

# MONTHLY ECONOMIC INDICATORS

Planning and Regional Development Department

THE PORT AUTHORITY OF NY & NJ

August 2015

UNEMPLOYMENT RATE (percent of labor force)	JUL 2015	PREVIOUS 3 MONTHS AVERAGE	JUL 2014
U.S. (seasonally adjusted)	5.3	5.4	6.2
U.S. (not seasonally adjusted)	5.6	5.3	6.5

UNEMPLOYMENT RATE (percent of labor force)	JUN 2015	PREVIOUS 3 MONTHS AVERAGE	JUN 2014
REGION (not seasonally adjusted)	5.3	5.9	6.4

NON-FARM EMPLOYMENT (thousands)	JUL 2015	PREVIOUS 3 MONTHS AVERAGE	% CHANGE JUL 2015/ JUL 2014
U.S.	142,071	141,615	2.1
REGION	8,894	8,879	1.6
Construction and Manufacturing	698	685	1.2
Financial / Professional / Business	2,178	2,157	0.7
Government	1,200	1,230	-1.7
All Others	4,817	4,807	2.9

REAL GDP (percentage change)	2015Q2	2015Q1	2014Q4
U.S. (seasonally adjusted at annual rates)	3.7	0.6	2.2
REGION (Oxford Economics Estimate)	2.4	-0.1	0.1

CONSUMER PRICE INDEX (percentage change)	JUL '15/ JUL '14	JUL '15/ JUN '15	JUN '15/ JUN '14
U. S.	0.2	0.1	0.2
Core	1.8	0.1	1.8
REGION	-0.1	-0.1	0.1
Core	1.4	0.0	1.4
Food & Beverages	1.0	-0.1	2.1
Housing	0.9	0.1	0.9
Transportation	-6.2	-0.9	-6.1
Energy	-17.0	-1.6	-16.4

CONSTRUCTION COST INDEX (percentage change)	JUL '15/ JUL '14	JUL '15/ JUN '15	JUN '15/ JUN '14
U.S. 20-CITY	2.1	0.0	2.4
NY REGION	4.4	0.0	4.3

GASOLINE PRICES (US dollars per gallon)	JUL 2015	A month ago	A year ago
U.S. (all types NSA)	\$2.77	\$2.93	\$3.62
New York City (all types NSA)	\$3.06	\$3.23	\$3.97
Newark, NJ (all types NSA)	\$2.54	\$2.76	\$3.50

HOUSING PRICES (12-month percentage change)	JUN '15/ JUN '14	MAY '15/ MAY '14	APR '15/ APR '14
U.S. 20-CITY COMPOSITE	5.0	4.9	4.9
NY METROPOLITAN AREA	2.7	2.8	2.8

INTERNATIONAL TRADE (billions of dollars)	JUN 2015	% CHANGE VS. JUN 2014	% CHANGE YTD 2015 VS. 2014
U.S.	327.3	-2.5	-4.0
NY CUSTOMS DISTRICT	36.1	2.3	0.1
NY Imports	22.7	3.3	2.2
NY Exports	13.4	0.8	-3.6

MANHATTAN COMMERCIAL REAL ESTATE	JULY2015	MAY 2015	MAR 2015
Availability (%)			
Manhattan Totals	9.5	9.6	9.8
Midtown	9.5	9.7	9.9
Downtown	12.0	12.2	12.6
Average Asking Rent (Class A Office APRket) (\$/square foot)			
Manhattan Totals	77.4	77.1	76.5
Midtown	86.1	85.8	85.0
Downtown	62.1	61.6	61.6

REGIONAL ECONOMIC FORECAST	2015	2016	2017
Real GDP (%)	2.2	2.2	2.3
Nonfarm Employment Growth (%)	1.6	1.1	0.6

## SPECIAL FOCUS

### Stormy Global Seas ahead?

Economists used to say that “when the US sneezes, the world economy catches a cold”. The sentiment of the statement might still be true but now likely also applies to China. The Chinese economy has recently experienced a significant slowdown and may likely fall below the 7 percent real GDP growth mark targeted by the government. (In fact, it may have already done so when more indirect measures of economic activity such as trade or electricity consumption are considered.) The devaluation of the Yuan is a clear attempt to support the largely export driven economy via lower prices overseas. However, the prospect of success of this policy remains unclear as Chinese households and businesses now are faced with higher prices for imported consumer goods and resources, respectively. Uncertainty has also affected asset prices in recent weeks and expansionary monetary policy has not helped. China’s stock market (measured by the Shanghai Stock Exchange Composite Index) has dropped over 40 percent since June, shaking global stock markets over the past week; the housing market also has not yet recovered from its slump in 2014.

