

MONTHLY ECONOMIC INDICATORS

Planning and Regional Development Department

THE PORT AUTHORITY OF NY & NJ

February 2014

UNEMPLOYMENT RATE (percent of labor force)	JAN 2014	PREVIOUS 3 MONTHS AVERAGE	JAN 2013
U.S. (seasonally adjusted)	6.6	7.0	7.9
U.S. (not seasonally adjusted)	7.0	6.7	8.5
REGION (not seasonally adjusted)	N/A	7.1	9.3

NON-FARM EMPLOYMENT (thousands)	JAN 2014	PREVIOUS 3 MONTHS AVERAGE	% CHANGE JAN 2014 / JAN 2013
U.S.	137,499	137,245	1.7
REGION	N/A	8,077	N/A
Construction and Manufacturing	N/A	815	N/A
FIRE / Professional / Business	N/A	1,966	N/A
Government	N/A	1,230	N/A
All Others	N/A	4,065	N/A

REAL GDP (percentage change)	2013Q4	2013Q3	2013Q2
U.S. (seasonally adjusted at annual rates)	2.4	4.1	2.5
REGION (Oxford Economics Estimate)	3.5	3.4	3.2

CONSUMER PRICE INDEX (percentage change)	JAN '14/ JAN '13	JAN '14/ DEC '13	DEC '13/ DEC '12
U. S.	1.6	0.1	1.5
Core	1.6	0.1	1.7
REGION	1.9	0.9	1.5
Core	2.0	0.3	1.9
Food & Beverages	0.1	0.2	0.4
Housing	3.3	1.7	2.2
Transportation	0.4	-0.7	1.1
Energy	4.0	7.6	-1.0

CONSTRUCTION COST INDEX (percentage change)	JAN '14/ JAN '13	JAN '14/ DEC '13	DEC '13/ DEC '12
U.S. 20-CITY	2.4	0.0	2.7
NY REGION	7.6	0.0	7.6

GASOLINE PRICES (US dollars per gallon)	JAN 2014	A month ago	A year ago
U.S. (all types NSA)	\$3.62	\$3.45	\$3.94
New York City (all types NSA)	\$3.94	\$3.86	\$4.25
Newark, NJ (all types NSA)	\$3.56	\$3.46	\$3.80

HOUSING PRICES (12-month percentage change)	DEC '13/ DEC '12	NOV '13/ NOV '12	OCT '13/ OCT '12
U.S. 20-CITY COMPOSITE	13.4	13.7	13.6
NY METROPOLITAN AREA	6.3	6.0	4.9

INTERNATIONAL TRADE (billions of dollars)	DEC 2013	% CHANGE VS. DEC 2012	% CHANGE YTD 2013 VS DEC 2012
U.S.	313.2	1.8	0.6
NY CUSTOMS DISTRICT	32.2	-3.5	-0.4
NY Imports	21.1	4.9	0.7
NY Exports	11.0	-16.3	-2.0

MANHATTAN COMMERCIAL REAL ESTATE	JAN 2014	DEC 2013	NOV 2013
Availability (%)			
Manhattan Totals	10.8	10.8	11.0
Midtown	11.1	10.8	10.8
Downtown	13.3	12.9	13.3
Average Asking Rent (Class A Office APRket) (\$/square foot)			
Manhattan Totals	72.8	72.1	71.3
Midtown	80.9	80.0	78.8
Downtown	55.0	55.3	55.6

REGIONAL ECONOMIC FORECAST	2014	2015	2016
Real GDP (%)	2.7	2.7	2.5
Nonfarm Employment Growth (%)	1.4	1.7	1.6

Sources available upon request.

The views expressed herein are solely those of the authors and do not reflect the official positions of PANYNJ or its leadership.

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SPECIAL FOCUS

Another Year, Another Drought, but No Crisis ... Yet

While regional residents endure Arctic blasts and dig out from under mountains of snow, California has been suffering a severe drought that ranks among the worst the state has ever endured. In August 2012, Monthly Economic Indicators discussed the limited expected impact on retail food prices of a drought that scorched corn and soybean producers in the Midwest. The extreme dryness in California is affecting a wider variety of crops than similar conditions that affected the Midwest in 2012, but the impact to food prices will likely also be limited at local grocery stores.

