LOGISTICS MARKET SNAPSHOT

Georgia® CENTER OF INNOVATION

FEBRUARY 2025

U.S. MARKET:	
Gross Domestic Product	Real gross domestic product (GDP) **increased at an annual rate of 2.3% in the fourth quarter of 2024**, according to the advance estimate released by the U.S. Bureau of Economic Analysis. In the third quarter, real GDP increased 3.1%. The increase in real GDP in the fourth quarter primarily reflected increases in consumer spending and government spending that were partly offset by a decrease in investment. ***Note: Next release for Q1 2025 – U.S. National Gross Domestic Product, will be published April 2025.*** *Source: Bureau of Economic Analysis*
U.S. Trade Deficit	The goods and services deficit **increased from $78.9 billion in November 2024 (revised) to $98.4 billion in December 2024,** as imports increased and exports decreased. The goods deficit increased $18.9 billion in December to $123.0 billion. The services surplus decreased $0.6 billion in December to $24.5 billion. *Source: Bureau of Economic Analysis*
Import Volumes	December **imports were $364.9 billion, $12.4 billion more than November imports.** For the 3 months ending in December average imports increased $3.5 billion to $352.7 billion in December. Imports of goods increased $11.4 billion to $293.1 billion in December. Imports of services increased $1.0 billion to $71.8 billion in December. *Source: U.S. Bureau of Economic Analysis*
Export Volumes	December **exports were $266.5 billion, $7.1 billion less than November exports.** For the 3 months ending in December average exports decreased $1.2 billion to $268.8 billion in December. Exports of goods decreased $7.5 billion to $170.2 billion in December. Exports of services increased $0.4 billion to $96.3 billion in December. *Source: U.S. Bureau of Economic Analysis*
Import & Export Price Indexes	**Prices for U.S. imports increased 0.3% in January 2025**, after advancing 0.2% in December. Higher fuel and nonfuel prices in January contributed to the overall increase in import prices. U.S. export prices rose 1.3% in January following a 0.5% advance the previous month. The price index for U.S. imports advanced 0.3% in January, the largest 1-month rise since the index increased 0.9% in April 2024. Prices for U.S. imports advanced 1.9% from January 2024 to January 2025. **Prices for U.S. exports rose 1.3% in January 2025**, the largest monthly increase since the index advanced 2.7% in May 2022. Higher nonagricultural export prices in January more than offset lower agricultural export prices. U.S. export prices have not declined on a 1-month basis since September 2024. The price index for U.S. exports increased 2.7% over the past year, the largest 12-month advance since the year ended December 2022. *Source: Bureau of Labor Statistics*
Unemployment Rate	**Total nonfarm payroll employment rose by 143,000 in January 2025**, and the **unemployment rate** edged down to 4.0%. Job gains occurred in health care, retail trade, and social assistance. Employment declined in the mining, quarrying, and oil and gas extraction industry. **The number of long-term unemployed** (those jobless for 27 weeks or more), at 1.4 million, changed little in January. The long-term unemployed accounted for 21.1% of all unemployed people. **Georgia's unemployment rate comes in at 3.7% for December 2024**, ranking 25th in the U.S. of states with the lowest unemployment, tying with Arizona, Idaho, Missouri, and North Carolina. South Dakota shows the lowest level of unemployment at 1.9%. Nevada ranks highest in unemployment with a rate of 5.7%. ***Note: Most recent Georgia not yet released at time of Logistics Market Snapshot publication. Last modified January 28.*** *Source: Bureau of Labor Statistics*
Labor Force Participation Rate	For January 2025 the labor force participation rate read at **62.6%, a 0.1% increase from the previous month.** The labor force participation rate for January 2025 for those of **prime working age (25-54) had a reading of 83.5%.** *Source: U.S. Bureau of Labor Statistics (Workforce Participation Rate measures the share of Americans at least 16 years old who are either employed or actively looking for work)*
Leading Economic Index	The Leading Economic Index (LEI) for the US **fell by 0.3% in January 2025 to 101.5, after a 0.1% increase in December 2024.** Overall, the LEI recorded a 0.9% decline in the six-month period ending January 2025, much less than its 1.7% decline over the previous six months. Per The Conference Board, "The US LEI declined in January, reversing most of the gains from the previous two months,". "Consumers' assessments of future business conditions turned more pessimistic in January, which—alongside fewer weekly hours worked in manufacturing—drove the monthly decline. However, manufacturing orders have almost stabilized after weighing heavily on the Index since 2022, and the yield spread contributed positively for the first time since November 2022. Overall, just four of the LEI's 10 components were negative in January. In addition, **the LEI's six-month and annual growth rates continued to trend upward, signaling milder obstacles to US economic activity ahead. We currently forecast that real GDP for the US will expand by 2.3% in 2025, with stronger growth in the first half of the year.**" *Source: The Conference Board (the LEI is a composite of 10 economic indicators that together create an analytic system designed to signal peaks and troughs in the business cycle. The LEI reveals patterns in economic data in a clearer and more convincing manner than any individual component alone)*