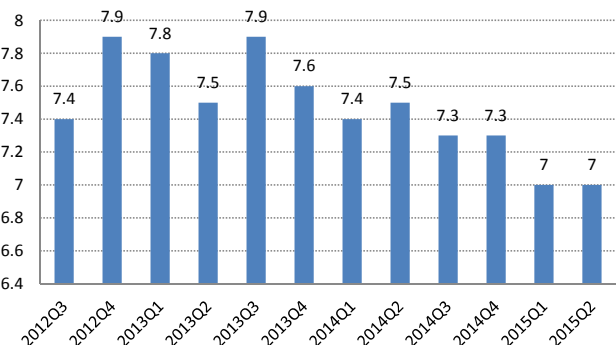
What does China’s economic slowdown mean for the U.S. and our region? The major impact may be through trade linkages, the redirection of investment funds away from Chinese equities, and overall uncertainty among businesses and investors. In 2014, \$467 billion or 20 percent of U.S. imports and \$124 billion or 7 percent of U.S. exports were with China. Trade between China and the U.S. made up about 4 percent of total U.S. GDP. In the New York/New Jersey Port District, in 2014, China accounted for 49 billion or 18 percent of the regional imports and 13 billion or 9 percent of the exports. China’s economic slowdown and currency devaluation may result in lower total trade volumes overall even though strong consumer spending and demand in the US could sustain the volume of imports and may even increase it. The regional impacts have so far been small and the port has seen record performance in 2015 so far.

In addition to the impact on international trade, China’s economic downturn also directly affects many U.S. companies due to the multitude of business and financial relationships between these two countries. The uncertainty and concern about Chinese economic performance has resulted in recent tumultuous activity on Wall Street and overseas equity markets. Energy prices have also not been immune. Weak demand from China has dragged down oil and commodity prices such as copper and ore. We may now be looking at crude oil prices approaching \$40 per barrel rather than moving back to a more normal territory.

China is one of the major economic superpowers. The recent economic slowdown paired with the country’s currency devaluation may affect trade patterns between the two countries. Nevertheless, as long as US demand remains high, it is likely that import volumes will increase, nationally as well as in the Port District. More macroeconomic instability infecting the health of the US economy may result in more widespread consequences.

Gesundheit!