California's drought—now in its third year—has grabbed headlines because the state is the United States' largest producer of fruits and vegetables, and is a major meat producer as well. The drought's estimated economic impact is also sizeable. The California Farm Water Coalition, an industry interest group, has pegged the estimated impact of the drought at \$5 billion in direct costs to the local economy and indirect effects to the region's economy, or roughly 20 percent of the total value of estimated agricultural output. Well-known "row crops" such as tomatoes, broccoli, lettuce, cantaloupes, and lucrative orchard-style produce, like olives and almonds, have been hardest hit by the arid conditions. For example, according to former University of California-Davis water management specialist, David Goldhamer, nut crops may see yields fall by as much as 25 percent this year.

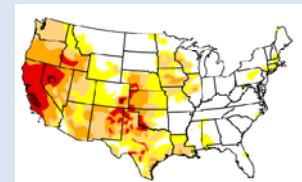
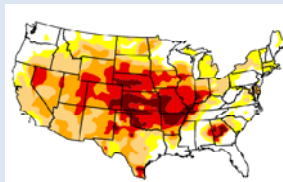
While the headlines appear dire, the current bout of dry weather will likely not soak up money from shoppers' wallets in the form of rising food prices. The limited impact of the extreme drought that hit the Midwest in 2012 illuminates the limited connection between farm prices and retail food prices.

Structural and market-related factors mitigated the effects of the 2012 drought on retail food prices. Farm prices only account for 14 percent of retail food prices, according to the USDA, which suggests that if farm prices doubled, retail food prices would only rise by 14 percent—and farm prices hardly doubled in 2012 and 2013. In fact, 2012 retail food prices grew 2.5 percent over the previous year, consistent with the long-term trend, and 2013 prices rose just 0.9 percent above 2012 levels. Lower U.S. agricultural exports and lower energy prices also helped account for the weak price growth. While many market watchers expected higher feed prices to drive up the cost of livestock, beef prices had already attained record highs before the drought due to record low inventories. The drought did little to drive meat prices higher.

The current drought in California is expected to have a similar, small effect on consumer food prices in 2014. According to the USDA, food prices are largely expected to rise at the long-term average rate of only 2.5 – 3.5 percent. The more powerful impacts of the drought are reflected in the severe water restrictions being placed on local households and businesses combined with water pricing schemes that will over time reflect the increasing scarcity of this resource. The resulting impact on quality of life and the sustainability of current land use and settlement trends in Western states will be real and measurable by current and future generations.

August, 2012

February, 2014



Intensity:



Source: U.S. Drought Monitor

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Note: December 2012 transportation data partially distorted by Superstorm Sandy

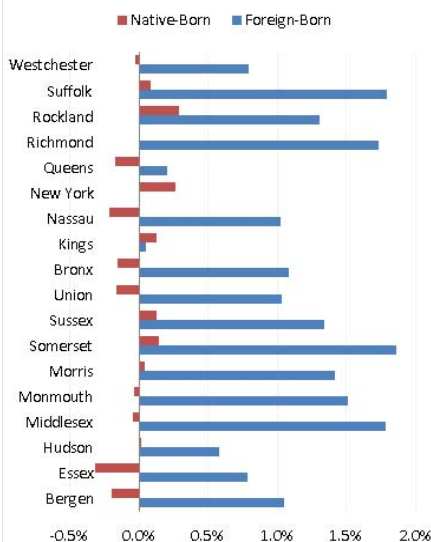
AVIATION	Dec '13	Dec '12	Change
Revenue Passengers (000's)	9,639.9	8,946.3	7.8%
John F. Kennedy International Airport (JFK)	4,299.1	3,992.5	7.7%
LaGuardia Airport (LGA)	2,339.7	2,202.3	6.2%
Newark Liberty International Airport (EWR)	2,974.0	2,725.3	9.1%
Stewart International Airport (SWF)	27.0	26.2	3.3%
Revenue Freight (Short Tons)	180,867	189,951	-4.8%
Domestic	68,333	72,850	-6.2%
International	112,534	117,101	-3.9%
Flights	100,764	97,375	3.5%
Domestic Air Carrier	73,378	70,630	3.9%
International Air Carrier	23,225	22,878	1.5%
General Aviation	4,161	3,867	7.6%
Paid Parked Cars	697,101	598,628	16.4%
Revenue AirTrain Passengers	783,834	708,711	10.6%
FERRY OPERATIONS	Dec '13	Dec '12	Change
Passengers (000's)			
New Jersey Ferries	578.7	698.2	-17.1%
PATH	Dec '13	Dec '12	Change
Passengers (000's)	5,884.0	4,459.0	32.0%
Average Weekday	233.1	185.8	25.4%
Average Saturday	126.2	77.4	62.9%
Average Sunday	85.2	61.1	39.5%

