

MONTHLY ECONOMIC INDICATORS

Planning and Regional Development Department

THE PORT AUTHORITY OF NY & NJ

OCTOBER 2011

UNEMPLOYMENT RATE (percent of labor force)	SEP 2011	PREVIOUS 3 MOS AVERAGE	SEP 2010
U.S. (seasonally adjusted)	9.1	9.1	9.6
U.S. (not seasonally adjusted)	8.8	9.2	9.2
Region (not seasonally adjusted)	8.3	8.5	8.6

NON-FARM EMPLOYMENT (thousands)	SEP 2011	PREVIOUS 3 MOS AVERAGE	% CHANGE SEP 2011 / SEP 2010
U.S.	131,334	131,151	1.1(P)
REGION	7,772	7,844	0.7
Construction and Manufacturing	614	609	-2.2
Fire and Professional Business	1,940	1,939	1.4
Government	1,127	1,171	1.0
All Others	4,090	4,126	0.8

REAL GDP (percentage change)	2011Q3	2011Q2	2011Q1
U.S. (seasonally adjusted at annual rates)	2.5	1.3	0.4
REGION (quarterly at annual rate)	3.2	3.2	2.7

CONSUMER PRICE INDEX (percentage change)	SEP '11 / SEP '10	SEP '11 / AUG '11	AUG '11 / AUG '10
U. S.	3.9	0.3	3.8
Core	2.0	0.1	2.0
REGION	3.8	0.2	3.5
Core	2.4	0.3	2.2
Food & Beverages	4.0	0.3	4.0
Housing	1.9	-0.1	1.6
Transportation	13.0	0.0	12.2
Energy	18.0	-0.4	16.5

CONSTRUCTION COST INDEX (percentage change)	SEP '11/ SEP '10	SEP '11 / AUG '11	AUG '11/ AUG '10
U.S. 20-CITY	3.2	0.3	2.6
NY REGION	3.1	0.0	2.9

GASOLINE PRICES (US dollars per gallon)	Current	A month ago	A year ago
U.S. (all types NSA)	\$3.58	\$3.57	\$2.96
New York City (all types NSA)	\$3.91	\$4.00	\$3.22
Newark, NJ (all types NSA)	\$3.52	\$3.57	\$2.91

HOUSING PRICES ¹ (12-month percentage change)	AUG '11 / AUG '10	JUL '11 / JUL '10	JUN '11 / JUN '10
U.S. 20-CITY COMPOSITE	-3.8	-4.2	-4.5
NY METROPOLITAN AREA	-3.4	-3.7	-3.6

INTERNATIONAL TRADE (billions of dollars)	AUG 2011	% CHANGE VS. AUG 2010	% CHANGE YTD 2011 VS. 2010
U.S.	312.0	12.4	11.4
NY CUSTOMS DISTRICT	36.2	16.2	14.1
NY Imports	22.9	18.7	19.2
NY Exports	13.1	10.3	18.8

MANHATTAN COMMERCIAL REAL ESTATE (class A office market)	SEP 2011	AUG 2011	SEP 2010
Vacancy Rate			
OVERALL	9.7	9.9	11.5
Midtown	10.5	10.3	11.6
Downtown	8.5	10.1	12
Average Asking Rent (\$/square foot)			
OVERALL	60.3	60.5	57.4
Midtown	67.4	67.5	63.9
Downtown	41.8	41.6	41.3

REGIONAL ECONOMIC FORECASTS ²	2011	2012	2013
CPI percent change, NYC MSA	2.8	3.2	3.4
Employment change ('000's), Region	14	37	51

¹ Since the peak in June 2006, housing prices have fallen by 30.5 percent nationally and by 21.0 percent in the New York Region

² For optimistic and pessimistic alternative forecasts please contact the Planning and Regional Development Department.

Sources available upon request.

