

MONTHLY ECONOMIC INDICATORS

THE PORT AUTHORITY OF NY & NJ

Planning and Regional Development Department

	Actual		Annual Forecast
	FEB 2017	FEB 2016	2017
UNEMPLOYMENT RATE			
U.S.	4.7%	4.9%	4.6%
REGION	NA	NA	-
NON-FARM EMPLOYMENT			
	FEB 2017	FEB '17/ FEB '16	2017
U.S.	145.80M	1.6%	1.3%
REGION	9.04M	1.3%	1.2%
REAL GDP			
	2016Q4	2016Q3	2017
U.S.	1.9%	3.5%	2.3%
REGION	2.1%	2.5%	2.5%
INTERNATIONAL TRADE			
	JAN 16	JAN '16/ JAN '15	2017
U.S. (Imports + Exports)	\$128.9B	13.4%	
NY CUSTOMS DISTRICT	\$15.3B	8.8%	
NY Imports	\$11.9B	8.8%	
NY Exports	\$3.4B	8.9%	
GASOLINE PRICE			
	FEB 2017	FEB 2016	2017
New York City	\$2.58/g	\$2.21/g	
Newark, NJ	\$2.29/g	\$1.85/g	
PRICES			
	FEB '17/ FEB '16	FEB '16/ FEB '15	2017
Consumer Prices - U. S.	2.8%	1.0%	2.3%
Consumer Prices - REGION	2.6%	0.6%	2.0%
Personal Income - U. S.	4.4%	3.6%	3.2%
Personal Income - REGION	4.8%	3.5%	3.1%
Construction Costs - U.S. 20-CITY	1.0%	2.2%	-
Construction Costs - NYC	13.2%	-0.2%	-
PRICES			
	JAN '15/ JAN '16	JAN '15/ JAN '16	2017
Housing Prices - U.S. 20-CITY	5.7%	5.6%	5.7%
Housing Prices - NYC	3.2%	2.7%	3.1%
CLASS A OFFICE SPACE AVERAGE ASKING RENT			
	2016Q4	2016Q3	2017
Manhattan Totals	\$76.76/sf	\$79.47/sf	-
Midtown	\$81.67/sf	\$85.10/sf	-
Downtown	\$63.17/sf	\$62.18/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.

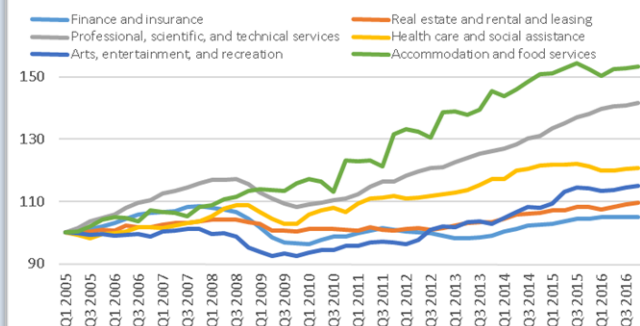
March 2017

SPECIAL FOCUS

NYC Tourism: An Economic Growth Engine under Pressure?

The Port District has seen significant growth in employment and output since the end of the Great Recession in 2009. Whereas prior to the financial crisis much of the growth occurred in industry sectors such as financial services or real estate, the post-recession economy has expanded as a result of sectors such as professional business services, healthcare, leisure and hospitality. Industry sectors associated with tourism in New York City in particular have seen tremendous expansion. The total number of visitors exceeded 60 million in 2016 according to NYC & Co. While New York is a center of interest for domestic tourists, it is international travelers that have fueled the growth. But with the election of Donald Trump in November 2016, there appears to be growing concern about the attractiveness of the United States, and New York City in particular, as a foreign tourist destination. In fact, after several years of record tourism growth, NYC & Co. now predicts for the first time that the total number of foreign tourists coming to New York City might actually fall below last year's level. The change represents an expected decline of 300,000 from 2016 not counting the lost positive growth predicted prior to the election.

Employment Growth by Sector - New York City



The big question is how much the regional economy might be affected adversely by any declining volume of international visitors. A large share of tourism's contribution to the regional economy comes from tourist spending. In particular, estimates reported in the NY Times suggest that foreign visitors spend roughly four times more than their domestic counterparts, \$2,000 compared to \$500 per traveler per trip, respectively. And these effects are not limited to New York City alone. In fact, bookings by foreigners for travel to the United States overall appear to be down also lowering total spending. Specifically, foreign tourist expenditures may fall by 3% nationally, or roughly \$7.5 billion, in 2017 according to Tourism Economics. According to NYC & Company, applying the estimate of 300,000 lost international travelers to the Big Apple to the average expenditure estimate per capita results in a loss of tourism expenditures of roughly \$600 million in the city.