Pending Home Sales Index

The Pending Home Sales Index (PHSI) **fell 4.6% to 70.6 in January 2025**, an all-time low. (Last year's cyclical low point in July 2024 was revised from 70.2 to 71.2.) Year-over-year, pending transactions declined 5.2%. "It is unclear if the coldest January in 25 years contributed to fewer buyers in the market, and if so, expect greater sales activity in upcoming months," says the National Association of Realtors. **Housing affordability suffered in January as mortgage rates ranged from 6.91% to 7.04%.** Compared to one year ago, the monthly mortgage payment on a $300,000 home increased by an extra $50 to $1,590. The Northeast PHSI rose 0.3% from last month to 63.4, down 0.5% from January 2024. The Midwest index contracted 2.0% to 72.8 in January, down 2.7% from the previous year. The South PHSI plunged 9.2% to 81.0 in January, down 8.8% from a year ago. The West index fell by 1.2% from the prior month to 57.6, down 4.5% from January 2024.

Source: National Association of Realtors (an index of 100 is equal to the level of contract activity in 2001)

Housing Starts

Privately-owned housing starts in **January 2025 were at a seasonally adjusted annual rate of 1,483,000.** This is 0.1% above the revised December rate of 1,482,000, but is 1.7% below the January 2024 rate of 1,508,000. Single-family housing starts in January were at a rate of 996,000; this is virtually unchanged from the revised December figure of 996,000. **The January 2025 rate for units in buildings with five units or more was 427,000.**

Source: U.S. Census Bureau

Light-Vehicle Sales

New light-vehicle sales in **January 2025 totaled 15.6 million units, an increase of 3.8% year over year.** January 2025's sales pace was notably lower than December 2024's 16.9 million units. However, January is typically the slowest month for sales of the year and a belief there were significant sales pulled forward into December 2024 due to consumer uncertainty surrounding the availability of EV tax credits and potential impacts to vehicle pricing due to tariffs. In the first month of the year alternative fuel vehicles gained market share. **Conventional hybrid vehicles saw the largest market share gain with their market share in January 2025 rising to 11.8%, an increase of 3.2 percentage points of market share compared to January 2024.** Battery electric vehicles (BEV) gained share, while plug-in hybrid vehicles (PHEV) saw their share fall slightly. BEV market share at the end of January 2025 was 8.5%, up 0.8 percentages points year over year, and PHEV market share was 1.9%, down 0.4 percentage points year over year.

Source: National Automobile Dealers Association (Light vehicle sales record the number of domestically produced units of cars, SUVs, mini-vans, and light trucks that are sold. Because motor vehicle sales are a large part of consumer spending in the United States, the motor vehicle sales data can provide important information on consumer-spending trends and on the overall direction of the economy)

Personal Income and Outlays

Personal income increased $221.9 billion in January 2025. Disposable personal income (DPI)—personal income less personal current taxes—increased $194.3 billion, or 0.9%. The increase in current-dollar personal income in January primarily reflected increases in personal current transfer receipts, compensation, and personal income receipts on assets. **Personal outlays**—the sum of PCE, personal interest payments, and personal current transfer payments—decreased $52.7 billion in January. **Personal saving** was $1.01 trillion in January and the **personal saving rate**—personal saving as a percentage of disposable personal income—was 4.6%.