PORT COMMERCE	Dec '13	Dec '12	Change
Port Trade			
Container Imports (TEUs)	n/a	215,440	n/a
Container Exports (TEUs)	n/a	127,866	n/a
Containers lifted on/off Express Rail	n/a	28,433	n/a
TUNNELS, BRIDGES & TERMINALS	Dec '13	Dec '12	Change
Eastbound Vehicle Volumes (000's)	9,432	9,782	-3.6%
George Washington Bridge	3,980	4,096	-2.8%
Lincoln Tunnel	1,569	1,606	-2.3%
Holland Tunnel	1,339	1,399	-4.3%
Bayonne Bridge	266	287	-7.4%
Goethals Bridge	1,140	1,166	-2.2%
Outerbridge Crossing	1,138	1,228	-7.3%
Eastbound Volumes by Vehicle Type (000's)			
Autos	8,616	8,943	-3.7%
Trucks	577	595	-3.0%
Buses	241	244	-1.3%
PORT AUTHORITY PULSE (Seasonally Adjusted, 2010=100)	Dec '13	Nov '13	Change
PA Pulse (Transportation Activity Index)	n/a	93.5	n/a
PA Freight Pulse	n/a	90.7	n/a
PA Passenger Pulse	n/a	96.3	n/a
U.S. TRANSPORT. SERVICES INDEX (Prelim., Seasonally Adj., 2000=100)	Dec '13	Nov '13	Change
TSI - Combined Index	117.1	118.0	-0.7%
TSI - Freight	116.5	117.7	-1.0%
TSI - Passenger	118.3	118.3	0.0%

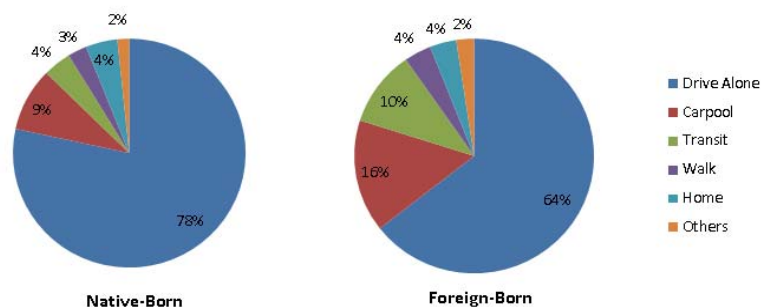
TRANSPORTATION FOCUS

Demographic Change and Transportation Behavior

PA Population Average Annual Growth Rates (1995-2012)



Means of Commuting



Source: Census, American Community Survey

Based on the most recent American Community Survey, the foreign-born population of the U.S. tends to use public transportation more and drive alone to work less than the native-born population. The Port Authority region has experienced a significant increase in foreign-born residents over the last two decades, especially in New Jersey. The influx of immigrants to the region may be associated with increasing use of public transit and declining traffic volume at regional crossings in recent years, but more data is needed before any causal relationship between these observations can be inferred.

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