rail car-loadings by 20 different major commodity categories)</i>
<b>U.S. Intermodal Rail Traffic</b>	U.S. railroads originated <b>13.73 million</b> intermodal units in 2019, <b>down 5.1% from 2018</b> . However, U.S. intermodal volume in 2019 was still <b>the second highest in history</b> , behind 2018 (14.47 million) and fractionally ahead of 2017 (13.72 million). In 2019, containers were 91.9% of U.S. intermodal units, about the same as the past few years. (Source: AAR.org) <i>(Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)</i>
<b>Railroad Fuel Price Index</b>	The index of average railroad fuel prices in December 2019 was 395.8, <b>down 1.4%</b> from the previous month and <b>7.8% higher</b> year-over-year. (Source: AAR.org) <i>(Average monthly price for gallons purchased by freight railroads; Includes federal excise taxes, transportation, and handling expenses)</i>

**Class 1 Railroad Employment** Railroad employment in November 2019 **decreased 1.0%** to 133,225 employees total. (Source: U.S. STB, AAR)

<b>Railroad News Clips:</b>	The Federal Railroad Administration (FRA) has issued a report on its Office of Research, Development and Technology's study of the use of unmanned aerial vehicles (drones) to produce accurate 3-D models of high-profile grade crossings. The study found that photogrammetry with ground control points can produce models with similar accuracy to those produced using LiDAR at a much lower cost, FRA officials said in the report. The Volpe center determined the process needed to achieve a simple measurement of ground clearance for these crossings. Volpe also made recommendations to FRA for pursuing the capability, as well as to work with the Federal Highway Administration to provide better information to drivers of low-clearance vehicles. (Source: progressiverailroading.com)
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## TRUCKING:

