

MONTHLY ECONOMIC INDICATORS

Planning and Regional Development Department

THE PORT AUTHORITY OF NY & NJ

JULY 2012

UNEMPLOYMENT RATE (percent of labor force)	JUN 2012	PREVIOUS 3 MONTHS AVERAGE	JUN 2011
U.S. (seasonally adjusted)	8.2	8.2	9.1
U.S. (not seasonally adjusted)	8.4	8.0	9.3
REGION (not seasonally adjusted)	9.5	8.7	8.6

NON-FARM EMPLOYMENT (thousands)	JUN 2012	PREVIOUS 3 MONTHS AVERAGE	% CHANGE JUN 2012/ JUN 2011
U.S.	133,088	132,937	1.4
REGION	8,287	8,170	2.4
Construction and Manufacturing	628	615	-0.5
FIRE / Professional / Business	2,080	2,044	4.5
Government	1,168	1,170	-0.6
All Others	4,411	4,342	2.8

REAL GDP (percentage change)	2012Q2	2012Q1	2011Q4
U.S. (seasonally adjusted at annual rates)	1.5	2.0	3.0
REGION (quarterly at annual rate)	na	2.3	2.9

CONSUMER PRICE INDEX (percentage change)	JUN '12 / JUN '11	JUN '12 / MAY '12	MAY '12 / MAY '11
U.S.	1.7	0.0	1.7
Core	2.2	0.2	2.3
REGION	1.6	-0.1	1.8
Core	2.2	0.1	2.3
Food & Beverages	2.6	-0.2	3.6
Housing	1.0	0.6	1.0
Transportation	-0.2	-1.2	0.4
Energy	-5.7	-1.7	-5.7

CONSTRUCTION COST INDEX (percentage change)	JUN '12 / JUN '11	JUN '12 / MAY '12	MAY '12 / MAY '11
U.S. 20-CITY	2.7	0.1	2.9
NY REGION	2.8	0.0	2.9

GASOLINE PRICES (US dollars per gallon)	JULY 2012	A month ago	A year ago
U.S. (all types NSA)	\$3.63	\$3.49	\$3.83
New York City (all types NSA)	\$4.04	\$3.87	\$4.22
Newark, NJ (all types NSA)	\$3.65	\$3.49	\$3.82

HOUSING PRICES ¹ (12-month percentage change)	APR '12 / APR '11	MAR '12 / MAR '11	FEB '12 / FEB '11
U.S. 20-CITY COMPOSITE	1.3	0.0	-0.8
NY METROPOLITAN AREA	0.1	-1.0	-1.0

INTERNATIONAL TRADE (billions of dollars)	MAY 2012	% CHANGE VS. MAY 2011	% CHANGE VS APR 2012
U.S.	330.1	5.8	4.2
NY CUSTOMS DISTRICT	36.1	-0.3	4.0
NY Imports	22.6	-0.1	10.5
NY Exports	13.5	-0.6	-5.2

MANHATTAN COMMERCIAL REAL ESTATE (class A office market)	JUN 2012	MAY 2012	JUN 2011
Vacancy Rate			
OVERALL	9.9	9.6	10.4
Midtown	10.6	10.3	10.8
Downtown	8.8	8.6	10.3
Average Asking Rent (\$/square foot)			
OVERALL	67.6	67.1	60.6
Midtown	75.0	74.3	67.5
Downtown	42.8	42.7	41.6

REGIONAL ECONOMIC FORECASTS ¹	2012	2013	2014
Real GDP (%)	2.2	2.1	2.9
Nonfarm Employment Growth (%)	1.7	1.3	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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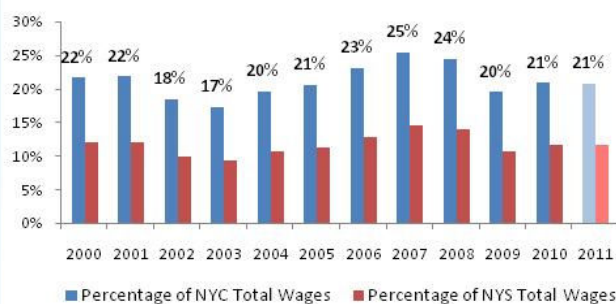
SPECIAL FOCUS

Wall Street: Still New York City's Engine of Growth?