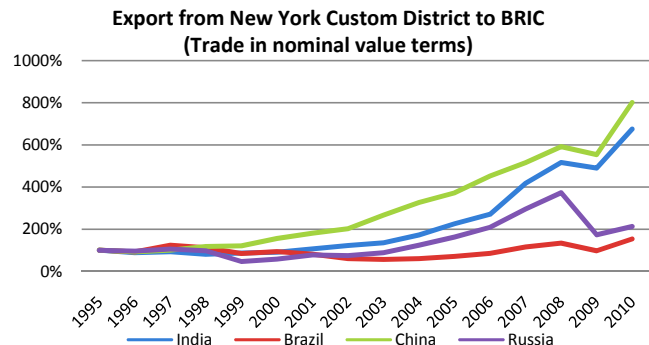
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SPECIAL FOCUS

Exports: A Growth Story!

As the US economy struggles to right itself after the deep recession of 2008-2009, the decline in domestic manufacturing and the transfer of production facilities overseas have received renewed attention. Americans have become accustomed to cheap imports from China and other emerging economies but at the same time bemoan the loss of domestic jobs that presumably is the corollary. While multinational corporations have relocated some production centers to low wage countries, trade originating in the US has also increased substantially over the same timeframe and has contributed to domestic economic growth.

Since 1995, exports destined for the BRIC countries (Brazil, Russia, India and China) have grown very rapidly. According to the World Trade Atlas, over the last sixteen years, total exports in nominal value terms to Russia and Brazil doubled and tripled while exports to India and China grew six and seven-fold, respectively! These trends are mirrored in the pattern for the New York Customs District, as can be seen in the figure below. The trends also clearly show the collapse in trade overall as a result of the recession but also its renewed growth in 2010.



Source: Global Trade Informational Services Inc.

In 2010, the top five export goods by value that went through the New York Customs District were precious stones/metals, machinery, electrical machinery, aircraft, and medical instruments. Among the top 10 export goods from New York, precious stones/metals accounted for 59% of the total US exports (by value) of this commodity; art and antiques accounted for 84%.

The rapid growth in the New York Customs District's exports to China and India is led by growing exports of industrial equipment to support the heavy construction activities in these countries. But the overall growth patterns differ. The share of exports of industrial equipments (by value) to China and India has steadily decreased since 1995 for both countries, but they still account for the largest share of exports to China, while precious stones and metals now account for the largest export through New York to India.

In 1995, machinery, electrical machinery and medical instruments accounted for 77% of the total export value from the New York Customs District to China, while in 2010 they accounted for 40% of the total value. As for India, precious stones and metals accounted for only 10% of the total export value through New York in 1995 but now account for 58%. Much of this increase is undoubtedly due to the rapid increase in prices for these commodities. However, this has meant that machinery and electrical machinery combined now account for only 17% of exports to India through New York, compared to 49% in 1995.

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AVIATION	Aug '11	Aug '10	PCT. CHANGE
Revenue Passengers (000's)	9,872.7	10,242.8	-3.6%
John F. Kennedy International Airport (JFK)	4,549.0	4,718.6	-3.6%
LaGuardia Airport (LGA)	2,168.6	2,284.4	-5.1%
Newark Liberty International Airport (EWR)	3,113.8	3,202.9	-2.8%
Stewart International Airport (SWF)	41.2	36.9	11.7%
Revenue Freight (Short Tons)	173,583	187,149	-7.2%
Flights	104,629	108,465	-3.5%
Domestic Air Carrier	75,097	77,973	-3.7%
International Air Carrier	23,826	24,550	-2.9%
General Aviation	5,706	5,942	-4.0%
Ground Transportation			
Paid Parked Cars	799,390	903,333	-11.5%
Revenue AirTrain Passengers	631,819	653,381	-3.3%

FERRY OPERATIONS	Aug '11	Aug '10	PCT. CHANGE
Passengers (000's)			
New Jersey Ferries	713.2	713.9	-0.1%

PATH	Aug '11	Aug '10	PCT. CHANGE
Passengers (000's)	6,468.0	6,398.0	1.1%
Average Weekday	253.3	247.6	2.3%
Average Saturday	98.0	123.9	-20.9%
Average Sunday	62.3	88.6	-29.7%

