

MONTHLY ECONOMIC INDICATORS

Planning and Regional Development Department

THE PORT AUTHORITY OF NY & NJ

APRIL 2012

UNEMPLOYMENT RATE (percent of labor force)	MAR 2012	PREVIOUS 3 MONTHS AVERAGE	MAR 2011
U.S. (seasonally adjusted)	8.3	8.7	9.0
U.S. (not seasonally adjusted)	8.7	8.3	9.5
REGION (not seasonally adjusted)	8.9	8.9	8.9

NON-FARM EMPLOYMENT (thousands)	MAR 2012	PREVIOUS 3 MONTHS AVERAGE	% CHANGE MAR 2012/ MAR 2011
U.S.	132,821	132,451	1.5
REGION	8,004	8,057	0.9
Construction and Manufacturing	614	608	1.3
FIRE / Professional / Business	1,972	2,003	1.3
Government	1,172	1,163	-0.6
All Others	4,246	4,283	1.1

REAL GDP (percentage change)	2012Q1	2011Q4	2011Q3
U.S. (seasonally adjusted at annual rates)	2.2	3.0	1.8
REGION (quarterly at annual rate)	NA	3.9	3.2

CONSUMER PRICE INDEX (percentage change)	MAR '12 / MAR '11	MAR '12 / FEB '12	FEB '12 / FEB '11
U. S.	2.6	0.3	2.9
Core	2.3	0.2	2.2
REGION	2.6	0.6	2.6
Core	2.5	0.6	2.4
Food & Beverages	3.3	-0.1	3.5
Housing	1.4	0.4	1.3
Transportation	4.4	1.3	5.9
Energy	1.3	2.8	3.2

CONSTRUCTION COST INDEX (percentage change)	MAR '12 / MAR '11	MAR '12 / FEB '12	FEB '12 / FEB '11
U.S. 20-CITY	2.9	0.8	2.2
NY REGION	2.9	0.1	2.9

GASOLINE PRICES (US dollars per gallon)	MAR 2012	A month ago	A year ago
U.S. (all types NSA)	\$3.96	\$4.06	\$4.06
New York City (all types NSA)	\$4.32	\$4.27	\$4.35
Newark, NJ (all types NSA)	\$3.90	\$3.86	\$3.97

HOUSING PRICES ¹ (12-month percentage change)	FEB '12 / FEB '11	JAN '12 / JAN '11	DEC '11 / DEC '10
U.S. 20-CITY COMPOSITE	-3.5	-3.9	-4.1
NY METROPOLITAN AREA	-3.0	-3.1	-3.2

INTERNATIONAL TRADE (billions of dollars)	FEB 2012	% CHANGE VS. FEB 2011	% CHANGE YTD 2012 VS. 2011
U.S.	295.5	10.8	10.0
NY CUSTOMS DISTRICT	33.0	5.9	5.7
NY Imports	19.5	5.8	6.7
NY Exports	13.4	6.2	4.3

MANHATTAN COMMERCIAL REAL ESTATE (class A office market)	MAR 2012	FEB 2012	MAR 2011
Vacancy Rate			
OVERALL	9.8	9.5	11.6
Midtown	10.5	10.3	11.6
Downtown	8.9	8.4	11.3
Average Asking Rent (\$/square foot)			
OVERALL	65.2	64.6	59.6
Midtown	72.5	71.3	66.2
Downtown	41.9	43.0	42.3

REGIONAL ECONOMIC FORECASTS ²	2012	2013	2014
Real GDP (%)	1.7	2.1	3.2
Nonfarm Employment Growth	1.0	1.4	1.8

¹ For optimistic and pessimistic alternative forecasts please contact the Planning and Regional Development Department.

Sources available upon request.

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SPECIAL FOCUS

Taking the PULSE of the Region

In an effort to make regional transportation data more accessible and useful, the Port Authority has developed an index to track the rise and fall of transportation activities in the New York-New Jersey region. This new seasonally adjusted "PA Pulse" combines raw transportation activity data from the region's ports, airports, and interstate crossings to generate a measure that enables meaningful month-to-month comparisons. The PA Pulse includes a broad cross section of transportation activity in the New York-New Jersey region, because it incorporates many of the region's principal gateways and corridors for interstate commerce. It consists of separate components that measure freight and passenger activity, as well as a combined index that merges the two (see Figure 1).

