

MONTHLY ECONOMIC INDICATORS

Planning and Regional Development Department

THE PORT AUTHORITY OF NY & NJ

OCTOBER 2010

UNEMPLOYMENT RATE (percent of labor force)	SEP 2010	PREVIOUS 3 MOS AVERAGE	SEP 2009
U.S. ¹ (seasonally adjusted)	9.6	9.5	9.8
U.S. (not seasonally adjusted)	9.2	9.6	9.5
Region (not seasonally adjusted)	8.6	9.0	9.3

NON-FARM EMPLOYMENT (thousands)	SEP 2010	PREVIOUS 3 MOS AVERAGE	% CHANGE SEP 2010 / SEP 2009
U.S.	130,564	130,514	0.2
REGION	7,680	7,745	-0.4
Construction	285	284	-2.2
Manufacturing	346	345	-3.8
Services	7,049	7,116	-0.1

GDP (percentage change in the GDP)	2010Q2 / 2010Q1	2010Q1 / 2009Q4	2009Q4 / 2009Q3
U.S. (seasonally adjusted at annual rates)	1.7	3.7	5.0
REGION	0.8	0.8	0.8

CONSUMER PRICES (percentage change in the CPI)	SEP '10 / SEP '09	SEP '10 / AUG '10	AUG '10 / AUG '09
U. S.	1.1	0.1	1.1
Core	0.8	0.2	0.9
REGION	1.2	0.0	1.4
Core	1.3	0.1	1.4
Food & Beverages	1.4	0.2	1.4
Housing	0.7	-0.4	0.5
Transportation	2.5	-0.8	3.9
Energy	0.2	-1.7	1.0

CONSTRUCTION COST (percentage change in the CCI)	SEP '10 / SEP '09	SEP '10 / AUG '10	AUG '10 / AUG '09
U.S. 20-CITY	2.9	-0.2	3.4
NY REGION	3.4	-0.2	3.6

GASOLINE PRICES (US Dollars Per Gallon)	Current	A month ago	A year ago
U.S. (all types NSA)	\$2.84	\$2.82	\$2.63
New York (all types NSA)	\$3.03	\$3.07	\$2.98
Newark, NJ (all types NSA)	\$2.67	\$2.69	\$2.55

HOUSING PRICES ² (12-Month Percentage Change)	AUG '10 / AUG '09	JULY '10 / JULY '09	JUNE '10 / JUNE '09
U.S. 20-CITY COMPOSITE	1.7	3.1	4.2
NY METROPOLITAN AREA	0.0	0.5	0.1

INTERNATIONAL TRADE (billions of dollars)	AUG 2010	% CHANGE VS. AUG 2009	% CHANGE YTD 2009 VS. 2010
U.S.	277.6	27.1	24.8
NY CUSTOMS DISTRICT	31.2	30.0	25.9
NY Imports	19.3	27.5	26.0
NY Exports	11.9	34.2	25.7

MANHATTAN COMMERCIAL REAL ESTATE (Class A Office Market)	SEPTEMBER 2010	AUGUST 2010	SEPTEMBER 2009
Vacancy Rate			
OVERALL	11.5	11.8	12.0
Midtown	11.6	11.9	13.7
Downtown	12.0	12.1	8.2
Average Asking Rent (\$/square foot)			
OVERALL	57.4	58.3	63.9
Midtown	63.9	65.1	68.4
Downtown	41.2	41.3	45.7

REGIONAL ECONOMIC FORECASTS ³	2010	2011	2012
CPI percent change, NYC MSA	2.1	2.1	2.3
CCI percent change, NYC	1.5	1.8	5.4
Employment change ('000's), Region	-100	30	108

² Since the peak in June 2006, housing prices have fallen by 28.3 percent nationally and by 19.3 percent in the New York Region

³ For optimistic and pessimistic alternative forecasts please contact the Planning and Regional Development Department.

Sources available upon request.

SPECIAL FOCUS

U.S. Exports to Emerging Markets: A Source of Economic Strength

The global downturn sent world trade plummeting in 2009, with U.S. containerized trade declining by double-digit percentages. The good news is that the worst seems to be over – trade along nearly every route has shown a remarkable recovery from the depths of the recession. U.S. exports, highlighted by the Obama Administration as a key initiative for job creation and economic recovery, are forecast by IHS Global Insight to grow 13.5 percent in 2010, a notable recovery from the 8.2 percent decline in 2009. As for the North Atlantic region, Global Insight projects that containerized exports are on track to grow 11.9 percent in 2010.

The remarkable recovery in both U.S. and North Atlantic export trade is in part due to growing demand for U.S. goods from emerging markets. Compared with the developed economies, these countries have suffered far less from the global downturn and financial crisis. Amid the 2009 collapse in world trade, North Atlantic containerized exports to some emerging markets, including India, Vietnam, China, Indonesia, Taiwan and Colombia, recorded noteworthy growth. In fact, emerging economies have taken over the prominent position of U.S. trade partners from European countries.

The chart below illustrates the shift in the composition of U.S. export demand from developed countries to emerging markets. In 2000, the United Kingdom was the top market for North Atlantic exports, absorbing 7.1 percent of containerized cargo. Fast forward ten years, and it is clear the picture has changed markedly. This year, China (20 percent) and India (6.4 percent) are expected to be the largest recipients of containerized exports from the North Atlantic region. Meanwhile, as Europe grapples with debt issues and a sluggish recovery, the United Kingdom's share is anticipated to drop to 3.5 percent. Similar trends are seen in the value of exports from the New York Customs District. For example, China's share of New York exports in terms of value in the first eight months of 2010 is 8.9 percent, up from 2.9 percent over the same period in 2000.

What does the future hold for the two largest export partners of the North Atlantic region? Across the board, the economic growth of emerging markets has returned, but risks remain, as exemplified in the current debate over trade balances, rare earths imports and "currency wars." The Chinese economy is facing significant risks in 2011 and beyond. Whereas the slowdown in the real estate market appears to have stabilized, concerns linger about consumer demand and the country's exchange rate policy. India, on the other hand, has let its currency appreciate, effectively stimulating consumer demand for foreign goods. Despite the risks, China is likely to see growth rates above 8 percent for the next few years; India's growth rates are expected to be slightly lower. So long as all of the risks do not materialize simultaneously, the U.S. economy should reap the benefit from strong export demand as a means to stimulate the domestic economy.

North Atlantic Exports - Top 10 Countries