<b>Truck Tonnage Index</b>	The ATA's seasonally adjusted For-Hire Truck Tonnage Index was 113.5 in November 2019, a <b>decrease of 3.5% from the previous month and a decrease of 2.1% from November 2018</b> . According to ATA Chief Economist Bob Costello, "It's tough to sugar coat November's reading. It was the third decrease in the last four months and the index is down 7.2% since July. Additionally, November was the first month to see a year-over-year drop in the index since April 2017. While disappointing, it fits with the expected soft gross domestic product reading expected in the fourth quarter and reports of a soft fall freight season." (Source: American Trucking Associations   Trucking.org. Note: ATA recently revised the seasonally adjusted index to 2015 = 100)
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<b>Truckload Freight</b>	The spot market for truckload-freight available for pick-up in December 2019 <b>increased 30.2%</b> compared to the previous month, and was <b>25.1% higher</b> year-over-year. Truck capacity <b>decreased 10.7%</b> for the month, and <b>increased 6.4%</b> year-over-year. (Source: DAT Trendlines   www.dat.com)
<b>Refrigerated Trucking</b>	In December 2019, the load-to-truck ratio for refrigerated loads <b>increased to 6.93</b> loads per truck. In December, the national spot market reefer rate was \$2.30 per mile, up from \$2.18 the previous month. (Source: DAT Trendlines   www.dat.com)
<b>Trucking Conditions Index</b>	The Trucking Conditions Index in November 2019 <b>decreased to a reading of -1.58</b> , with weaker spot rates primarily responsible. Overall, trucking conditions are holding in a narrow window generating slightly negative readings for the TCI. The FTR forecast is for it to remain in near neutral range until conditions improve modestly in late 2020. (Source: FTR Transportation Intelligence   ftrintel.com) <i>(Figures below zero indicate a less-than-ideal environment for trucking)</i>
<b>Diesel Prices</b>	As of January 20, 2020 the U.S. average diesel price was <b>\$3.04 per gallon</b> . The U.S. average diesel price was <b>\$0.07 higher</b> than the same week last year. The average price of diesel in the Lower Atlantic states was <b>\$2.94 per gallon, 3.3% less than the national average price</b> . (Source: U.S. DOE) <i>(Reflects the costs and profits of the entire production and distribution chain.)</i>
<b>Trucking Employment</b>	The trucking industry workforce <b>decreased 0.2% to 1,509,400 employees total</b> in December 2019. (Source: U.S. Bureau of Labor Statistics)
<b>Trucking Earnings and Hours</b>	The average earnings of truck transportation employees were \$25.71/hour in November 2019, <b>up 0.3%</b> from the previous month. The average weekly hours totaled 41.2 in November, <b>down 0.2%</b> from the previous month. (Source: U.S. Bureau of Labor Statistics)
<b>U.S. Truck &amp; Trailer Orders (Class 8)</b>	Preliminary December 2019 Class 8 truck orders totaled <b>20,000 units, up 14%</b> from November but <b>7% lower</b> than December 2018. According to FTR, "Fleets are being very cautious in this environment, only ordering what they know they need for the next few months. Orders averaged just under 20,000 units a month for the fourth quarter, basically right at replacement demand. Order rates are expected to stay in this range for the next few months." Preliminary December 2019 net trailer orders totaled <b>16,500 units, down 17%</b> from November, <b>41% lower</b> than December 2018, and the <b>lowest amount since August 2019</b> . According to FTR, "Freight is forecast to grow only about 1% this year, putting little pressure on fleets to boost trailer capacity as they did the last few years. However, total freight levels remain elevated and trailer production for 2020, although down significantly from 2019's record year, is forecast to be good from a historical perspective. Fleets are expected to continue to replace old trailers based on their standard trade-in cycles." (Source: FTR Transportation Intelligence   ftrintel.com)
<b>Trucking News Clip</b>	Waymo – formally the Google self-driving car project – will start expanding the testing of its autonomous long-haul trucks to Texas and New Mexico where it will drive along I-10, I-20, and I-45. Waymo will map the "promising commercial route" between the states, a Waymo spokesperson told Supply Chain Dive in an email. The company did not say if it was testing with shippers, but last year it said it was working with "shippers, truck makers, and Tier One suppliers" on the development of Class 8 autonomous trucks. Waymo will use sensor-outfitted minivans to map the roads. "Next, we take that information and clean it up and add salient information to it, features such as crosswalks, road edges, curb heights, boundary paint, intersections, etc." the Waymo spokesperson said. "Then we put our newly-created map through quality control testing to ensure there are no errors." (Source: Waymo, supplychaindive.com)
<b>AIR FREIGHT:</b>	
<b>Air Cargo Traffic</b>	Global air freight traffic in November 2019 <b>was down 1.1% compared to November 2018. This marks the 13<sup>th</sup> consecutive month of annual declines</b> . According to the IATA, "At -1.1%, this was, however, the best year-on-year rate of change since March 2019 (-0.1%). Despite remaining negative, the modest improvement in the growth rate coincides with a seasonally busy month for air cargo, with the growing importance of large e-commerce sales events such as Singles' Day and Black Friday." (Source: IATA.org,) <i>(Global air freight covers international and domestic scheduled air traffic.)</i>
<b>Air Freight Price Index</b>	In November 2019, average airfreight rates for East-West routes <b>increased 10%</b> from the previous month to \$3.02 per kilogram. (Source: Drewry, aircargonews.net) <i>(The Drewry East-West Air Freight Price Index is based on the average of rates (\$US per kg) for air freight services on 21 major East-West routes.)</i>
<b>Jet Fuel Prices</b>	As of January 17, 2019 the global average jet fuel price was \$76.63 per barrel; <b>down 6.7%</b> from the previous month, and <b>1.1% lower</b> year-over-year. (Source: IATA.org, platts.com) <i>(The weekly index and price data shows the global average price paid at the refinery for aviation jet fuel)</i>
<b>Air Freight News Clips:</b>	The BelugaXL has entered into service, providing Airbus with 30 per cent extra transport capacity in order to support the on-going production ramp-up of commercial aircraft programs. The aircraft, which is an integral part of Airbus' industrial system, made its first operational flight on the January 9th. At 63 meters long and eight meters wide, the BelugaXL has the largest cargo bay cross-section of all existing cargo aircraft worldwide. (Source: breakingtravelnews.com)

## OCEAN FREIGHT:

### Import Volumes by Ocean

In November 2019, the latest month for which after-the-fact numbers are available, U.S. container ports handled 1.67 million TEUs, an **11.2% decrease** from the previous month and **7.5% lower** year-over-year. According to NRF, "We'll be more confident after we see the Phase One agreement signed, but right now 2020 looks like it should be back to what used to be normal. We've been through a cycle of imports surging ahead of expected tariff increases – some of which got delayed, reduced or canceled – and falling off again afterward. That's not good for retailers trying to manage their inventory levels or trying to make long-term business plans." (Source: NRF/Hackett Associates)

### Shanghai Containerized Freight Index

The January 23, 2020 SCFI comprehensive reading was \$981 per FEU, **up 11.5%** from last month. The spot rate for shipments to the U.S. East Coast was \$2,951 per FEU, **up 17.5%** from the previous month. (Source: Shanghai Shipping Exchange | [www1.chineseshipping.com.cn/en](http://www1.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.)