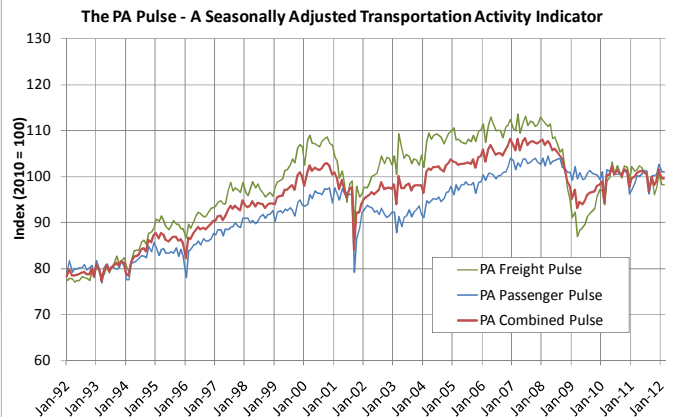


Figure 1: PA Pulse, 1992 - present

The PA Freight Pulse combines four variables that measure truck traffic on Port Authority crossings, total air cargo at Port Authority airports, and imported and exported containerized cargo at Port Authority ports. The PA Passenger Pulse combines six variables corresponding to the number of passengers each month who travel to or from the region by air or cross a waterway between New York and New Jersey by automobile, bus, ferry, rapid transit, or commuter rail. While these indices do not precisely account for every passenger or every dollar worth of freight that passes through Port Authority facilities, they approximate those quantities closely using observed data.

The weighting of PA Pulse variables was handled differently for the freight and passenger components. For freight, each of the four variables was weighted on the basis of tonnage as well as value, using trend estimates derived from federal data sources. For the passenger index, variables were weighted according to the number of passengers served. Four of the six passenger variables require no scaling, since they directly measure the passenger totals. Automobile and bus counts were adjusted by the average vehicle occupancy based on time series survey data.

The process of seasonal adjustment in the PA Pulse controls for a variety of predictable factors that influence transportation activity levels: seasonal changes in transportation demand, the number of days in a given month, and the incidence of weekdays and floating holidays. The comprehensive look at passenger movements between New York City and New Jersey also filters out the impacts of construction projects or other factors that cause short-term shifts in mode and route choice.

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APRIL 2012

AVIATION	Feb '12	Feb '11	Change
Revenue Passengers (000's)	7,315.0	6,660.3	9.8%
John F. Kennedy International Airport (JFK)	3,240.0	2,986.8	8.5%
LaGuardia Airport (LGA)	1,698.6	1,555.9	9.2%
Newark Liberty International Airport (EWR)	2,346.2	2,089.0	12.3%
Stewart International Airport (SWF)	30.2	28.6	5.6%
Revenue Freight (Short Tons)	160,800	171,628	-6.3%
Domestic	59,655	63,173	-5.6%
International	101,145	108,456	-6.7%
Flights	96,385	88,866	8.5%
Domestic Air Carrier	70,982	65,032	9.1%
International Air Carrier	20,292	19,271	5.3%
General Aviation	5,111	4,563	12.0%
Paid Parked Cars	610,626	577,778	5.7%
Revenue AirTrain Passengers	519,706	472,489	10.0%

FERRY OPERATIONS	Feb '12	Feb '11	Change
Passengers (000's)			
New Jersey Ferries	586.9	553.8	6.0%

PATH	Feb '12	Feb '11	Change
Passengers (000's)	6,143.0	5,608.0	9.5%
Average Weekday	261.0	249.8	4.5%
Average Saturday	114.9	106.6	7.8%
Average Sunday	86.6	84.0	3.0%

PORT COMMERCE	Feb '12	Feb '11	Change
Port Trade			
Container Imports (TEUs)	219,087	206,706	6.0%
Container Exports (TEUs)	123,307	119,001	3.6%
Containers lifted on/off Express Rail	34,482	31,539	9.3%

