



U.S. MARKET:	
Gross Domestic Product	The U.S. GDP increased at an annual rate of 4.0% in the fourth quarter of 2020, according to the advance estimate released by the Bureau of Economic Analysis in late January. This increase reflects both the continued economic recovery from the sharp declines earlier in the year and the ongoing impact of the COVID-19 pandemic, including new restrictions and closures that took effect in some areas of the United States. In the third quarter, real GDP increased 33.4 percent. (Source: US BEA) As of February 17, the latest GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the first quarter of 2021 is 9.5% . (Source: Federal Reserve Bank of Atlanta) (The GDPNow forecast aggregates statistical model forecasts of 13 subcomponents that comprise GDP.)
U.S. Trade Deficit	The U.S. goods and services trade deficit decreased 3.5% in December 2020 to \$66.6 billion . Exports and imports in December 2020 reflect both the ongoing impact of the COVID-19 pandemic and the continued economic recovery from the sharp declines earlier in the year. The full economic effects of the pandemic cannot be quantified in the trade statistics because the impacts are generally embedded in source data and cannot be separately identified. The Census Bureau and the Bureau of Economic Analysis continue to monitor data quality and have determined estimates in this release meet publication standards. (Source: US DOC & Census Bureau)
Import Volumes	In December 2020, the U.S. imported \$256.6 billion of cargo, increasing 1.5% from the previous month. December imports from South Korea, and Taiwan were the highest on record . (Source: US Census)
Export Volumes	In December 2020, the U.S. exported \$190.0 billion of cargo, increasing 3.4% from the previous month. December exports of foods, feeds, and beverages (\$14.5 billion) were the highest on record . (Source: US Census)
Import & Export Price Index	U.S. import prices increased 1.4% in January 2021, after increasing 1.0% the previous month. The January advance was the largest one month rise since the index increased 1.4% in March 2012. U.S. export prices also rose in January, increasing 2.51% . The January increase was the largest advance since the index was first published on a monthly basis in December 1988. (Source: Bureau of Labor Statistics)
Unemployment Rate	The unemployment rate in America was 6.3% in January 2021, down from 6.7% the previous month. In January 2021, U.S. employers added 49,000 jobs and the number of unemployed decreased by 10.1 million. The unemployment rate in Georgia was 5.6% in December, unchanged from 5.6% the previous month. (Source: AAR, US DOL, GDOL)
Labor Force Participation Rate	The labor force participation rate was 61.4% in January 2021, up from 61.5% the previous month. The labor force participation rate for those of prime working age (25-54) was 81.1% in January, up from 81.0% 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>
Leading Economic Index	The Leading Economic Index for the U.S. increased 0.3% in December 2020, to a reading of 109.5. According to The Conference Board, "The US LEI's slowing pace of increase in December suggests that US economic growth continues to moderate in the first quarter of 2021. Improvements in the US LEI were very broad-based among the leading indicators, except for rising initial claims for unemployment insurance and a mixed consumer outlook on business and economic conditions," said Ataman Ozyildirim, Senior Director of Economic Research at The Conference Board. "While the resurgence of COVID-19 and weak labor markets remain barriers to growth, The Conference Board expects the economy to expand by at least 2.0 percent (annual rate) in Q1 and then gain momentum throughout the year." (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>
Pending Home Sales	Existing home sales were 6.76 million in December 2020, up 0.7% from the previous month, and up 12.9% year-over-year. The index of pending home sales (sales that haven't closed yet but contracts have been signed) was 125.5 in December 2020, down 0.3% from the previous month but 21.4% 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)
Housing Starts	Housing starts in the US surged 5.8% month-over-month to an annualized rate of 1,669 thousand in December of 2020, beating market forecasts of 1560 thousand. It is the highest reading since September of 2006, amid a surge in single family starts in the Midwest as people move away from the big cities due to the pandemic. Single-family housing starts jumped 12 percent to 1,338 thousand while units in buildings with five units or more sank 15.2 percent to 312,000. (Source: U.S. Census Bureau)
Light Vehicle Sales	New light vehicle sales were an annualized and seasonally adjusted 16.63 million in January 2021, down 1.4% from January 2020. Sales of light trucks (SUVs, minivans, and pickups) accounted for 77.8% of total sales in January. (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>



