

MONTHLY ECONOMIC INDICATORS

THE PORT AUTHORITY OF NY & NJ

Planning and Regional Development Department

September 2015

	Actual		Annual Forecast
UNEMPLOYMENT RATE	AUG 2015	AUG 2014	2015
U.S.	5.1%	6.1%	5.1%
REGION (JUL 2015)	5.6%	6.8%	-
NON-FARM EMPLOYMENT	AUG 2015	AUG '15/ AUG '14	2015
U.S.	142.29M	2.1%	2.5%
REGION	8.86M	1.6%	1.5%
REAL GDP	2015Q2	2015Q1	2015
U.S.	3.9%	0.6%	2.1%
REGION	1.8%	-0.1%	2.2%
INTERNATIONAL TRADE	AUG 2015	AUG '15/ AUG '14	2015
U.S.	\$316.8B	-6.2%	-2.3%
NY CUSTOMS DISTRICT	\$34.6B	-4.3%	-
NY Imports	\$23.2B	-4.0%	-
NY Exports	\$11.4B	-5.0%	-
GASOLINE PRICE	AUG 2015	AUG 2014	2015
New York City	\$2.60/g	\$3.70/g	\$2.45/g
Newark, NJ	\$1.99/g	\$3.18/g	\$1.87/g
PRICES	AUG '15/ AUG '14	AUG '14/ AUG '13	2015
Consumer Prices - U. S.	0.2%	1.7%	0.4%
Consumer Prices - REGION	0.1%	1.3%	0.5%
Personal Income - U. S.	4.0%	4.0%	4.1%
Personal Income - REGION	3.1%	3.2%	3.2%
Construction Costs - U.S. 20-CITY	2.0%	5.2%	-
Construction Costs - NYC	4.2%	12.1%	-
Housing Prices - U.S. 20-CITY	4.9%	6.7%	4.8%
Housing Prices - NYC	1.9%	3.5%	-
CLASS A OFFICE SPACE AVERAGE ASKING RENT	JUL 2015	MAY 2015	2015
Manhattan Totals	\$77.43/sf	\$77.09/sf	-
Midtown	\$86.12/sf	\$85.76/sf	-
Downtown	\$62.10/sf	\$61.61/sf	-

* For Unemployment Rates, Employment and GDP, U.S. data are seasonally adjusted, regional data are not.

* The forecast developed by PA Planning staff using Oxford Economics' Macro Model

SPECIAL FOCUS

World Trade Slows But NY-NJ Is Humming

In recent weeks, both the [Wall Street Journal](#) and [The Economist](#) have reported that growth in world trade is slowing after more than a decade of very rapid growth. At the same time, the Port Authority has reported a string of record-breaking months at its container port facilities this year. What explains these divergent trends?

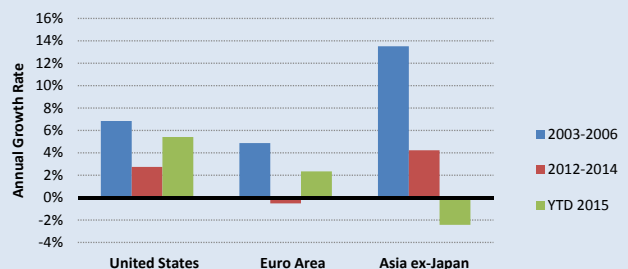
As we discussed [earlier this year](#), a series of trade agreements have lowered the barriers to world trade over the last two decades. These agreements, and the rapid growth of global logistics networks, have translated into an explosion in international trade, with trade growing nearly twice as fast as the overall world economy between 1990 and 2010. Yet this breakneck pace appears to have slowed in recent years. Since 2012, world trade has been growing slower than GDP; thus far in 2015, trade has actually dropped in much of the world.

Some of the slowdown can be explained by factors that are likely to diminish over time. For example, the US has cut its imports of oil by one-third since 2005, as domestic production has grown and cars and trucks have become more fuel-efficient. In Europe, the euro crisis has slowed the economy and its demand for imports. These trends could stabilize: the US's steady recovery could translate into growth for imports other than oil; and a resolution to the euro crisis could pave the way for sustainable import growth in Europe.

A bigger question is the long-term trend in Asia. After two decades of very rapid growth, imports have slowed over the last three years and actually declined through July of this year, according to CPB World Trade Monitor. The decline this year may be tied to the cooling of China's economy; but it is conceivable that emerging markets in Asia have become so integrated with the global economy that there is simply less opportunity for trade to grow at the rates we saw a decade ago.

The effect of this global trend on activity at the Port of New York and New Jersey appears to have been masked by other factors. While demand for imports into Asia and Europe has slowed, US imports continue to grow faster than the overall economy. Lower gas prices have translated into a dividend for consumers, as retail sales on items other than gasoline are up 4.7 percent through August of this year; this could be spurring demand for imported goods. Our port has also seen a sharp uptick this year following the labor dispute at West Coast ports this February (see next page). These factors have helped insulate our region's economy from the wider slowdown in global trade.