TUNNELS, BRIDGES & TERMINALS	Feb '12	Feb '11	Change
Eastbound Vehicle Volumes (000's)	8,840	8,565	3.2%
George Washington Bridge	3,717	3,587	3.6%
Lincoln Tunnel	1,465	1,454	0.8%
Holland Tunnel	1,259	1,227	2.6%
Bayonne Bridge	272	257	5.7%
Goethals Bridge	1,040	1,000	4.0%
Outerbridge Crossing	1,087	1,040	4.6%

Eastbound Volumes by Vehicle Type (000's)			
Autos	8,035	7,786	3.2%
Trucks	578	553	4.5%
Buses	225	226	-0.3%

PORT AUTHORITY PULSE (Seasonally Adjusted, 2010=100)	Feb '12	Jan '12	Change
PA Pulse (Transportation Activity Index)	99.6	99.6	0.0%
PA Freight Pulse	98.1	98.2	-0.1%
PA Passenger Pulse	101.1	101.0	0.0%

U.S. TRANSPORT. SERVICES INDEX (Prelim., Seasonally Adj., 2000=100)	Feb '12	Jan '12	Change
TSI - Combined Index	111.8	111.5	0.3%
TSI - Freight	110.3	109.7	0.5%
TSI - Passenger	116.1	116.4	-0.3%

TRANSPORTATION FOCUS

Taking the PULSE of the Region (continued from Page 1)

By removing these factors, the PA Pulse index captures the effects of unpredictable factors such as regional growth, regional economic change, and weather, to provide insights into whether regional transportation activity has increased or decreased on a month-to-month basis. In this context, the PA Pulse is best understood as a barometer of regional transportation activity, not an economic indicator or a performance measure.

A relationship between the PA Pulse and the regional economy is hypothesized but not yet confirmed, pending further analysis and additional data. We have started to explore this question by comparing the PA Pulse with two regional economic indicators produced by the Federal Reserve Bank of New York: the New York City Coincident Economic Index and the New Jersey Coincident Economic Index. To obtain clearer comparisons of the indicators, we have employed a smoother version of the PA Pulse for this analysis, using "trend" series that were produced as part of the seasonal adjustment process. A chart of the results appears below.

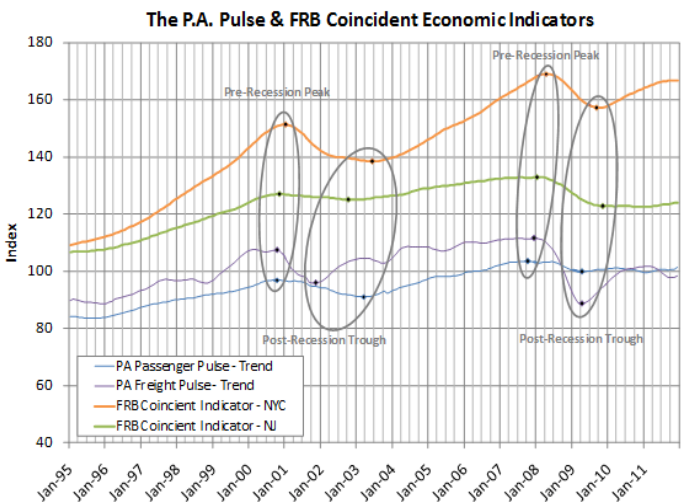


Figure 2: PA Pulse & FRB Economic Indicators

The results suggest anecdotally that either the freight or passenger component of the PA Pulse sometimes leads the coincident economic indicators but not in a consistent or definitive way.

At this point, there is not yet a sufficient historical record or statistical analysis to demonstrate that the PA Pulse predicts changes in the regional economy. In the meantime, it is safe to say that the PA Pulse roughly tracks the coincident indicators of the region's economy. We will be monitoring these indices and conducting more rigorous statistical analysis in the months ahead.

The PA Pulse will appear each month on the second page of this *Monthly Economic Indicators* newsletter. For more information on the PA Pulse, please see the Port Authority's website at <http://www.panynj.gov/about/pa-pulse.html>.