China GDP Annual Growth Rate



Source: National Bureau of Statistics of China

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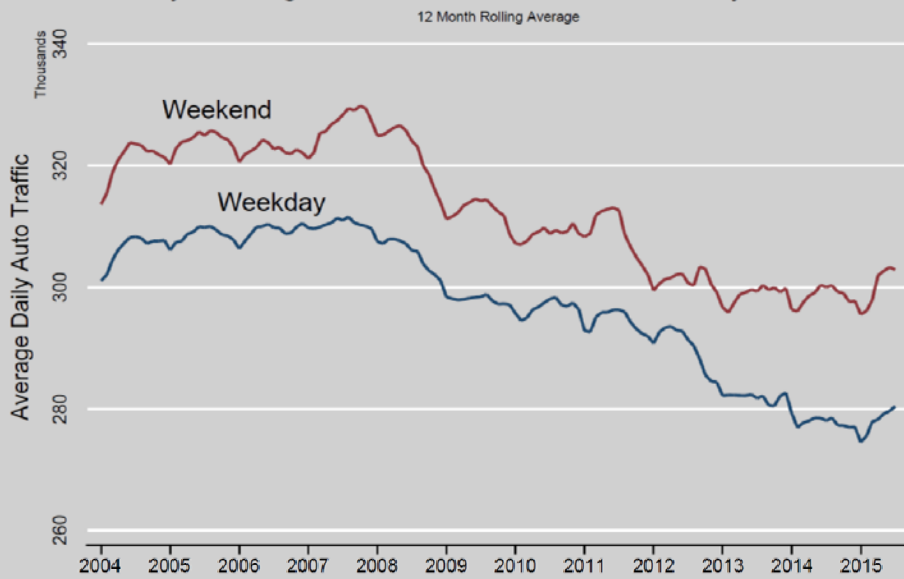
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AVIATION	Jun '15	YTD	Jun '15/'14	YTD '15/'14	PORT COMMERCE	Jun '15	YTD	Jun '15/'14	YTD '15/'14
<b>Revenue Passengers (000's)</b>	<b>11,007.9</b>	<b>58,039.5</b>	<b>5.0%</b>	<b>5.2%</b>	<b>Port Trade</b>				
John F. Kennedy International Airport (JFK)	5,169.4	26,675.9	6.8%	6.5%	Container Imports (TEUs)	279,038	1,575,697	15.5%	13.1%
LaGuardia Airport (LGA)	2,534.3	13,484.9	5.5%	3.7%	Container Exports (TEUs)	115,991	699,246	-1.6%	-0.8%
Newark Liberty International Airport (EWR)	3,280.1	17,741.5	2.1%	4.6%	Containers lifted on/off Express Rail	45,681	257,103	18.5%	15.2%
Stewart International Airport (SWF)	24.2	137.2	-7.7%	-10.7%					
<b>Revenue Freight (Short Tons)</b>	<b>171,637</b>	<b>1,008,703</b>	<b>3.4%</b>	<b>3.3%</b>	<b>TUNNELS, BRIDGES &amp; TERMINALS</b>	<b>Jun '15</b>	<b>YTD</b>	<b>Jun '15/'14</b>	<b>YTD '15/'14</b>
Domestic	59,247	339,456	14.3%	6.1%	<b>Eastbound Vehicle Volumes (000's)</b>	<b>10,038</b>	<b>55,511</b>	<b>0.9%</b>	<b>1.1%</b>
International	112,390	669,247	-1.6%	1.9%	George Washington Bridge	4,388	23,994	3.3%	2.0%
<b>Flights</b>	<b>109,946</b>	<b>614,523</b>	<b>0.0%</b>	<b>2.6%</b>	Lincoln Tunnel	1,611	9,205	-1.5%	0.5%
Domestic Air Carrier	76,869	435,919	0.4%	3.6%	Holland Tunnel	1,331	7,516	-1.3%	-0.4%
International Air Carrier	25,826	141,436	-0.2%	0.6%	Bayonne Bridge	181	1,101	-27.3%	-22.0%
General Aviation	7,251	37,168	-3.1%	-1.2%	Goethals Bridge	1,244	6,863	1.4%	4.2%
<b>Paid Parked Cars</b>	<b>734,140</b>	<b>3,896,471</b>	<b>-4.0%</b>	<b>-3.0%</b>	Outerbridge Crossing	1,283	6,832	3.0%	2.5%
<b>Revenue AirTrain Passengers</b>	<b>740,900</b>	<b>4,290,189</b>	<b>7.2%</b>	<b>7.9%</b>	<b>Eastbound Volumes by Vehicle Type (000's)</b>				
					Autos	9,137	50,534	0.4%	1.2%
					Trucks	642	3,527	7.2%	0.4%
					Buses	259	1,447	1.8%	0.9%
<b>FERRY OPERATIONS</b>	<b>Jun '15</b>	<b>YTD</b>	<b>Jun '15/'14</b>	<b>YTD '15/'14</b>	<b>PORT AUTHORITY PULSE</b>	<b>Jun '15</b>	<b>May '15</b>	<b>Change</b>	
<b>Passengers (000's)</b>					<b>(Seasonally Adjusted, 2010=100)</b>				
New Jersey Ferries	762.8	3,747.3	-0.9%	-1.8%	<b>PA Pulse (Transportation Activity Index)</b>	100.5	99.6	0.9%	
					<b>PA Freight Pulse</b>	98.3	96.6	1.8%	
					<b>PA Passenger Pulse</b>	102.7	102.6	0.1%	
<b>PATH</b>	<b>Jun '15</b>	<b>YTD</b>	<b>Jun '15/'14</b>	<b>YTD '15/'14</b>	<b>U.S. TRANSPORT. SERVICES INDEX</b>	<b>Jun '15</b>	<b>May '15</b>	<b>Change</b>	
<b>Passengers (000's)</b>	<b>6,722.0</b>	<b>36,927.0</b>	<b>5.9%</b>	<b>2.0%</b>	<b>(Prelim., Seasonally Adj., 2000=100)</b>				
Average Weekday	266.6	1,512.5	3.0%	2.3%	<b>TSI - Combined Index</b>	122.2	122.5	-0.2%	
Average Saturday	116.4	649.9	3.4%	0.5%	<b>TSI - Freight</b>	121.9	122.2	-0.2%	
Average Sunday	97.6	498.4	6.1%	1.3%	<b>TSI - Passenger</b>	122.6	122.9	-0.2%	

## TRANSPORTATION FOCUS

### Daily Average Auto Traffic At Port Authority Facilities



Over the last decade average daily weekend traffic has been higher than average daily weekday traffic. Both have seen significant declines over the last seven years. This trend of declining traffic has somewhat stabilized over the last year as both average weekend and weekday traffic have increased with weekend traffic seeing a larger increase. These may be signs that we are set to see increasing auto traffic at Port Authority facilities for the first time in many years.

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