Growth in Merchandise Imports



2015 represents imports through July.
Source: CPB World Trade Monitor

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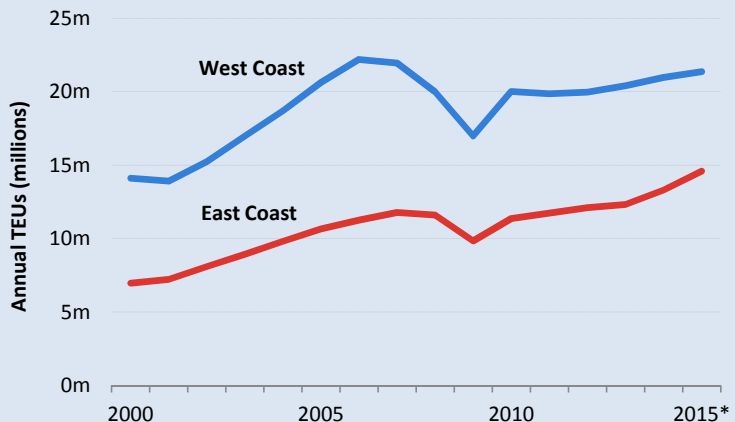
AVIATION	Jul '15	YTD	Jul '15/'14	YTD '15/'14	PORT COMMERCE	Jul '15	YTD	Jul '15/'14	YTD '15/'14
Revenue Passengers (000's)	11,905.5	69,945.2	6.7%	5.4%	Port Trade				
John F. Kennedy International Airport (JFK)	5,641.2	32,317.3	7.9%	6.7%	Container Imports (TEUs)	295,865	1,871,562	11.1%	12.7%
LaGuardia Airport (LGA)	2,673.1	16,158.0	9.5%	4.6%	Container Exports (TEUs)	120,736	819,982	0.4%	-0.6%
Newark Liberty International Airport (EWR)	3,564.3	21,305.7	3.1%	4.3%	Containers lifted on/off Express Rail	46,892	303,995	9.0%	14.2%
Stewart International Airport (SWF)	26.9	164.1	-4.4%	-9.7%					
Revenue Freight (Short Tons)	170,678	1,176,248	0.0%	2.6%	TUNNELS, BRIDGES & TERMINALS	Jul '15	YTD	Jul '15/'14	YTD '15/'14
Domestic	59,037	394,361	5.1%	4.9%	Eastbound Vehicle Volumes (000's)	10,417	65,928	2.8%	1.4%
International	111,641	781,887	-2.5%	1.4%	George Washington Bridge	4,623	28,617	5.9%	2.6%
Flights	116,704	731,156	2.7%	2.6%	Lincoln Tunnel	1,614	10,819	0.7%	0.5%
Domestic Air Carrier	81,053	516,881	3.7%	3.6%	Holland Tunnel	1,355	8,871	-0.9%	-0.4%
International Air Carrier	27,894	169,350	-0.5%	0.4%	Bayonne Bridge	170	1,271	-32.3%	-23.6%
General Aviation	7,757	44,925	4.1%	-0.3%	Goethals Bridge	1,334	8,197	5.0%	4.3%
Paid Parked Cars	794,313	4,690,784	-2.6%	-2.9%	Outerbridge Crossing	1,321	8,153	3.3%	2.6%
Revenue AirTrain Passengers	793,500	5,083,689	1.6%	6.9%	Eastbound Volumes by Vehicle Type (000's)				
					Autos	9,504	60,038	2.6%	1.4%
					Trucks	644	4,171	6.3%	1.3%
					Buses	269	1,716	1.1%	1.0%
FERRY OPERATIONS	Jul '15	YTD	Jul '15/'14	YTD '15/'14	PORT AUTHORITY PULSE	Jun '15	May '15	Change	
Passengers (000's)					(Seasonally Adjusted, 2010=100)				
New Jersey Ferries	830.7	4,577.9	2.1%	-1.1%	PA Pulse (Transportation Activity Index)	100.5	99.6	0.9%	
					PA Freight Pulse	98.3	96.6	1.8%	
					PA Passenger Pulse	102.7	102.6	0.1%	
PATH	Jul '15	YTD	Jul '15/'14	YTD '15/'14	U.S. TRANSPORT. SERVICES INDEX	Jul '15	Jun '15	Change	
Passengers (000's)	6,854.0	43,781.0	4.8%	2.5%	(Prelim., Seasonally Adj., 2000=100)				
Average Weekday	261.7	1,774.3	1.4%	2.2%	TSI - Combined Index	122.7	122.2	0.4%	
Average Saturday	121.6	771.5	9.8%	1.8%	TSI - Freight	122.8	122.1	0.6%	
Average Sunday	91.5	589.9	13.2%	3.0%	TSI - Passenger	122.2	122.0	0.2%	

TRANSPORTATION FOCUS

A Bump Up in East Coast Port Traffic

US port activity is affected by the global dynamics described on the first page, but another factor has been at play this year: the labor dispute and effective shutdown of West Coast ports in February. As a temporary workaround, many shippers that normally use these ports shipped their cargo via the East Coast. Over the last fifteen years, container growth at both coasts has generally moved in the same direction, but the trends diverged in the first half of 2015: container traffic at the four largest East Coast ports was up 15 percent over 2014 levels, while traffic fell 2 percent at the largest West Coast ports. East Coast ports are reporting record volumes, while the West Coast has yet to match its pre-recession peak. While the West Coast has seen some growth during the summer, it is a matter of speculation as to whether shippers will stick with new shipping patterns or revert to their customary West Coast routes.

Container Traffic at Largest US Ports



2015 estimate. Includes the US's eight largest West and East Coast ports.
TEU = Twenty-foot Equivalent Unit, a standardized measure of container traffic.
Source: AAPA and individual port websites

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