

U.S. MARKET:

Gross Domestic Product	<p>The U.S. GDP increased at an annual rate of 3.1% in the first quarter of 2019, according to the second estimate released by the Bureau of Economic Analysis in late May. The increase in real GDP in the first quarter reflected downward revisions to nonresidential fixed investment and private inventory investment and upward revisions to exports and personal consumption expenditures (PCE). Imports, which are a subtraction in the calculation of GDP, were revised up. (Source: US BEA) As of June 3, the latest GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the second quarter of 2019 is 1.3%. (Source: Federal Reserve Bank of Atlanta) <i>(The GDPNow forecast aggregates statistical model forecasts of 13 subcomponents that comprise GDP.)</i></p>
U.S. Trade Deficit	<p>The U.S. goods and services trade deficit decreased 2.1% in April 2019 to \$50.8 billion. In April, the U.S. had a trade surplus with South and Central America, Hong Kong, Brazil, and Singapore. The U.S. had a trade deficit with China, European Union, Germany, Japan, Mexico, Italy, Canada, South Korea, India, Taiwan, United Kingdom, Saudi Arabia, OPEC and France. (Source: US DOC & Census Bureau)</p>
Import Volumes	<p>In April 2019, the U.S. imported \$208.7 billion of cargo, decreasing 2.5% from March. The April imports of capital goods (\$55.6 billion) were the lowest since October 2017 (\$55.1 billion). (Source: US Census)</p>
Export Volumes	<p>In April 2019, the U.S. exported \$136.9 billion of cargo, decreasing 3.1% from March. The April exports of capital goods (\$44.7 billion) were the lowest since October 2017 (\$44.0 billion). (Source: US Census)</p>
Import & Export Price Index	<p>U.S. import prices decreased 0.3% in May 2019. Lower fuel and nonfuel prices contributed to the May decline in import prices. U.S. export prices decreased 0.2% in May 2019, the first monthly drop since the index fell 0.6% in January. Lower prices for both agricultural and nonagricultural exports contributed to the May decline. (Source: Bureau of Labor Statistics)</p>
Unemployment Rate	<p>The unemployment rate in America was 3.6% in May 2019, unchanged from April. A preliminary 75,000 net new jobs were created in May 2019, below what most economists were expecting and down from 224,000 in April (revised down from 263,000). It's also the fifth fewest for any month since January 2013. In the first five months of 2019, average job gains were 164,000 per month, down from an average of 223,000 per month for all of 2018. Weaker job gains in May add to concerns that the economy is slowing. The unemployment rate in Georgia was 3.8% in May 2019, unchanged from the previous month. (Source: US DOL, GDOL, AAR)</p>
Labor Force Participation Rate	<p>The labor force participation rate was 62.8% in May 2019, unchanged from the previous month. The labor force participation rate for those of prime working age (25-54) was 82.1% in May, down 0.1% 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></p>
Leading Economic Index	<p>The Leading Economic Index for the U.S. was unchanged in May 2019, remaining at a reading of 111.8. According to The Conference Board, "Positive contributions from financial conditions and consumers' outlook offset the weakness in stock prices and the manufacturing sector. The yield spread's contribution to the LEI was neither positive nor negative. While the economic expansion is now entering its eleventh year, the longest in US history, the LEI clearly points to a moderation in growth towards 2 percent by year end." (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 1.24 million in April 2019, up 5.7% from March and 2.5% lower than April 2018. The index of pending home sales (sales that haven't closed yet but contracts have been signed) was 104.3 in April 2019, down 1.5% from the previous month and 2.0% lower year-over-year, making this the sixteenth straight month of annual decreases. According to the National Association of Realtors, "Though the latest monthly figure shows a mild decline in contract signings, mortgage applications and consumer confidence have been steadily rising. It's inevitable for sales to turn higher in a few months." (Source: U.S. DOC, National Association of Realtors)</p>
Light Vehicle Sales	<p>New light vehicle sales were an annualized and seasonally adjusted 17.3 million in May 2019, up 5.9% from the previous month and down 0.5% from May 2018. Analysts cite high consumer confidence, a solid jobs market, and wage gains as factors in the increase. (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 increased 0.5% to \$18.1 trillion in April 2019. The increase in personal income in April primarily reflected increases in personal interest income, wages and salaries, and government social benefits to persons. During Q1 2019, Personal Income in Georgia was estimated at \$493.6 billion, an increase of 4.6% from Q4 2018. (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 May 2019 were \$519.0 billion, an increase of 0.5% from the previous month, and up 3.2% from May 2018. Non-store retail sales were 10.7% 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 first quarter of 2019, adjusted for seasonal variation, was \$137.7 billion, an increase of 3.6% from the fourth quarter of 2018 and 12.4% higher than the first quarter of 2018. E-commerce sales in the first quarter of 2019 accounted for 10.2% 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>