Personal Income	Personal Income increased 0.6% in December 2020. Disposable personal income (DPI) increased \$111.6 billion (0.6 percent) and personal consumption expenditures (PCE) decreased \$27.9 billion (0.2 percent).. (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>
Retail Sales	Advanced estimates of retail and food service sales in January 2021 were \$568.2 billion, an increase of 5.3% from the previous month, and 7.4% above January 2020. Non-store retail sales were up 28.7% from January 2020. (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>
E-Commerce	The estimate of U.S. retail e-commerce sales for the fourth quarter of 2020, adjusted for seasonal variation, was \$206.7 billion, a decrease of 1.2% from the previous quarter and 32.1% higher than the fourth quarter of 2019 . E-commerce sales in the fourth quarter of 2020 accounted for 14.0% 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>
Consumer Confidence	The Consumer Confidence Index increased to 89.3 in January 2021, up from 87.1 in December. According to The Conference Board, “Consumers’ appraisal of present-day conditions weakened further in January, with COVID-19 still the major suppressor.” Consumers’ expectations for the economy and jobs, however, advanced further, suggesting that consumers foresee conditions improving in the not-too-distant future. In addition, the percent of consumers who said they intend to purchase a home in the next six months improved, suggesting that the pace of home sales should remain robust in early 2021.” (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>
Consumer & Producer Price Index	The Consumer Price Index for all urban consumers was 262.2 in January 2021, up 0.3% from the previous month. The gasoline index continued to increase, rising 7.4 percent in January and accounting for most of the seasonally adjusted increase in the all items index. The Producer Price Index for final demand was 121.3 in January 2021, up 1.3% from the previous month. (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>
Small Business Optimism Index	The Small Business Optimism Index was 95.0 in January 2021, down 0.9 from the previous month . According to the National Federation of Independent Business (NFIB), “As Congress debates another stimulus package, small employers welcome any additional relief that will provide a powerful fiscal boost as their expectations for the future are uncertain.” “The COVID-19 pandemic continues to dictate how small businesses operate and owners are worried about future business conditions and sales.” Owners expecting better business conditions over the next six months declined seven points to a net negative 23%, the lowest level since November 2013. (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>
Industrial Production and Capacity Utilization	The Industrial Production Index was 107.2 in January 2021, an increase of 0.9% from the previous month and 1.8% lower year-over-year . Capacity Utilization for the industrial sector was 75.6% in January 2021, down 0.1% 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>
Manufacturing & Trade Sales	Total combined sales and manufacturing shipments totaled over \$1.49 trillion in December 2020, up 0.8% from the previous month and up 2.5% from December of the previous year. (Source: US Census)
Manufacturing & Trade Inventory	Total value of inventory on-hand is estimated at \$1.97 trillion in December 2020, up 0.6% from the previous month and down 2.6% from December of the previous year . (Source: US Census)
Purchasing Managers Index	The Manufacturing PMI was 58.7% in January 2021, down 1.8% from the previous month. This figure indicates expansion in the overall economy for the eighth consecutive month. New Orders decreased 6.4% to 61.1% , and Production decreased 4.0% to 60.7%. 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 continuing to cause strains that limit manufacturing growth potential. “Of the six biggest manufacturing industries, five — Chemical Products; Fabricated Metal Products; Transportation Equipment; Food, Beverage & Tobacco Products; and Computer & Electronic Products — registered moderate to strong growth in January. Petroleum & Coal Products contracted.” (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>
Purchasing Managers Index in the Southeast	In January 2021, the Southeast PMI increased month-over-month to 65.5% . New Orders in the Southeast increased to 63.6% and Production increased 70.5% . In the month of January, the Southeast’s PMI was 6.8% higher 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>
Logistics Manager’s Index	The Logistics Manager’s Index was 67.2% in January 2021, an increase of 0.5% from the previous month, this is well above average. Much of the increase in this month’s LMI are driven by increases in the rate of growth for the inventory metrics. Due to constricted capacity and high inventory levels, it would appear that as firms increase the amount of inventory they’re holding, the cost of doing so is increasing at an increasing rate. This combined with tight capacity and high prices



contribute to the increasing rate of growth detected in this month's LMI. (Source: the-lmi.com) *(The LMI score is a combination eight unique components that make up the logistics industry, including: inventory levels and costs, warehousing capacity, utilization, and prices, and transportation capacity, utilization, and prices. The LMI is calculated using a diffusion index, in which any reading above 50 percent indicates that logistics is expanding; a reading below 50 percent is indicative of a shrinking logistics industry.)*

