

MONTHLY ECONOMIC INDICATORS

THE PORT AUTHORITY OF NY & NJ

Planning and Regional Development Department

July 2016

	Actual		Annual Forecast
UNEMPLOYMENT RATE	JUN 2016	JUN 2015	2016
U.S.	4.9%	5.3%	4.7%
REGION	NA	NA	-
NON-FARM EMPLOYMENT	JUN 2016	JUN '16/ JUN '15	2016
U.S.	144.18M	1.7%	1.6%
REGION	9.18M	1.8%	1.5%
REAL GDP	2016Q2	2016Q1	2016
U.S.	1.2%	0.8%	2.4%
REGION	1.1%	1.1%	2.1%
INTERNATIONAL TRADE	MAY 2016	MAY '16/ MAY '15	2016
U.S.	\$303.2B	-3.6%	-
NY CUSTOMS DISTRICT	\$33.8B	-1.6%	-
NY Imports	\$22.7B	1.4%	-
NY Exports	\$11.1B	-7.3%	-
GASOLINE PRICE	JUN 2016	JUN 2015	2016
New York City	\$2.72/g	\$3.23/g	-
Newark, NJ	\$2.28/g	\$2.76/g	-
PRICES	JUN '16/ JUN '15	JUN '15/ JUN '14	2016
Consumer Prices - U. S.	1.1%	0.2%	0.6%
Consumer Prices - REGION	1.0%	0.1%	0.8%
Personal Income - U. S.	3.7%	4.5%	4.3%
Personal Income - REGION	4.4%	3.4%	4.9%
Construction Costs - U.S. 20-CITY	3.0%	2.0%	-
Construction Costs - NYC	2.9%	4.3%	-
PRICES	MAY '16/ MAY '15	MAY '15/ MAY '14	2016
Housing Prices - U.S. 20-CITY	5.2%	4.9%	-
Housing Prices - NYC	2.0%	2.9%	-
CLASS A OFFICE SPACE AVERAGE ASKING RENT	2016Q1	2015Q4	2016
Manhattan Totals	\$77.59/sf	\$76.76/sf	-
Midtown	\$83.54/sf	\$81.67/sf	-
Downtown	\$62.13/sf	\$63.17/sf	-

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

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

SPECIAL FOCUS

Overseas Visitors Drive Regional Airports' Growth

The Port Authority's three largest airports – John F. Kennedy, LaGuardia and Newark Liberty – have witnessed a sustained expansion in traffic flows over the past 5 years, with passenger volumes growing from 104 million in 2010 to 123 million in 2015. This post-recessionary resurgence has been fueled predominantly by a dramatic growth in international arrivals – visible in the 22 percent growth in international passenger arrivals between 2010 and 2015, while domestic is up 16 percent.

There are two primary sources for international passengers at our airports: outbound travelers from the region or from the rest of the US; and inbound visitors from overseas. A dive into Customs data on international passengers shows that **overseas residents** (from all countries except Canada) have accounted for the lion's share of growth in international volume, particularly at JFK.



A key finding has been an upward spike of 2 million overseas visitor arrivals at JFK between 2010 and 2015 – i.e. a 59 percent growth, compared with 46 percent at the national level. JFK's **9 percent average annual growth in overseas visitors** over this 5-year post-recessionary period is particularly remarkable given constraints such as slot limitations restricting flight movements by the hour. On the other hand, international travel by US residents traveling out of JFK has grown at a 3 percent annual average. Trends for overseas visitor arrivals at Newark are less even and average at a 1 percent annual growth rate for the same period.

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Note: Arrivals are assumed to be half of all passenger volumes. Customs data for I-94 arrivals groups JFK and LaGuardia under 'New York', however LaGuardia accounts for only about 1 percent of international arrivals.