Consumer Confidence	<p>The Consumer Confidence Index increased to 134.1 in May 2019, up 4.9% from the previous month. According to The Conference Board, "Expectations regarding the short-term outlook for business conditions and employment improved, but consumers' sentiment regarding their income prospects was mixed. Consumers expect the economy to continue growing at a solid pace in the short-term, and despite weak retail sales in April, these high levels of confidence suggest no significant pullback in consumer spending in the months ahead." (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>
Consumer & Producer Price Index	<p>The Consumer Price Index for all urban consumers was 255.2 in May 2019, up 0.1% from the previous month. The food index rose 0.3% in May after declining in April, with the food index accounting for nearly half of the May seasonally adjusted all items monthly increase. The Producer Price Index for final demand was 118.2 in May 2019, up 0.1% from the previous month. In May, the rise in final demand prices is attributable to a 0.3% increase in the index for final demand services. In contrast, prices for final demand goods declined 0.2%. (Source: US Bureau of Labor Statistics)</p>
Small Business Optimism Index	<p>The Small Business Optimism Index was 105.0 during May 2019, up 1.5% from the previous month. According to the National Federation of Independent Business (NFIB), "Optimism among small business owners has surged back to historically high levels, thanks to strong hiring, investment, and sales. The small business half of the economy is leading the way, taking advantage of lower taxes and fewer regulations, and reinvesting in their businesses, their employees, and the economy as a whole." Out of 10 index components, six posted gains, three was unchanged, and one 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>
Industrial Production and Capacity Utilization	<p>The Industrial Production Index was 109.6 in May 2019, an increase of 0.4% from the previous month and 2.0% higher than May 2018. Capacity Utilization for the industrial sector was 78.1% in May 2019, up 2.1% from May 2018. (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 \$1.46 trillion in April 2019, down 0.2% from the previous month and up 2.8% from April of the previous year. (Source: US Census)</p>
Manufacturing & Trade Inventory	<p>Total value of inventory on-hand is estimated at \$2.03 trillion in April 2019, up 0.5% from the previous month and up 5.3% from April of the previous year. (Source: US Census)</p>
Purchasing Managers Index	<p>The National PMI decreased to 52.1% in May 2019, a decrease of 0.7% from the previous month. With a reading above 50, the overall economy grew for the 121st consecutive month. New Orders increased 1.0% to 52.7%, and Production decreased 1.0% to 51.3%. In May, 11 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 May 2019, the Southeast PMI increased 1.7% month-over-month to 57.1%. New Orders in the Southeast decreased 5.4% to 57.1% and Production decreased 5.4% to 57.1% as well. In the month of May, the Southeast's PMI was 9.6% above 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>
U.S. Market News	<p>The cost of logistics in the U.S. grew by 11.4% to reach \$1.64 trillion, according to the newly released State of Logistics report from the Council of Supply Chain Management Professionals (CSCMP), A.T. Kearney and Penske. The report cited a "booming economy" for the increased spending. While carriers might have struggled with labor, higher freight rates benefited their bottom line. The spot freight market increased 25% from the post-holiday slump in February to the summer peak, before falling 20% to the end of the year. "This caused shippers across virtually all industries to exceed their 2018 logistics budgets," the report reads. But it wasn't just wages leading to these higher rates. Carrier's capacity could not keep up demand as shippers sought to bolster their inventory in the face of tariffs and saw increased e-commerce traffic. The report notes shippers dealt with this by making efforts to become a "shipper of choice." They worked to become more driver friendly, have well-managed gate processes and limit dwell times. Newer technology, "specifically access to social media-type ratings systems," allows carriers to better track shippers on these metrics and use this information during bids and "potentially fire undesirable shippers," the report notes. (Source: CSCMP, supplychaindiver.com)</p>