Although the 2008-2009 financial crisis hurt Wall Street employment and earnings in New York City, securities trading remains one of the most important drivers of the city's economy. However, new financial regulation may reduce the economic impact of the sector in the city in the long run.

The securities sector remains an important part of the city's economy even though employment has declined 8.8 percent compared with pre-financial crisis levels—from an average of 183.5 thousand employees in 2008 to an estimated 167.4 thousand in 2011, according to New York State Department of Labor data. In 2012, the Office of the New York State Comptroller estimated that 1 in 8 jobs in New York City are associated with Wall Street. Securities firms also make up an outsized share of New York City's tax base relative to their labor force. Preliminary estimates from the New York State Department of Labor show that securities sector jobs accounted for just 4.6 percent of total New York City employment in 2011, but securities sector wages, including bonuses, accounted for 20.7 percent of total city wages.

Securities Industry Wages Remain an Important Part of the New York City and New York State Economies



Source: New York State Department of Labor. 2011 data are preliminary.

New regulatory pressure may have lasting effects on Wall Street's fortunes. The Dodd-Frank Act, passed into law in 2010, placed new limits on certain trading and investment activities, forcing securities firms to wind down some of their most profitable businesses. In addition, securities firms began paying higher base salaries compared with previous years and a larger percentage of bonuses in the form of equity compensation to meet the demands of the new regulation. The new compensation structure may make Wall Street less attractive to potential hires and make layoffs more likely due to the increase in the portion of compensation paid as a fixed expense. On a positive note, the new regulation might also spur growth in risk management roles due to new financial reporting and compliance requirements for Wall Street's largest banks.

Of New York City's fastest-growing sectors, the technology sector is perhaps best positioned to be the next significant driver of economic growth for the city. According to New York City Economic Development Corporation, the number of employees working in "high tech" companies reached 90.3 thousand employees in 2010—up 30 percent from 2005. Compared with the city's other high-growth sectors, such as hospitality and healthcare services, tech sector employees earn significantly more per person on average, suggesting that tech sector employees and their companies may leave a larger economic footprint in Gotham as the sector matures. However, the tech sector's employment level and wages still trail the securities sector by a wide margin. The technology sector may eventually match or surpass Wall as a major driver of economic growth in New York City, but much of the city's near-term economic growth will likely still depend on the performance of the city's securities industry.