U.S. Market News

2020 was a challenging year for global trade, but Georgia companies proved resilient in international markets. Coming off a record year in 2019, the state's exports contracted by just 6% in 2020, exceeding \$38.8 billion. Georgia is now the 10th largest exporting state in the nation, and outperformed U.S. exports as a whole. Across the state, exports sustain thousands of businesses with nearly 90% of Georgia exporters consisting of small and medium-sized firms. In 2020, companies in Georgia exported products to 215 unique markets. Georgia's trade trajectory is a strong one, with exports growing by 34% since 2010. Total trade exceeded \$137.7 billion last year, spanning 221 unique markets. The state's top trading partners include China, Mexico, Germany, Korea, and Japan, and 67% of Georgia's bilateral trade occurs with markets where the state has representation. As global trade flows continue their recovery in 2021, Georgia is well-positioned for continued trade growth. (Georgia.org)

MULTIMODAL:

Dow Jones Transportation Index

Dow Jones Transportation Index **increased .98%** in January 2021, ending at a reading of 13,274.21. *(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 2.15%** in January 2021, ending at a reading of 6,020.40. *(Averaged share weights of NASDAQ-listed companies classified as transportation companies)*

DOT Freight Transportation Service Index

The USDOT's freight transportation services index was **136.3** in December 2020, **up 2.7%** from the previous month and rising to the highest level since the start of the pandemic, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS). The index reached the level of 136.3, the highest level since 136.9 in January 2020. (Source: US BTS)

Cass Freight Index

The Cass Freight Shipments Index was 1.110 in January 2021, a **decrease of 1.1%** from the previous month, and an **increase of 8.6%** 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 3.070 in January 2021, an **increase of 2.8%** seasonally adjusted from the previous month and an **increase of 19.5%** year-over-year. According to Cass Information Systems, "As these higher volumes meet rising contract rates, it is clear that this index is headed for growth rates over the next several months not seen since 2010-2011." (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 December 2020 decreased to a **negative reading of -10.9**. According to FTR, "Q4 '20 saw the toughest market conditions for shippers since early 2018. Freight volumes remain strong but fuel costs continue to rise steadily. FTR's current outlook is for improved conditions as capacity utilization and rates start to stabilize, albeit at high levels. The SCI will likely remain in a low single-digit negative range through most if not all of 2021." (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 **\$95.5 billion** in November 2020, **down 6.1% than the previous month and 3.2% lower year-over-year**. Trucks carried \$62.7 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:

Savannah Gateway Industrial Hub (SGIH), a 2,600 acre master planned multi-modal industrial park development partnership between OmniTRAX – The Broe Group's transportation affiliate – and Effingham County Industrial Development Authority (ECIDA), announced dual project milestones that mark the park's official opening. As supply chains evolve to meet changing consumption and manufacturing patterns, the importance of proximity, optionality and efficiency has never been greater. SGIH combines the power of dual rail optionality with the most efficient port in the nation to deliver unmatched logistics efficiency. To continue to meet this demand, multiple new large-scale projects are currently underway. (Source: Atlanta Journal Constitution - <https://ajot.com/news/savannah-gateway-industrial-hub-debuts-its-multi-modal-export-capability>)

RAIL:

U.S. Freight Rail Traffic

Total originated carloads on U.S. railroads were **480,483** in February 2021, **up 0.3% compared to February 2020**. Total combined U.S. traffic for the first six weeks of 2021 was **3,079,821 carloads and intermodal units, an increase of 4 percent compared to last year**. (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 February 2021 were **269,063 units, up 6.9% from February 2020**. For the first six weeks of 2021, U.S. intermodal originations were 1,711,705 intermodal units, up 10.3 percent from last year. (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 December 2020 was 301.6, up 13.3% from the previous month and 23.8% 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 January 2021 was 113,461 a 3.66% decrease from the previous month and an 11.57% decrease from January 2020 . (Source: U.S. STB, AAR)
Railroad News Clips:	The number of employees working for the U.S. operations of the Class I railroads in January fell to its lowest level in years, according to data received by the Surface Transportation Board . U.S. Class I railroad operations had 113,461 employees working in their ranks in January, an 11.6% drop from January 2020 and a 3.7% decline from December. This total is the lowest since January 2012, the earliest date for which FreightWaves has data. January's total also beat October 2020's low of 114,960 employees. Both year-over-year and sequential declines occurred across all six categories: professional and administrative; executives, officials and staff assistants; maintenance of way and structures; maintenance of equipment and stores; transportation (other than train and engine); and transportation (train and engine). The train and engine category (T&E) typically reflects market demand for rail service, although the deployment of precision scheduled railroading , an operating model that seeks to streamline operations, plus the COVID-19 pandemic may have impacted headcount. (Source: Freightwaves.com)
TRUCKING:	
Truck Tonnage Index	The ATA's seasonally adjusted For-Hire Truck Tonnage Index was 120 in December 2020, an increase of 7.4% from the previous month and an increase of 3.2% from December 2019 . According to ATA Chief Economist Bob Costello, "Tonnage ended last year on a high note. The index not only registered the largest monthly gain since June, but it also had the first year-over-year increase since March. Freight continues to be helped by strong consumption, a retail inventory restocking, and robust single-family home construction." (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 January 2021 decreased 0.4% compared to the previous month and was 67.9% higher year-over-year. Truck capacity decreased 2.8% for the month and decreased 18.3% year-over-year. (Source: DAT Trendlines www.dat.com)
Refrigerated Trucking	In January 2021, the national load-to-truck ratio for refrigerated loads was 8.15 loads per truck , down from 8.52 the previous month. Georgia's reefer load-to-truck ratio ranges 2.3-5.5 . In January, the national spot market reefer rate was \$2.61 per mile, down from \$2.67 the previous month. (Source: DAT Trendlines www.dat.com)
Market Demand Index	The overall Market Demand Index (MDI) rose by 74.9 points to 212.9 as load availability increased 13.9% and truck availability declined 26.2%. Compared to last year the MDI is up 173.1 points, or 435.4%. Last week, market rates rose 3.7% to \$2.61. Compared to last year, rates are up 32.1%. National fuel prices edged up \$0.06 cents to \$2.81 from \$2.75 per gallon in the previous week. (Source: Truckstop.com Spot Market Insights)
Trucking Conditions Index	FTR's Trucking Conditions Index (TCI) fell in December, but the blame lies squarely with higher diesel prices. The TCI declined to a reading of 8.51 from the 10.46 reading in November, but index components related to freight demand, rates, and capacity utilization were very slightly stronger. The fuel cost component of the index recorded its largest negative change in more than three years. FTR forecasts index readings in the high positive single digits through 2021. (Source: FTR Transportation Intelligence ftrintel.com) <i>(Figures below zero indicate a less-than-ideal environment for trucking)</i>
Diesel Prices	As of February 15, 2021 the U.S. average diesel price was \$2.876 per gallon . The U.S. average diesel price was \$0.014 lower than the same week last year. The average price of diesel in the Lower Atlantic states was \$2.798 per gallon, \$0.005 lower than the same week last year. (Source: U.S. DOE) <i>(Reflects the costs and profits of the entire production and distribution chain.)</i>
Trucking Employment	The trucking industry workforce decreased 0.2% to 1,475,400 employees total in January 2021. (Source: U.S. Bureau of Labor Statistics)
Trucking Earnings and Hours	The average earnings of truck transportation employees were \$27.05/hour in January 2021, up 0.07% from the previous month. The average weekly hours totaled 42.3 in January, up 0.7% from the previous month. (Source: U.S. Bureau of Labor Statistics)
U.S. Truck & Trailer Orders (Class 8)	Preliminary January 2021 Class 8 truck orders totaled 42,800 units, down 18% from the previous month and the fourth consecutive month to exceed 40,000 units . According to FTR, "Freight growth remains vibrant and fleets are rushing to add capacity as fast as possible. OEMs and suppliers are trying to keep pace with the surging demand." January 2021 net trailer orders totaled 30,000 units, down 34% from the previous month, and up 83% higher than January 2020. According to FTR, "Fleets are expecting 2021 to continue to be a great year for freight and have placed a hefty number of orders in the last five months. Replacement demand is solid because carriers are profitable. Expansion demand is growing due to the capacity constraints that emerged after the economic startup. Orders should continue to ease down due to the lack of available build slots. The challenge right now is for OEMs to fill near-term orders due to raw material and component shortages. (Source: FTR Transportation Intelligence ftrintel.com)