MULTIMODAL:	
Dow Jones Transportation Index	<p>Dow Jones Transportation Index decreased 8.7% in May 2019, ending at a reading of 9,738. <i>(A price-weighted average of 20 U.S. companies in the transportation industry, average of May 1st thru May 31st. The index includes railroads, airlines, trucking, marine transportation, delivery services, and logistics companies.)</i></p>

NASDAQ Transportation Index	NASDAQ Transportation Index decreased 9.0% in May 2019, ending at a reading of 4,770. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of May 1st thru May 31st)</i>
DOT Freight Transportation Service Index	The USDOT's freight transportation services index was 138.4 in April 2019, an increase of 1.5% from the previous month and 2.8% higher than April 2018. The April increase in Freight TSI was driven by increases in rail carloads, rail trucking, and water, while air freight, pipeline and rail intermodal declined. (Source: US BTS)
Cass Freight Index	The Cass Freight Shipments Index was 1.194 in April 2019, a decrease of 0.3% from the previous month, and a decrease of 3.2% year-over-year. The Cass Freight Expenditures Index was 2.909 in April, an increase of 0.7% from the previous month and an increase of 6.2% year-over-year. According to Cass Information Systems, "While we are still not ready to turn completely negative in our outlook, we do think it is prudent to become more alert to each additional incoming data point on freight flow volume, and are more cautious today than we have been since we began predicting the recovery of the U.S. industrial economy and the rebirth of the U.S." (Source: Cass Information Systems Cassinfo.com) <i>(Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)</i>
Shippers Conditions Index	The Shippers Conditions Index for March 2019 increased from the previous month, to a reading of 2.8 , reflecting a continued easing of truckload and intermodal rates. According to FTR, "Shippers are benefiting from relatively stable fuel prices and weaker trucking capacity utilization than they experienced in 2018. But both of those metrics are expected to tighten up as the year progresses. Diesel prices could move up in the fourth quarter ahead of the IMO 2020 fuel mandate, which could pressure fuel surcharges higher late in 2019." (Source: FTR Transportation Intelligence ftrintel.com) <i>(Figures below zero indicate a less-than-ideal environment for shippers)</i>
North American Transborder Freight	Surface transport-related trade between the U.S., Canada, and Mexico totaled \$107.2 billion in March 2019, up 1.4% compared to March 2018. Trucks carried \$67.4 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)
Multimodal News Clips:	The U.S. Department of Transportation announced a slate of grants aimed at improving infrastructure, safety, technology and efficiency at U.S. ports and rail hubs this month. Grants for the Port Infrastructure Development Program total \$292.7 million and grants for the Consolidated Rail Infrastructure and Safety Improvements Program total \$326 million. "This major investment in the Port Infrastructure Development Program will help strengthen, modernize, and improve our country's maritime systems and gateway ports," said U.S. Transportation Secretary Elaine Chao in a press release. In a separate release, the secretary said the additional "investments in intercity passenger and freight rail will benefit surrounding communities, make grade crossings safer and improve service reliability." These grants are in line with Secretary Chao's May 2019 launch of a \$900 million Better Utilizing Investments to Leverage Development (BUILD) Transportation Discretionary Grants program. The program awards funding for surface transportation improvements that focus on "roads, bridges, transit, rail, ports or intermodal transportation," particularly in rural areas. (Source: supplychaindive.com)

RAIL:

U.S. Freight Rail Traffic	U.S. rail carloads in May 2019 totaled 1.29 million, down 2.1% (28,065 carloads) from May 2018 and the fourth straight year-over-year monthly decrease for total carloads. In May, just 6 of the 20 carload commodity categories the AAR tracks saw carload gains. For the first five months of 2019, total U.S. carloads were down 2.4%, or 137,995 carloads, from the first five months in 2018. (Source: AAR.org) <i>(Report includes rail car-loadings by 20 different major commodity categories)</i>
U.S. Intermodal Rail Traffic	U.S. intermodal originations in May 2019 were down 5.9% (82,521 containers and trailers) from May 2018. The decline was the largest percentage decline for any month since July 2016 and was the fourth-straight monthly decline for intermodal. For the first five months of 2019, intermodal was down 2.4%, or 145,245 units, from the first five months of 2019. (Source: AAR.org) <i>(Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)</i>
Railroad Fuel Price Index	The index of average railroad fuel prices in May 2019 was 423.5, up 2.1% from the previous month and 4.3% lower 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 April 2019 decreased by 725 employees from the previous month to 144,223 employees total; the fifth straight month-to-month decline. (Source: U.S. STB, AAR)
Short Line Rail Traffic	In May 2019, short line railroad shipments across North America increased 0.2% year-over-year . A sampling of about 500 short line and regional railroads loaded 376,359 railcars and intermodal units during the month of May. Nonmetallic Minerals led gains with a 46.2% increase. Metallic Ores led declines, with a decrease of 13.4%. (Source: Railinc Short Line and Regional Traffic Index)
Railroad News Clips:	Legislation that would extend the 45G short-line maintenance tax credit was favorably voted out of the U.S. House Ways and Means Committee this month. The Taxpayer Certainty and Disaster Tax Relief Act of 2019 (H.R. 3301) would provide certainty for a number of tax credits, including the short-line credit, through 2020.

