MONTHLY ECONOMIC INDICATORS

Planning and Regional Development Department

	Acti	Annual Forecast		
UNEMPLOYMENT RATE	DEC 2015	DEC 2014	2016	
U.S.	5.0%	5.6%	4.8%	
REGION (NOV 2015)	5.5%	5.8%	-	
NON-FARM EMPLOYMENT	DEC 2015	DEC '15/ DEC '14	2016	
U.S.	143.24M	1.9%	1.6%	
REGION	9.03M	1.5%	1.5%	
REAL GDP	2015Q4	2015Q3	2016	
U.S.	1.5%	3.9%	2.1%	
REGION	2.3%	5.1%	2.2%	
INTERNATIONAL TRADE	NOV 2015	NOV '15/ NOV '14	2016	
U.S.	\$303.2B	-6.5%	2.5%	
NY CUSTOMS DISTRICT	\$32.8B	-6.6%	-	
NY Imports	\$21.3B		-	
NY Exports	\$11.5B	-14.1%	-	
GASOLINE PRICE	DEC 2015	DEC 2014	2016	
New York City	\$2.19/g	\$2.47/g	\$2.06/g	
Newark, NJ	\$1.74/g	\$1.92/g	\$1.63/g	
PRICES	DEC '15/ DEC '14	DEC '14/ DEC '13	2016	
Consumer Prices - U. S.	0.7%	0.7%	1.1%	
Consumer Prices - REGION	0.7%	0.3%	1.2%	
Personal Income - U. S.	3.5%	5.2%	3.3%	
Personal Income - REGION	3.1%	3.9%	2.5%	
Construction Costs - U.S. 20-CITY	1.6%	4.4%	-	
Construction Costs - NYC	-0.4%	4.2%	-	
PRICES	NOV '15/ NOV '14	NOV '14/ NOV '13	2016	
Housing Prices - U.S. 20-CITY	5.7%	4.3%	4.8%	
Housing Prices - NYC	3.3%	1.6%	-	
CLASS A OFFICE SPACE AVERAGE ASKING RENT	JUL 2015	JUL 2014	2016	
Manhattan Totals	\$77.43/sf	\$75.25/sf	-	
Midtown	\$86.12/sf	\$82.70/sf	-	
Downtown	\$62.10/sf	\$55.07/sf	-	

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

January 2016

SPECIAL FOCUS

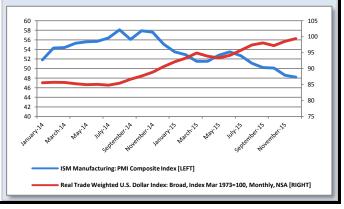
An Uncertain Outlook for 2016

Today, the Bureau of Economic Analysis released its first estimate of Real GDP growth in the fourth quarter of 2015 and, as expected, the reading was quite weak. Estimated annual growth for 2015 now comes in at 2.4 percent, also slightly below its long-term trend. In light of the shocks hitting the world economy last year and in early 2016, that is not surprising. The question now is whether it will put an end to an expansion that has delivered solid employment growth recently and driven down the unemployment rate to 5%. While our outlook for 2016 has dimmed, we still expect 2016 to have moderate real economic growth with continued expansion of employment nationally and regionally.

The downside risks nevertheless are significant. Over the course of 2016, the Chinese economy has slowed and may now even have reached nearrecession territory. The official data are difficult to interpret but it appears that manufacturing activity has slowed substantially. Investor confidence in Chinese assets also has waned and there likely will be continued spillover effects into other Asian economies that rely on China heavily for bi-lateral trade. Some of these negative impacts may be manageable for the US economy considering, as Alan Blinder pointed out in the Wall Street Journal a few days ago, exports to China expressed as a percentage of US GDP is roughly 1 percent. So even a collapse in trade would not materially affect US growth prospects. But it is the strengthening of the dollar against most other currencies that has affected trade and the competitiveness of US manufactured goods [see Figure 1 below]. Export activity has slowed measurably and that has weighed on output overall. Combined with uncertainty in financial markets - we have returned to volatile trading and multi percentage swings in stock market indices – and falling capital expenditures in the oil sector, the downside risks for the US economy have grown.

On the positive side, low oil prices have provided US households with a boost to their disposable incomes. Gas prices alone have reached levels last seen in early 2009 and commodity prices have come down substantially as a result of the collapsing demand from China. Businesses across the economy are benefitting from the low resource prices and inflationary price pressures seem to be completely absent. Real wages maycontinue on their modest growth path in 2016 and the Federal Reserve is likely to adopt a more modest path when raising interest rates this year and next.

The regional economy grew at a healthy clip in 2015. Employment growth in New York City continued its ascent into record territory and even some of the counties in New Jersey registered solid employment gains despite continued overall weakness of the state's economy. We and other regional forecasters expect these trends to continue even though one needs to ask when the pace of expansion in the region will start to slow. The year 2015 also saw increases in activity at all major Port Authority facilities. Automobile and truck traffic saw the first year of growth after several years of decline, PATH transit ridership increased by nearly 4 percent, and both aviation passenger and port cargo activity have come in at record levels. These are signs that most consumers and businesses in the region are doing well. The NY-NJ metropolitan region continues to outperform the national economy and that trend is likely to continue. We will continue to monitor the region's pulse and report back with any changes we see on the horizon.



