

# MONTHLY ECONOMIC INDICATORS

THE PORT AUTHORITY OF NY & NJ

Planning and Regional Development Department

		Actual	Annual Forecast	May 2016
UNEMPLOYMENT RATE		APR 2016	APR 2015	2016
U.S.		5.0%	5.4%	4.7%
REGION		4.5%	5.5%	-
NON-FARM EMPLOYMENT		APR 2016	APR '16/ APR '15	2016
U.S.		143.92M	1.9%	1.3%
REGION		9.02M	1.6%	1.5%
REAL GDP		2016Q1	2015Q4	2016
U.S.		0.8%	1.4%	1.9%
REGION		1.1%	1.7%	2.1%
INTERNATIONAL TRADE		MAR 2016	MAR '16/ MAR '15	2016
U.S.		\$304.0B	-8.1%	1.4%
NY CUSTOMS DISTRICT		\$33.7B	-11.9%	-
NY Imports		\$21.4B	-13.4%	-
NY Exports		\$12.2B	-9.2%	-
GASOLINE PRICE		APR 2016	APR 2015	2016
New York City		\$2.56/g	\$3.00/g	\$2.09/g
Newark, NJ		\$2.17/g	\$2.55/g	\$1.74/g
PRICES		APR '16/ APR '15	APR '15/ APR '14	2016
Consumer Prices - U. S.		1.1%	-0.1%	0.6%
Consumer Prices - REGION		1.0%	0.0%	0.8%
Personal Income - U. S.		4.2%	4.2%	5.0%
Personal Income - REGION		3.6%	4.4%	4.8%
Construction Costs - U.S. 20-CITY		2.9%	2.5%	-
Construction Costs - NYC		2.9%	4.4%	-
PRICES		MAR '16/ MAR '15	MAR '15/ MAR '14	2016
Housing Prices - U.S. 20-CITY		5.4%	4.9%	-
Housing Prices - NYC		2.7%	2.2%	-
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

### BREXIT: What does it mean for the Region?

Over the last few months most of us have been obsessing over the Presidential primaries and watching too much cable television news. It may therefore come as a surprise that we would like to draw your attention to yet another election, this one to be held on June 23: the British referendum on whether to remain in the European Union. A potential "Brexit" from the union that has been holding Europe together since WW II would likely have significant consequences for the UK economy. But what could we expect to be the potential impact on the Port Authority region?

A "yes" vote in June will put the UK on a path to negotiate the country's exit from the EU over the next 24 months. As part of this process, the trade relationship between the UK and the EU as well as other trading partners will have to be redefined. The loss of the advantageous trade conditions and loss of labor market mobility, or any delay in establishing similar conditions (if possible), would come at a cost for the country's economy. Private sector investment might be reduced and costs imposed on households may be sizeable. The policy path chosen as well as the success in individual negotiations with other countries by the UK government will directly influence the specific economic impacts. Oxford Economics, an economics consulting firm, has estimated different scenarios assuming a broad range of assumptions and potential responses. In fact, a best case scenario may hardly affect UK GDP at all whereas a worst case may come with losses of up to 3.9% of GDP. The worst case may also result in a fall in business investment of £21.1 billion and income losses of roughly £1,000 per household, respectively. It is important to realize that these losses will in all likelihood be asymmetric. While impacts are felt strongly by the UK economy, for the country's trading partners or the rest of the world, including the US, these impacts would likely be quite small.

But what about the potential impact on the Port Authority region or New York City? Initially, we would expect that uncertainty in financial markets will increase volatility in stock and bond markets. Financial institutions and investors would be affected by price declines but we would expect those to be short lived. The impacts on trade flows with the UK may be more sustained but considering the relatively small share that the country holds in the US' overall trade position, this is not likely to create major losses.