Since 2005, the short-line maintenance tax incentive provided a credit of 50 cents for each dollar short lines and regionals spent on track and bridge improvements, capped at \$3,500 per mile. The credit has been extended over the years and last expired Dec. 31, 2017. Short lines have relied on the credit to increase their investment in their rail infrastructure, according to ASLRRRA, which has long championed the measure. (Source: progressiverailroading.com)

TRUCKING:

Truck Tonnage Index	<p>The ATA's seasonally adjusted For-Hire Truck Tonnage Index was 114.0 in May 2019, a decrease of 6.1% from the previous month and an increase of 0.9% from May 2018. According to ATA Chief Economist Bob Costello, "As expected, tonnage corrected in May from the surprising surge in April. The economy is still growing, but the recent volatility in truck tonnage fits with a broader economy that is showing more mixed signals. The good news is if you ignore recent highs and lows, tonnage appears to be leveling off, albeit at a high level." (Source: American Trucking Associations Trucking.org. Note: ATA recently revised the seasonally adjusted index to 2015 = 100)</p>
Truckload Freight	<p>The spot market for truckload-freight available for pick-up in May 2019 decreased 10.6% compared to the previous month, and was 62.6% lower year-over-year. Truck capacity increased 2.5% for the month, and increased 32.7% year-over-year. (Source: DAT Trendlines www.dat.com)</p>
Refrigerated Trucking	<p>In May 2019, the load-to-truck ratio for refrigerated loads increased to 2.84 loads per truck. In May, the national reefer rate was \$2.15 per mile, unchanged from the previous month. (Source: DAT Trendlines www.dat.com)</p>
Trucking Conditions Index	<p>The Trucking Conditions Index in April 2019 slightly increased to a reading of -0.64. According to FTR, "Growth in manufacturing, the most significant driver of trucking activity, has subsided, and residential construction remains stagnant. However, there are some near-term positives, such as lower diesel prices. Also, carriers are responding to flagging demand by ending their hiring spree, which could set the stage for firmer capacity utilization down the road." (Source: FTR Transportation Intelligence ftrintel.com) <i>(Figures below zero indicate a less-than-ideal environment for trucking)</i></p>
Diesel Prices	<p>As of June 17, 2019 the U.S. average diesel price was \$3.07 per gallon. The U.S. average diesel price was \$0.20 lower than the same week last year. The average price of diesel in the Lower Atlantic states was \$2.96 per gallon, 3.6% less than the national average price. (Source: U.S. DOE) <i>(Reflects the costs and profits of the entire production and distribution chain.)</i></p>
Trucking Employment	<p>The trucking industry workforce increased by approximately 300 employees to 1,516,400 employees total in May 2019. The trucking industry workforce increased 0.02% over the previous month and increased 2.1% over May 2018. (Source: U.S. Bureau of Labor Statistics)</p>
Trucking Earnings and Hours	<p>The average earnings of truck transportation employees were \$25.01/hour in April 2019, up 0.7% from the previous month. The average weekly hours totaled 41.4 in April, up 0.2% from the previous month. (Source: U.S. Bureau of Labor Statistics)</p>
U.S. Truck & Trailer Orders (Class 8)	<p>Preliminary May 2019 Class 8 truck orders totaled 10,400 units, down 29% from April, 71% lower than May 2018, and the lowest volume since July 2016. According to FTR, "May's low orders were consistent with it being the last month in this year's cycle. The 2019 order pattern was pulled ahead by three months, so May's orders are similar to what you normally would see in August. Ordering for 2020 is expected to begin in June, with several OEMs expected to start taking orders for next year." Preliminary May 2019 net trailer orders totaled 11,700 units, the lowest volume since July 2016. According to FTR, "Orders for 2019 production have basically come to a halt, as most build slots for the year are already filled. The flatbed segment is already showing signs of weakening due to easing in manufacturing and industrial activity. Trailers orders for the past 12 months now total 356,000 units." (Source: FTR Transportation Intelligence ftrintel.com)</p>
Trucking News Clip	<p>Eight trucking industry stakeholders testified before members of Congress this month in a hearing about the state of trucking and the challenges truck drivers, trucking companies, brokers and safety advocates face. Topics discussed during the hearing included driver pay, turnover and retention; the driver shortage; driver training; hours of service; autonomous technology; under-21 interstate truckers; underride guards and more. The testimony from each of the stakeholders will be used to help shape the next highway funding bill after 2015's FAST Act expires in 2020. (Source: ccjdigital.com)</p>