PORT COMMERCE	Aug '11	Aug '10	PCT. CHANGE
Port Trade			
Container Imports (TEUs)	244,589	244,559	0.0%
Container Exports (TEUs)	126,531	128,426	-1.5%
Containers lifted on/off Express Rail	34,833	34,773	0.2%

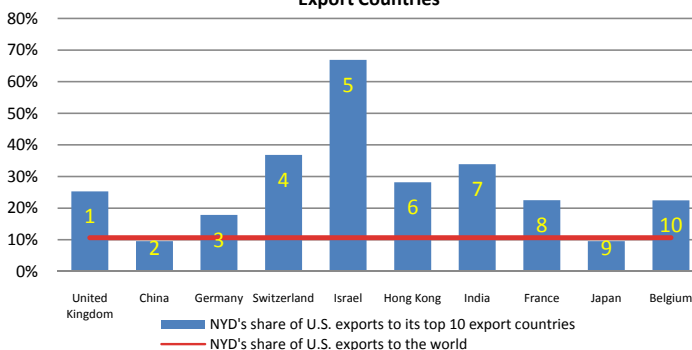
TUNNELS, BRIDGES & TERMINALS	Aug '11	Aug '10	PCT. CHANGE
Eastbound Vehicle Volumes (000's)	10,308	10,966	-6.0%
George Washington Bridge	4,416	4,610	-4.2%
Lincoln Tunnel	1,664	1,809	-8.0%
Holland Tunnel	1,391	1,496	-7.0%
Bayonne Bridge	301	309	-2.7%
Goethals Bridge	1,255	1,329	-5.6%
Outerbridge Crossing	1,281	1,413	-9.3%
Eastbound Volumes by Vehicle Type (000's)			
Autos	9,348	10,022	-6.7%
Trucks	685	665	3.0%
Buses	276	279	-1.1%

USDOT TRANSPORT. SERVICES INDEX (TSI)	Aug '11p	Jul '11p	PCT. CHANGE
U.S. - Seasonally Adjusted			
TSI - Freight	108.7	108.3	0.4%
TSI - Passenger	115.4	117.1	-1.4%

SPECIAL FOCUS

What has been behind the rapid growth in exports to emerging economies such as India and China? Overall, global trade has benefited from a renegotiation of trade agreements and lowering of trade barriers. The dollar has depreciated significantly against other currencies, making US exports more competitive in global comparisons as well. In addition, economic growth in the developing world has been lifting millions out of poverty and into the middle class. While some countries still have a long way to go before per-capita incomes approach European and American levels, the sheer mass of consumers now equipped with the means to make purchases results in a growing demand for our exports.

New York Custom District's Share of U.S. Export to its Top 10 Export Countries



Source: Global Trade Information Services Inc.

Geography and long-standing trade relationships have determined some of these regional patterns. For instance, European countries consistently rank among the region's biggest trading partners. But India and China have broken into the Top 10 ranking, and it is likely only a question of time before China will be firmly established not only as the main manufacturer of goods for US consumption but also as the largest purchaser of US exports. Since 2000, the year China joined the World Trade Organization, China has been New York Customs District's leading growth market for exports. In 2003 China broke into the top 10 ranking of export destination countries (by value) from the New York Customs District; by 2010, China had jumped to the No. 2 position behind only the United Kingdom. India entered the top 10 in 2009 as No. 9 and jumped to No. 7 in 2010. In 2010, 9.6% of US exports to China went through the New York Customs District, slightly below the average 10.7% share of US exports to all countries through New York (indicated by the red horizontal line).

When it comes to international trade, much attention is placed on the emergence of China, India and other emerging economies as low cost producers serving a market primarily driven by the appetite of US consumers and businesses. But with the lowering of trade barriers, the optimizing of supply chains, and growing wealth in the emerging economies, these countries will undoubtedly also demand more of what the US produces and eventually balance out some of today's more one-sided patterns.

Note: Several of our transportation indicators experienced a dip in August due to Hurricane Irene.

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