^{*} Forecast developed by PA Planning staff using Oxford Economics'
Macro Model.

MONTHLY ECONOMIC INDICATORS

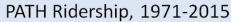
THE PORT AUTHORITY OF NY & NJ

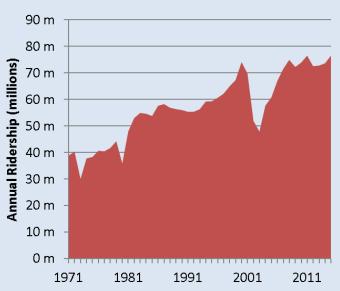
Planning and Regional Development Department

January 2016									
AVIATION	Nov '15	YTD	Nov '15/'14	YTD '15/'14	PORT COMMERCE	Nov '15	YTD	Nov '15/'14	YTI '15/'1
Revenue Passengers (000's)	9,794.7	112,685.2	9.2%	6.2%	Port Trade				
John F. Kennedy International Airport (JFK)	4,342.1	52,129.8	9.7%	6.9%	Container Imports (TEUs)	249,112	2,962,536	4.0%	10.0%
LaGuardia Airport (LGA)	2,333.6	26,033.7	8.4%	5.7%	Container Exports (TEUs)	116,983	1,281,821	-3.7%	-2.2%
Newark Liberty International Airport (EWR)	3,097.0	34,262.3	9.1%	5.5%	Containers lifted on/off Express Rail	41,194	481,810	12.7%	12.5%
Stewart International Airport (SWF)	22.1	259.5	-5.5%	-9.1%	TUNNELS, BRIDGES & TERMINALS	Nov '15	YTD	Nov '15/'14	YTI '15/'1
Revenue Freight (Short Tons)	175,999	1,864,504	-1.1%	1.3%	Eastbound Vehicle Volumes (000's)	9,661	105,961	3.1%	1.6%
Domestic	56,934	629,302	-1.1%	3.9%	George Washington Bridge	4,200	46,151	3.4%	2.9%
International	119,065	1,235,202	-1.1%	0.1%	Lincoln Tunnel	1,590	17,299	2.6%	0.7%
Flights	103,677	1,171,463	2.1%	2.2%	Holland Tunnel	1,267	14,094	-0.9%	-1.0%
Domestic Air Carrier	74,757	828,686	2.6%	3.3%	Bayonne Bridge	148	1,891	-28.8%	-25.7%
International Air Carrier	22,040	266,809	-2.5%	-0.2%	Goethals Bridge	1,264	13,355	10.9%	5.2%
General Aviation	6,880	75,968	13.5%	3.5%	Outerbridge Crossing	1,192	13,171	5.5%	3.1%
Paid Parked Cars	645,368	7,529,854	2.3%	-1.3%	Eastbound Volumes by Vehicle Type (000's)				
Revenue AirTrain Passengers	732,000	8,315,789	3.6%	5.4%	Autos	8,834	96,590	3.0%	1.6%
					Trucks	588	6,650	5.8%	2.4%
FERRY OPERATIONS	Nov '15	YTD	Nov '15/'14	YTD '15/'14	Buses	238	2,719	1.7%	0.3%
Passengers (000's)					PORT AUTHORITY PULSE (Seasonally Adjusted, 2010=100)	Aug '15	Jul '15	Change	
New Jersey Ferries	654.8	7,534.4	8.7%	-0.3%	PA Pulse (Transportation Activity Index)	99.7	100.0	-0.3%	
					PA Freight Pulse	95.4	96.5	-1.2%	
PATH	Nov '15	YTD	Nov '15/'14	YTD '15/'14	PA Passenger Pulse	104.1	103.5	0.6%	
Passengers (000's)	6,197.0	70,003.0	9.9%	3.6%	U.S. TRANSPORT. SERVICES INDEX (Prelim., Seasonally Adj., 2000=100)	Nov '15	Oct '15	Change	
Average Weekday	268.0	2,841.8	5.6%	2.9%	TSI - Combined Index	125.6	127.3	-1.3%	
Average Saturday	113.9	1,250.5	13.6%	6.1%	TSI - Freight	122.3	123.5	-1.0%	
Average Sunday	92.9	966.5	17.5%	7.1%	TSI - Passenger	133.2	135.9	-2.0%	

TRANSPORTATION FOCUS

It's no secret among commuters on the Port Authority's PATH subway that there's been an influx of new riders. In fact, in 2015 PATH saw the highest ridership in the last half century: 76.57 million riders, just above the previous peak in 2011. Some of the recent growth has come as the system has recovered from damage inflicted by Superstorm Sandy. More fundamentally, PATH ridership has been driven by strong employment growth in Manhattan and particularly downtown, most notably the opening of the World Trade Center.





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