AIR FREIGHT:

Air Cargo Traffic	<p>Global air freight traffic in April 2019 was down 4.7% compared to April 2018. According to the IATA, "The freight data have been particularly volatile in 2019 to date. The timing of both the Chinese New Year and Easter have contributed to these outcomes." (Source: IATA.org.) <i>(Global air freight covers international and domestic scheduled air traffic.)</i></p>
Atlanta Air Cargo Traffic	<p>In April 2019, Hartsfield-Jackson Atlanta International Airport transported 52,917 metric tons of cargo, a 12.6% decrease from the previous month and a 9.5% decrease year-over-year. (Source: HJAIA)</p>
Air Freight Price Index	<p>In April 2019, average airfreight rates for East-West routes increased 11% over the previous month to \$2.59 per kilogram. (Source: Drewry, aircargoworld.com) <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></p>

Jet Fuel Prices

As of June 14, 2019 the global average jet fuel price was \$75.49 per barrel; **down 14.2%** from the previous month, and **13.2% 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:

Amazon will lease 15 Boeing 737-800 aircraft in a partnership with GE Capital Aviation Services (GECAS), Amazon announced at the International Paris Air Show. The 15 aircraft are in addition to five jets Amazon leased from GECAS earlier this year. "By 2021, Amazon Air will have a portfolio of 70 aircraft flying in our dedicated air network," Dave Clark, senior vice president of worldwide operations at Amazon, said in a press release. The aircraft will transport cargo in the U.S. through Amazon Air's network. The e-commerce giant plans to open new air facilities this year at Chicago Rockford International Airport, Forth Worth Alliance Airport in Texas and Wilmington Air Park in Ohio. Amazon's main air hub at the Cincinnati/Northern Kentucky International Airport will open in 2021. (Source: supplychainedive.com)

OCEAN FREIGHT:

Import Volumes by Ocean

In April 2019, the latest month for which after-the-fact numbers are available, U.S. container ports handled 1.75 million TEUs, an **8.4% increase** from the previous month and **6.9% higher** than April 2018. According to NRF, "With a major tariff increase already announced and the possibility that tariffs could be imposed on nearly all goods and inputs from China, retailers are continuing to stock up while they can to protect their customers as much as possible against the price increases that will follow." (Source: NRF/Hackett Associates)

Shanghai Containerized Freight Index

The June 20th SCFI comprehensive reading was **\$764 per FEU, up 5.2%** from last month. The spot rate for shipments to the U.S. East Coast was **\$2,404 per FEU, down 7.4%** from the previous month. (Source: Shanghai Shipping Exchange | 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.)*

Baltic Dry Index

The Baltic Dry Index **increased 6.3%** in May 2019, ending at 1,096. Year-to-date, the index **decreased 2.5%**. (Source: www.bloomberg.com/quote/BDIY:IND) *(The Baltic Dry Index is an index that tracks and averages worldwide international shipping prices of various dry bulk cargoes.)*

Port of Savannah

The Port of Savannah moved 373,394 TEUs in May 2019, a **2.4% increase** from the previous month, **3.4% higher** compared to May 2018, and the **busiest May in GPA's history**. (Source: GPA)

Port of Brunswick

The GPA board has authorized an expansion of auto-handling capacity at the Port of Brunswick, approving \$6.7 million for the Colonel's Island North Side Paving Project - Phase I. The project includes upgrades of approximately 33 acres, new pavement striping, and new facility gates for trucks and other vehicles. The project will accommodate BMW, one of Georgia's longest standing and largest auto processing customers. Recently, GPA and BMW renewed a multi-year agreement to move the luxury vehicles over Colonel's Island Terminal. . (Source: GPA)