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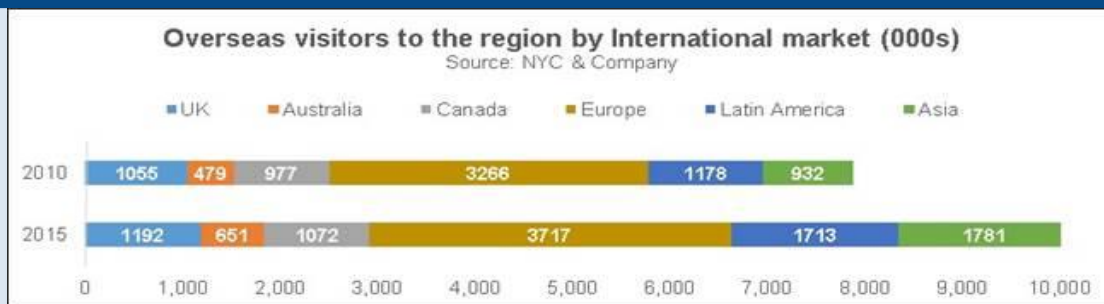
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AVIATION	May '16	YTD	May '16/'15	YTD '16/'15	PORT COMMERCE	May '16	YTD	May '16/'15	YTD '16/'15
Revenue Passengers (000's)	11,266.2	50,080.7	4.9%	6.3%	Port Trade				
John F. Kennedy International Airport (JFK)	5,113.9	22,693.5	3.0%	5.6%	Container Imports (TEUs)	268,861	1,272,872	-4.7%	-1.8%
LaGuardia Airport (LGA)	2,656.3	11,629.9	5.3%	6.2%	Container Exports (TEUs)	115,212	560,835	-9.0%	-3.8%
Newark Liberty International Airport (EWR)	3,473.9	15,650.0	7.8%	7.8%	Containers lifted on/off Express Rail	45,804	220,064	2.6%	4.1%
Stewart International Airport (SWF)	22.0	107.3	-15.3%	-5.1%					
Revenue Freight (Short Tons)	166,791	817,157	-2.4%	-2.6%	TUNNELS, BRIDGES & TERMINALS	May '16	YTD	May '16/'15	YTD '16/'15
Domestic	56,942	284,234	-1.3%	1.4%	Eastbound Vehicle Volumes (000's)	10,326	47,272	0.7%	4.0%
International	109,849	532,923	-2.9%	-4.7%	George Washington Bridge	4,466	20,414	0.0%	4.1%
Flights	111,839	527,741	1.4%	4.3%	Lincoln Tunnel	1,688	7,793	1.1%	2.6%
Domestic Air Carrier	79,805	378,630	3.2%	5.2%	Holland Tunnel	1,338	6,235	-2.7%	0.8%
International Air Carrier	25,144	117,381	0.3%	1.5%	Bayonne Bridge	148	675	-22.9%	-26.5%
General Aviation	6,890	31,730	-13.1%	4.7%	Goethals Bridge	1,376	6,203	9.6%	10.4%
Paid Parked Cars	713,625	3,227,558	2.8%	2.1%	Outerbridge Crossing	1,310	5,952	1.3%	7.3%
Revenue AirTrain Passengers	920,000	3,801,301	2.0%	4.4%	Eastbound Volumes by Vehicle Type (000's)				
					Autos	9,456	43,120	0.8%	4.2%
					Trucks	614	2,952	0.0%	2.3%
					Buses	256	1,201	0.4%	1.1%
FERRY OPERATIONS	May '16	YTD	May '16/'15	YTD '16/'15	PORT AUTHORITY PULSE				
Passengers (000's)					(Seasonally Adjusted, 2010=100)	Mar '16	Feb '16	Change	
New Jersey Ferries	733.4	3,366.3	7.3%	12.8%	PA Pulse (Transportation Activity Index)	99.1	102.2	-3.1%	
					PA Freight Pulse	94.2	98.0	-3.8%	
					PA Passenger Pulse	103.9	106.4	-2.4%	
PATH	May '16	YTD	May '16/'15	YTD '16/'15	U.S. TRANSPORT. SERVICES INDEX				
Passengers (000's)	6,706.0	31,983.0	3.9%	5.9%	(Prelim., Seasonally Adj., 2000=100)	May '16	Apr '16	Change	
Average Weekday	271.9	1,316.9	2.9%	5.7%	TSI - Combined Index	122.4	122.2	0.2%	
Average Saturday	117.6	545.1	-1.5%	2.2%	TSI - Freight	121.8	121.5	0.2%	
Average Sunday	88.9	404.9	-6.8%	1.0%	TSI - Passenger	123.6	123.5	0.1%	

TRANSPORTATION FOCUS



These trends have come in the face of the dollar's strength, which has made US travel increasingly expensive for overseas visitors. However, the largest source of the growth appears to be increasing travel from emerging markets. Data from NYC & Company, the city's tourism arm, shows that China, Mexico, India and Argentina have all registered significant increases in overseas visitor travel to the US over the past 5 years. Overseas visitors from key international markets like Asia grew at an average of 14 percent per year, while Latin America grew at a robust 8 percent. The market shares of these segments also expanded correspondingly.

The International Air Transport Association sees rising living standards, growing population numbers, changing age demographics and declining prices for overseas air travel as key drivers for international passenger growth; these factors appear to have more than offset the dollar's strength in recent years. An increasing in spending prowess in these nations fuels demand for overseas travel, with New York City being the top destination for visitors to the US, 80 percent of whom travel to the region for leisure. As a next step to understanding the patterns of growth, the preferences of domestic US travelers over time could be analyzed as another force to be reckoned with, to help build a stronger picture of what is driving the region's sustained attractiveness to visitors.

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