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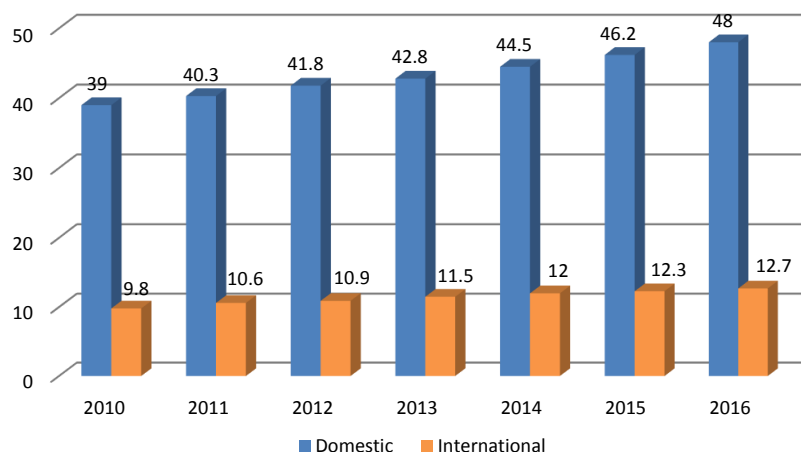
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March 2017

AVIATION	Jan '17	YTD	Jan '17/16	YTD '17/16	PORT COMMERCE	Jan '17	YTD	Jan '17/16	YTD '17/16
Revenue Passengers (000's)	9,658.9	9,658.9	5.0%	5.0%	Port Trade				
John F. Kennedy International Airport (JFK)	4,463.9	4,463.9	5.2%	5.2%	Container Imports (TEUs)	260,725	260,725	5.5%	5.5%
LaGuardia Airport (LGA)	1,966.9	1,966.9	-3.1%	-3.1%	Container Exports (TEUs)	110,958	110,958	8.1%	8.1%
Newark Liberty International Airport (EWR)	3,206.2	3,206.2	10.3%	10.3%	Containers lifted on/off Express Rail	43,408	43,408	10.3%	10.3%
Stewart International Airport (SWF)	21.9	21.9	4.4%	4.4%					
Revenue Freight (Short Tons)	165,882	165,882	6.0%	6.0%	TUNNELS, BRIDGES & TERMINALS	Jan '17	YTD	Jan '17/16	YTD '17/16
Domestic	58,766	58,766	8.0%	8.0%	Eastbound Vehicle Volumes (000's)	9,103	9,103	5.7%	5.7%
International	107,116	107,116	4.9%	4.9%	George Washington Bridge	3,951	3,951	6.2%	6.2%
Flights	101,332	101,332	-0.7%	-0.7%	Lincoln Tunnel	1,480	1,480	4.2%	4.2%
Domestic Air Carrier	73,123	73,123	-0.8%	-0.8%	Holland Tunnel	1,172	1,172	2.4%	2.4%
International Air Carrier	22,878	22,878	1.7%	1.7%	Bayonne Bridge	137	137	6.2%	6.2%
General Aviation	5,331	5,331	-8.9%	-8.9%	Goethals Bridge	1,203	1,203	7.4%	7.4%
Paid Parked Cars	576,812	576,812	-7.8%	-7.8%	Outerbridge Crossing	1,160	1,160	7.4%	7.4%
Revenue AirTrain Passengers	756,556	756,556	12.5%	12.5%	Eastbound Volumes by Vehicle Type (000's)				
					Autos	8,303	8,303	5.7%	5.7%
					Trucks	569	569	4.8%	4.8%
					Buses	230	230	5.0%	5.0%
FERRY OPERATIONS	Jan '17	YTD	Jan '17/16	YTD '17/16	PORT AUTHORITY PULSE	Oct '16	Sep '16	Change	
Passengers (000's)					(Seasonally Adjusted, 2010=100)				
New Jersey Ferries	621.9	621.9	4.6%	4.6%	PA Pulse (Transportation Activity Index)	100.7	101.0	-0.3%	
					PA Freight Pulse	98.7	95.6	3.2%	
					PA Passenger Pulse	102.7	106.4	-3.5%	
PATH	Jan '17	YTD	Jan '17/16	YTD '17/16	U.S. TRANSPORT. SERVICES INDEX	Jan '17	Dec '16	Change	
Passengers (000's)	6,323.0	6,323.0	9.9%	9.9%	(Prelim., Seasonally Adj., 2000=100)				
Average Weekday	266.8	266.8	6.5%	6.5%	TSI - Combined Index	123.8	123.5	0.2%	
Average Saturday	97.0	97.0	10.4%	10.4%	TSI - Freight	123.2	123.2	0.0%	
Average Sunday	78.6	78.6	16.3%	16.3%	TSI - Passenger	124.8	124.1	0.6%	

TRANSPORTATION FOCUS

Tourism in New York City
(Visitors in millions)



Source: NYC & Company

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In the Port District, international arrivals have seen tremendous growth in recent years and it is too early to predict if such growth is going to subside this year. PA aviation staff is still expecting total arrivals at all three airports to increase, with JFK airport carrying the lion's share of international trips. A decline in international tourism would certainly diminish economic activity and potentially reduce the amount of revenue generated via flight fees, concessions, and other variable revenue sources. But even more importantly, it would negatively impact one of the region's major industries behind its economic growth. The extent to which this occurs is still uncertain and we will follow regional trends closely in the coming months to assess any such negative impacts.

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