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AVIATION	May '12	May '11	Change
Revenue Passengers (000's)	9,515.8	9,412.8	1.1%
John F. Kennedy International Airport (JFK)	4,196.9	4,182.9	0.3%
LaGuardia Airport (LGA)	2,302.7	2,192.2	5.0%
Newark Liberty International Airport (EWR)	2,984.9	3,003.2	-0.6%
Stewart International Airport (SWF)	31.4	34.5	-8.9%
Revenue Freight (Short Tons)	177,368	185,644	-4.5%
Domestic	68,865	67,158	2.5%
International	108,503	118,486	-8.4%
Flights	104,074	106,647	-2.4%
Domestic Air Carrier	76,181	77,945	-2.3%
International Air Carrier	22,862	22,746	0.5%
General Aviation	5,031	5,956	-15.5%
Paid Parked Cars	748,614	782,945	-4.4%
Revenue AirTrain Passengers	679,727	704,332	-3.5%
FERRY OPERATIONS	May '12	May '11	Change
Passengers (000's)			
New Jersey Ferries	700.0	678.5	3.2%
PATH	May '12	May '11	Change
Passengers (000's)	6,753.0	6,432.0	5.0%
Average Weekday	261.1	257.1	1.6%
Average Saturday	129.3	120.8	7.1%
Average Sunday	99.6	92.4	7.7%
PORT COMMERCE	May '12	May '11	Change
Port Trade			
Container Imports (TEUs)	239,283	230,054	4.0%
Container Exports (TEUs)	140,629	147,933	-4.9%
Containers lifted on/off Express Rail	40,194	34,162	17.7%
TUNNELS, BRIDGES & TERMINALS	May '12	May '11	Change
Eastbound Vehicle Volumes (000's)	10,230	10,545	-3.0%
George Washington Bridge	4,349	4,483	-3.0%
Lincoln Tunnel	1,653	1,745	-5.3%
Holland Tunnel	1,441	1,457	-1.1%
Bayonne Bridge	308	313	-1.6%
Goethals Bridge	1,217	1,249	-2.6%
Outerbridge Crossing	1,262	1,297	-2.7%
Eastbound Volumes by Vehicle Type (000's)			
Autos	9,309	9,614	-3.2%
Trucks	658	656	0.3%
Buses	262	275	-4.7%
PORT AUTHORITY PULSE (Seasonally Adjusted, 2010=100)	May '12	Apr '12	Change
PA Pulse (Transportation Activity Index)	99.4	99.9	-0.5%
PA Freight Pulse	97.9	98.0	-0.1%
PA Passenger Pulse	100.9	101.9	-0.9%
U.S. TRANSPORT. SERVICES INDEX (Prelim., Seasonally Adj., 2000=100)	May '12	Apr '12	Change
TSI - Combined Index	111.6	111.7	-0.1%
TSI - Freight	109.6	109.6	0.0%
TSI - Passenger	117.0	117.6	-0.5%

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TRANSPORTATION FOCUS

Landside Access of International Freight to Marine Ports in NY/NJ Metropolitan Region

Located at the hub of the most concentrated and affluent consumer market in the world, the marine ports in the NY/NJ Metro region play a critical role in the regional economy. Freight demand at the ports in the region has increased steadily for many years, and is projected to keep growing. The Panama Canal expansion, along with the Port Authority's investments in deeper shipping channels and higher vertical clearances, will soon lead to the arrival of much larger ships in New York Harbor, and possibly higher freight volumes as well. In the longer run, new, faster maritime shipping routes may open. The Northwest Passage through the Arctic Ocean has been ice-free in the summer every year since 2008. Shipping through the Northwest Passage would bypass the Panama Canal on routes from China to the East Coast of the U.S.

As freight demand grows and container ships continue to increase in size, the number of containers they bring at one time also increases, putting pressure on the landside access infrastructure. Surrounded by dense urban environments and constrained by landside access capacity, it is important to achieve a balance in the modal split of freight moving to and from the marine ports to ensure the growth and operational efficiency of the marine ports in the region.

The table below presents the mode split (by weight) of landside access of international freight to and from the marine ports in the NY/NJ metro region, based on the year 2010 data from U.S. Department of Transportation's Freight Analysis Framework (FAF3).

Share of tons by domestic mode	Import	Export
Truck	50.6%	76.6%
Multi-modal	12.9%	15.5%
Pipeline	9.9%	2.9%
Other	7.4%	5.0%
No domestic mode	19.2%	0.0%
Total	100%	100%

Truck is the major domestic mode for port access in this region, mostly due to the high share of local freight demands. Trucks transport 50.6% of import flows and 76.6% of export flows going through the marine ports in this region.

Multi-modal mode (including every shipment that involved more than one mode except for air-truck, such as truck-rail, truck-water, and rail-water) is the second major domestic mode accounting for 12.9% for import flows and 15.5% for export flows. The port's on-dock rail system, ExpressRail, provides an alternative for freight to leave the port using rail rather than truck. Established in 1992, ExpressRail continues to grow rapidly. It set a record in 2011, handling almost 40% more containers than in year 2005.

Over 19% of the import flows using the NY/NJ ports had no domestic mode. In FAF3, a 'No Domestic Mode' category related to international flows is used to capture petroleum imports that go directly from foreign, inbound ships to an on-shore US refinery. This is done to ensure a proper accounting when foreign and domestic flows are summed, while avoiding assigning flows to the domestic transportation network that do not use it.

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