Trucking News Clip

One of the biggest questions of 2021 for trucking is whether a wave of capacity will enter the market that stabilizes the current elevated spot rate environment. This is a question many transportation providers struggle with each year as they attempt to balance the need for growth versus cost control. The Bureau of Labor Statistics puts out a monthly figure measuring employees in the truck transportation space that is a good directional measure for the growth or decline of the industry. It covers all the employees of carriers, including drivers and back office workers. Looking at the non-seasonally adjusted figure for truck transportation employment levels as of November, there is still a long way to go to get back to pre-pandemic levels. In November of 2019, there were over 15.3 million people employed in the trucking industry, whereas this past November that figure sat around 14.8 million — a difference of more than 500,000 jobs. (Source: FreightWaves.com)

AIR FREIGHT:

Air Cargo Traffic

Global air freight traffic in December 2020 **was down 0.5% compared to December 2019**. Air cargo volumes improved significantly during the course of the year, from the Q2 low point, with global cargo tonne-kilometres (CTKs) down only 0.5% year-on-year in December. However, in 2020 overall, industry-wide CTKs fell by 10.6% year-on-year, the largest decline since the series started in 1990. (Source: IATA.org.) *(Global air freight covers international and domestic scheduled air traffic.)*

Jet Fuel Prices

As of February 12, 2021, the global average jet fuel price was \$66.17 per barrel; **up 9.4%** from the previous month, and **1.9% 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 U.S. Department of Transportation is making nearly \$2 billion in federal grant funding available to help airports affected by COVID-19 under the Federal Aviation Administration's (FAA) [Airport Coronavirus Response Grant Program](#). "President Biden has made it a priority to deliver immediate relief to our transportation sectors and their workers, ensuring they can continue to provide essential services through this pandemic and beyond" said U.S. Secretary of Transportation Pete Buttigieg. "Today's announcement is one of many steps we are taking to protect the health of America's travelers and workers, while keeping our nation's airport operations and related small businesses up and running."

The program is funded under the Coronavirus Response and Relief Supplemental Appropriations Act of 2020. It is available to more than 3,000 commercial service, reliever and publically owned general-aviation airports in the [National Plan of Integrated Airport Systems](#).

Most of the funds will go toward helping keep people safe and in jobs by reimbursing operational expenses, debt service payments and costs related to combating the spread of pathogens at the airport. The program also includes money for rent relief to airport concessions and to support FAA contract towers for items such as cleaning and sanitizing facilities affected by COVID-19 cases.

Airports must apply for the grants by June 30, 2021. (Source: FAA.gov)

OCEAN FREIGHT:

Import Volumes by Ocean

In December 2020, the latest month for which after-the-fact numbers are available, U.S. container ports handled 2.11 million TEUs, a **2% increase** from the previous month, **22.3% higher** year-over-year. According to the NRF, "That brought 2020 to a total of 22 million TEU, up 1.9 percent from 2019's 21.6 million TEU and beating the previous record of 21.8 million TEU recorded in 2018." (Source: NRF/Hackett Associates)

Shanghai Containerized Freight Index

The February 19, 2021 SCFI comprehensive reading was **\$2,875.93 per FEU, up 14.6%** from last month. The spot rate for shipments to the U.S. East Coast was \$2,808 per FEU, on January 3rd. (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.)*

Georgia Ports Authority

The Georgia Ports Authority reached an **all-time monthly record of 459,608** twenty-foot equivalent container units for all terminals in January 2021, **up 21.7 percent** compared to the same month last year. (Source: GPA)