Ocean Freight Business News:

According to a report by maritime consulting from SealIntelligence, real-time container tracking will be standard in 600,000 containers worldwide by 2025. SealIntelligence believes this trend is taking off now not only because these technologies are becoming more scalable, but because customers are expecting real-time information and transparency on their shipments. Real-time tracking gives shippers and carriers insight into where shipments are going, what condition they're in and where they can be routed to achieve more efficient delivery. Therefore, SealIntelligence predicts, the carriers that can offer this service sooner and more reliably will have a competitive advantage in the industry. As cheaper, more scalable tracking technologies have come on the market, the "dam has burst" on the digitalization of container shipping, SealIntelligence CEO and Partner Lars Jensen said, with more carriers announcing container digitalization projects at scale. In May, CMA CGM said it will add 50,000 container trackers to its fleet and this month, Hapag-Lloyd said it would implement trackers in 100,000 of its containers. (Source:SealIntelligence, supplychainedive.com)

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The **nationwide vacancy rate was 5.0%** at the end of the first quarter of 2019, unchanged from the previous quarter and down from 5.1% in Q4 2018. None of the 49 markets tracked by NGKF had a double-digit vacancy rate during Q1 2019. The vacancy rate in **Atlanta, GA was 7.0%** in Q1 of 2019. (Source: NGKF)

Warehouse Rent Rates

In Q1 2019, the average asking rent across the U.S. was **\$7.24/SF, up 1.5%** from the prior quarter and **9.2% higher** from one year ago. Nine industrial markets experienced double digit rent growth over the past year. Industrial rents have increased in each quarter since Q3 2011, affirming the incredible resilience and consistency of the market. **The average asking rent in Atlanta was \$5.26/SF in Q1 2019**. (Source: NGKF)

Industrial Absorption

Net absorption in the U.S. **decreased** during the first quarter of 2019, posting 36.7 million square feet of net absorption compared with 65.1 million square feet in the prior quarter. The dip in absorption can be attributed to a lack of vacant inventory, rather than a reduction in demand, as leasing activity proceeds at a feverish pace. Of the 49 industrial markets tracked by NGKF, 15 absorbed 1 million square feet or more in Q1 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 **increased by 1,200 employees** to 1,190,200 employees total in May 2019. The warehouse industry workforce **increased 0.1%** from the previous month and **increased 5.1%** year-over-year. (Source: U.S. Bureau of Labor Statistics)

Warehouse Earnings and Hours

The average earnings of warehousing & storage employees across the U.S. were \$20.72/hour in April 2019, **up 1.2%** from the previous month. The average weekly hours totaled 40.7 in April, **down 0.5%** from the previous month. (Source: U.S. Bureau of Labor Statistics)

W&D Business News:

- Growth in online grocery and meal kit delivery sales in recent years will generate demand for up to 100 million additional square feet of cold storage warehousing space over the next five years, according to a CBRE report. The report predicts this could be a disruptive shift in the coming years, as cold storage currently accounts for only 1-3% of national warehousing. The bulk of this demand is expected to be concentrated in major food producing states like California, Florida, Texas, Wisconsin, and Washington where there is already a significant food supply chain in place, according to CBRE. Additionally, some of these areas include major cities like Austin, Seattle, and Los Angeles where urban consumers are more likely to order groceries online. Accelerating demand for cold storage space could prove problematic due to the specialization and resource-intensive nature of cold-storage construction. "These are specialized facilities requiring significant capital, power and government approvals," Adam Mullen, CBRE's industrial and logistics leader in the Americas, said in a press release. The cold warehousing market could see an imbalance if supply doesn't rise quickly enough to meet demand. (Source: CBRE, supplychaindive.com)
- Plethora, a leader in on-demand manufacturing of quality custom prototypes and end-production parts, will create 250 jobs and invest more than \$17 million in a new production facility in Marietta, Georgia. Since opening in 2012, Plethora has experienced rapid growth and reached maximum production capacity in its San Francisco, CA facility. By expanding operations to Georgia, Plethora will be able to further its mission to help clients innovate and get to market faster. Plethora is currently working with Lanier Tech, Kennesaw State, and Georgia Tech to connect with Georgia's readily available workforce. (Source: Georgia.org)

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