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May 2016

AVIATION	Mar '16	YTD	Mar '16/'15	YTD '16/'15	PORT COMMERCE	Mar '16	YTD	Mar '16/'15	YTD '16/'15
<b>Revenue Passengers (000's)</b>	<b>10,624.3</b>	<b>28,251.7</b>	<b>8.0%</b>	<b>8.3%</b>	<b>Port Trade</b>				
John F. Kennedy International Airport (JFK)	4,745.5	12,850.6	7.4%	8.0%	Container Imports (TEUs)	253,956	759,334	-11.8%	-0.5%
LaGuardia Airport (LGA)	2,517.7	6,519.7	8.0%	8.8%	Container Exports (TEUs)	118,489	330,799	-5.3%	-0.2%
Newark Liberty International Airport (EWR)	3,338.4	8,818.1	8.8%	8.7%	Containers lifted on/off Express Rail	48,073	129,276	4.2%	8.5%
Stewart International Airport (SWF)	22.7	63.3	1.9%	0.3%					
<b>Revenue Freight (Short Tons)</b>	<b>174,935</b>	<b>481,283</b>	<b>-2.5%</b>	<b>-2.9%</b>	<b>TUNNELS, BRIDGES &amp; TERMINALS</b>	<b>Mar '16</b>	<b>YTD</b>	<b>Mar '16/'15</b>	<b>YTD '16/'15</b>
Domestic	62,510	167,606	11.9%	1.9%	<b>Eastbound Vehicle Volumes (000's)</b>	<b>9,880</b>	<b>27,176</b>	<b>6.9%</b>	<b>6.3%</b>
International	112,425	313,677	-9.0%	-5.3%	George Washington Bridge	4,271	11,733	7.8%	7.1%
<b>Flights</b>	<b>111,691</b>	<b>306,288</b>	<b>8.2%</b>	<b>6.5%</b>	Lincoln Tunnel	1,630	4,501	3.0%	4.0%
Domestic Air Carrier	80,882	220,239	9.4%	7.0%	Holland Tunnel	1,308	3,607	4.0%	2.9%
International Air Carrier	24,227	68,235	3.0%	3.4%	Bayonne Bridge	145	399	-25.3%	-28.6%
General Aviation	6,582	17,814	14.8%	13.3%	Goethals Bridge	1,287	3,534	12.9%	12.4%
<b>Paid Parked Cars</b>	<b>658,964</b>	<b>1,844,690</b>	<b>-0.2%</b>	<b>2.4%</b>	Outerbridge Crossing	1,239	3,402	11.7%	10.8%
<b>Revenue AirTrain Passengers</b>	<b>805,325</b>	<b>2,095,032</b>	<b>7.3%</b>	<b>6.2%</b>	<b>Eastbound Volumes by Vehicle Type (000's)</b>				
					Autos	8,994	24,747	7.1%	6.6%
					Trucks	632	1,732	5.2%	4.5%
					Buses	255	698	3.2%	2.5%
<b>FERRY OPERATIONS</b>	<b>Mar '16</b>	<b>YTD</b>	<b>Mar '16/'15</b>	<b>YTD '16/'15</b>	<b>PORT AUTHORITY PULSE</b>	<b>Feb '16</b>	<b>Jan '16</b>	<b>Change</b>	
<b>Passengers (000's)</b>					<b>(Seasonally Adjusted, 2010=100)</b>				
New Jersey Ferries	739.2	1,927.7	20.6%	20.1%	<b>PA Pulse (Transportation Activity Index)</b>	102.2	97.2	5.1%	
					<b>PA Freight Pulse</b>	98.0	93.5	4.8%	
					<b>PA Passenger Pulse</b>	106.4	100.8	5.6%	
<b>PATH</b>	<b>Mar '16</b>	<b>YTD</b>	<b>Mar '16/'15</b>	<b>YTD '16/'15</b>	<b>U.S. TRANSPORT. SERVICES INDEX</b>	<b>Mar '16</b>	<b>Feb '16</b>	<b>Change</b>	
<b>Passengers (000's)</b>	<b>6,909.0</b>	<b>18,664.0</b>	<b>8.9%</b>	<b>8.4%</b>	<b>(Prelim., Seasonally Adj., 2000=100)</b>				
Average Weekday	265.1	774.9	5.9%	7.1%	<b>TSI - Combined Index</b>	121.3	121.9	-0.5%	
Average Saturday	120.0	309.9	11.4%	6.4%	<b>TSI - Freight</b>	120.0	121.1	-0.9%	
Average Sunday	82.7	227.7	2.9%	5.7%	<b>TSI - Passenger</b>	124.0	123.5	0.4%	

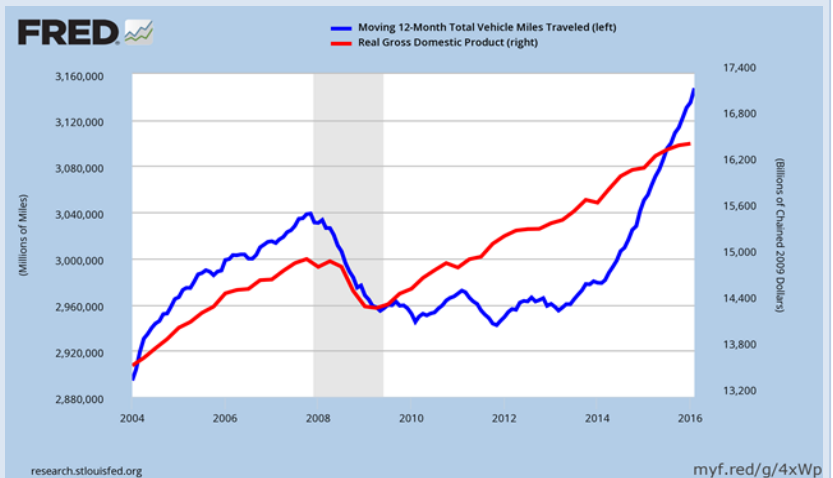
## TRANSPORTATION FOCUS

(Cont from Page 1):

Lastly, the question of how financial institutions may react if London is handicapped is unclear. Considering that British banks will need to regain preferential access to the European market, it is plausible that some operations may be moved to other European banking centers such as Frankfurt or even Dublin. We regard opportunistic benefits for New York to be unlikely to materialize.

The question of a UK exit from the EU is not a new one. Most economists agree that a Brexit will disproportionately affect the UK economy and that impacts on the EU and the world economy will be small. But the general sentiment among the British population, in part driven by a perceived unfairness in European fiscal demands as well as the ongoing refugees crisis, is real. A desire for political change can be felt around the world, for instance in the near success of a right wing party in Austria or the success of "non-establishment" candidates here in the US. We have been amazed by some of these political events in recent months and will continue to provide economic context as appropriate.

Over the years, we have been discussing the declining trend in automobile traffic nationwide and at our crossings. But as is evident from the graph below, nationwide VMT has been increasing sharply. Auto traffic at PA crossings has been growing again too. We credit most of these increases to the low gas price environment and the pace of declines in particular throughout 2014 and 2015.



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