Ocean Freight Business News:

Peloton will incur transportation costs more than **10 times its usual cost per item**, CEO John Foley said in a note to customers. The manufacturer aims to expedite bike and treadmill deliveries to consumers frustrated by delayed orders. The company will spend \$100 million to speed shipping, including using airfreight, expedited ocean freight, moving containers to less-congested ports and getting products into U.S. warehouses, executives said on the company's earnings call Thursday. (Source: supplychaindive.com)

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The U.S. industrial vacancy rate in the fourth quarter of 2020 increased 30-basis points YOY to **5.2%**. That vacancy rate is still 60 basis point (bps) below the five-year historical average of 6.6% for all product types. Despite vacancy increasing slightly over last quarter, alleviating some—but certainly not all—of the pressure on the supply constrained markets. The industrial vacancy rate in **Atlanta, GA was 5.8%** in Q4 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 Q4 2020, **increasing 4.6%** from the fourth quarter 2019 at \$6.76 per square foot (psf). Warehouse/distribution rents rose 5.6% during the same period to \$6.22 psf. **The average asking rent in Atlanta was \$4.42/SF in Q4 2020.** (Source: Cushman & Wakefield)

Industrial Absorption

The market finished the fourth quarter at a strong pace, **absorbing 89.8 million square feet (msf), the strongest single quarter ever recorded.** This brought the year-to-date (YTD) total to 268.4 msf of absorption, surpassing the 240.9 msf reported a year-end 2019 by 11.4%. Warehouse/distribution space proved to be the strongest secondary type, carrying the U.S. industrial market through the year, absorbing 267.4 msf. The overall total was brought down slightly due to manufacturing and high-tech space ending the year with negative absorption. (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 **decreased 1.21% to 1,425,100** employees preliminary total in January 2021. (Source: U.S. Bureau of Labor Statistics)

Warehouse Earnings and Hours

The average earnings of warehousing & storage employees across the U.S. were \$21.98/hour in December 2020, **up 4.22%** from the previous month. The average weekly hours totaled 41.1 in December, **down 2.4%** from the previous month. (Source: U.S. Bureau of Labor Statistics)

W&D Business News:

- Governor Brian P. Kemp today announced that fresh-prepared meal delivery service [Freshly Inc.](#) is investing \$3.2 million in opening a distribution facility in Austell. The company will bring on 150 employees during the initial operating phase and plans to hire at least 250 at the Cobb facility by the end of 2021. The 134,000-square-foot facility will be Freshly's largest dedicated order-assembly facility to date and will begin operating in mid-February. (Source: Georgia.org)
- America's warehouse space demand is marching toward a better future. Buoyed by the acceleration of e-commerce, warehousing today sees more growth opportunities than perhaps ever before, and this is no hyperbole. Data backs it up. U.S. retail e-commerce sales [are estimated at \\$209.5 billion](#) for the third quarter of 2020. That's an increase of 36.7% from the third quarter of 2019. As retailers continue to add more inventory to meet the e-commerce growth, they need to increase distribution center footprints across the country. Many manufacturers are also keen on diversifying their supply chains, which means more opportunities for third-party logistics (3PLs) companies. This, together with the pressure on retailers and wholesalers to reach more and more consumers, is driving warehousing growth like never before. According to CBRE Research, [\\$1 billion](#) in incremental e-commerce sales result in 1.25 million square feet of warehouse space demand. Consequently, net absorption is estimated to reach over 250 million square feet in 2021. It's interesting to note that this figure far exceeds the previous five-year annual average of 211 million square feet. Add to this the growing infill warehouse space demand in urban cores, and you are sure to understand the projected record-high levels of new warehouse construction. However, land constraints and high costs may be construed as a limiting factor here. This takes us to the fact that retail buildings are expected to see a surge in adaptive reuse for industrial occupiers in the next couple of years. The fact is that America has far overbuilt retail space. This is why it seems like you see "for lease" signs everywhere. Adaptive reuse allows developers to take a building that no longer serves the community and alter it into a higher and better use. For example, your local big-box retail property that has sat vacant for the last five years could become a warehouse for shipping and logistics.

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