### Port of Savannah

The Port of Savannah moved 4.6 million TEUs in Calendar Year 2019, an **increase of nearly 250,000 TEUs, or 5.6%** over the previous year. Ocean Terminal picked up two new customers in 2019 - GM and Volvo - with both carmakers exporting vehicles to Australia and New Zealand via Savannah. Volvo also began exporting cars to South American markets via Brunswick. Total tons crossing all GPA terminals reached **38.5 million, up from 36.9 million tons in 2018, an increase of 4.3 percent**. Highlights of the year included a burst of new cargo handled via the Appalachian Regional Port, totaling approximately 36,000 TEUs, and the announcement of two new resin-handling facilities near Savannah, which are expected to increase export totals by around 90,000 TEUs per year. (Source: GPA)

### Port of Brunswick

In Roll-on/Roll-off trade, GPA handled 657,685 units of cars, trucks and tractors in 2019, an increase of 12,167 units, or 2 percent. "Both Savannah and Brunswick are outperforming the market, with Garden City container trade growing at a rate three times faster than the U.S. total, and Brunswick Ro/Ro units increasing despite a drop in U.S. vehicle sales in 2019," said GPA Board Chairman Will McKnight. (Source: Savannahnow.com, GPA)

### Ocean Freight Business News:

The Panama Canal will charge two new fees and change its reservation system to adapt to historic drought that leaves the canal short on the water resources it requires, the Panama Canal Authority announced this month. Adjustments will begin February 15. The fees include a new Freshwater Surcharge that affects vessels greater than 125 feet length overall (LOA) and a Vessel Visit Creation Fee that will have two levels depending on the ship's size. The new booking system will require ships to pay booking fees in full "no later than 48 hours depending on the booking period," the authority said. "Without fee and operational changes, the Canal's water levels are projected to drop to levels that would affect the Neopanamax and Panamax Locks," the release said. (Source: Panama Canal Authority, [supplychaindive.com](http://supplychaindive.com))

## WAREHOUSING & DISTRIBUTION:

### Industrial Vacancy

The **nationwide vacancy rate was 5.2%** at the end of the fourth quarter of 2019, up from 5.1% the previous quarter and up from 4.9% in Q4 2018. None of the 49 markets tracked by NGKF had a double-digit vacancy rate during Q4 2019. The vacancy rate in **Atlanta, GA was 7.6%** in Q4 of 2019. (Source: NGKF)

### Warehouse Rent Rates

In Q4 2019, the average asking rent across the U.S. was **\$7.41/SF, 4.5% higher** from one year ago and the highest quarterly average recorded this cycle. Industrial rents have increased by 32.3% over the past five years and have ticked up every quarter since the third quarter of 2011, showing both the consistency and upside of the market. **The average asking rent in Atlanta was \$5.01/SF in Q4 2019.** (Source: NGKF)

### Industrial Absorption

Net absorption in the U.S. **increased 2.2%** during the fourth quarter of 2019, posting 50.6 million square feet of net absorption. Net absorption decreased 17.6% compared with 61.4 million square feet in Q4 of 2018. Of the 49 industrial markets tracked by NGKF, 17 absorbed 1 million square feet or more in Q4 2019. (Source: NGKF) (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 **decreased 0.2%** to 1,200,500 employees total in December 2019. (Source: U.S. Bureau of Labor Statistics)

### Warehouse Earnings and Hours

The average earnings of warehousing & storage employees across the U.S. were \$20.60/hour in November 2019, **down 0.4%** from the previous month. The average weekly hours totaled 42.4 in November, **up 2.7%** from the previous month. (Source: U.S. Bureau of Labor Statistics)

**W&D Business News:**

- Worldwide spending on robotics and drones is expected to reach \$128.7 billion in 2020. This includes \$112.4 billion on robotics alone, according to a forecast from IDC released earlier this month. This is expected to grow to \$241.4 billion by 2023. Pick and pack robots are expected to make up 9.6% of market share behind welding (15.6%), assembly (11.6%) and other functions (47.5%). Discrete manufacturing is expected to make up nearly half of robotic spending, IDC said. While many have highlighted the efficiency gains, there are still challenges to adopting robotics technology. The main barrier is cost, according to a recent survey from McKinsey and Company, but this is improving. The same report points out robotics costs have declined 50% since 1990. (Source: supplychaindive.com)
  - Lidl US, a leading grocery retailer, will build a regional distribution center in Covington, Georgia. Lidl is investing \$100 million in the project which will create 270 new full-time jobs. The 925,000 square-foot facility will serve as a regional headquarters, and it will supply products to Lidl stores across the region. Lidl cited Georgia's excellent logistics infrastructure as critical to the location of this new facility, which is why they ultimately chose to locate close to I-20 in Newton County. (Source: Georgia.org)
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