Source: U.S. Bureau of Economic Analysis (personal income is the income that people get from wages and salaries, Social Security and other government benefits, dividends and interest, business ownership, and other sources; it does not include realized or unrealized capital gains or losses)

Personal Consumption Expenditures Price Index

Personal consumption expenditures (PCE) decreased $30.7 billion, or 0.2%. The $30.7 billion decrease in current-dollar PCE in January reflected a decrease of $76.7 billion in spending for goods and an increase of $46.0 billion in spending for services. **From the preceding month,** the PCE price index for January increased 0.3%. Excluding food and energy, the PCE price index increased 0.3%. **From the same month one year ago,** the PCE price index January increased 2.5%. Excluding food and energy, the PCE price index increased 2.6% from one year ago.

Source: U.S. Bureau of Economic Analysis (the PCE price index is a measure of the prices that people living in the United States, or those buying on their behalf, pay for goods and services; it is known for capturing inflation (or deflation) across a wide range of consumer expenses and reflecting changes in consumer behavior)

Retail Sales

Advance estimates of U.S. retail and food services sales **for January 2025, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were $723.9 billion, down 0.9% from the previous month, and up 4.2% from January 2024.** Total sales for the November 2024 through January 2025 period were up 4.2% from the same period a year ago. The November 2024 to December 2024 percent change was revised from up 0.4% to up 0.7%. Retail trade sales were down 1.2% from December 2024, and up 4.0% from last year. Motor vehicle and parts dealers were up 6.4% from last year, while food service and drinking places were up 5.4% from January 2024.

Source: U.S. Census Bureau (Non-store retail sales are measured monthly and include internet-only sales outlets as well as other direct-to-customer channels)

E-Commerce

The estimate of U.S. retail e-commerce sales for the 4th **quarter of 2024, adjusted for seasonal variation, but not for price changes, was $308.9 billion, an increase of 2.7% from the third quarter of 2024.** Total retail sales for the 4th quarter of 2024 were estimated at $1,883.3 billion, an increase of 1.8% from the third quarter of 2024. The 4th quarter 2024 e-commerce estimate increased 9.4% from the 4th quarter of 2023 while total retail sales increased 3.8% in the same period. **E-commerce sales in the 4th quarter of 2024 accounted for 16.4% of total sales.**
Source: U.S. Census Bureau (E-Commerce sales are measured on a quarterly basis and include the sales of goods and services where the buyer places an order, or the price and terms of the sale are negotiated over an Internet, mobile device (M-commerce), extranet, Electronic Data Interchange (EDI) network, electronic mail, or other comparable online system. Payment may or may not be made online)

Consumer Confidence Index

The Consumer Confidence Index **declined by 7.0 points in February to 98.3.** According to The Conference Board, "In February, consumer confidence registered the largest monthly decline since August 2021." "This is the third consecutive month on month decline, bringing the Index to the bottom of the range that has prevailed since 2022. Of the five components of the Index, only consumers' assessment of present business conditions improved, albeit slightly. Views of current labor market conditions weakened. Consumers became pessimistic about future business conditions and less optimistic about future income. Pessimism about future employment prospects worsened and reached a ten-month high." **February's fall in confidence was shared across all age groups but was deepest for consumers between 35 and 55 years old. The decline was also broad-based among income groups, with the only exceptions among households earning less than $15,000 a year and between $100,000–125,000.**
Source: The Conference Board (the consumer confidence index is based on a monthly survey of 5,000 U.S. household. It is designed to gauge the financial health, spending power, and confidence of the average U.S. consumer. Base year 1985=100)

Consumer & Producer Price Index

The **Consumer Price Index increased 0.5% on a seasonally adjusted basis in January 2025**, after rising 0.4% in December. Over the last 12 months, the all items index increased 3.0% before seasonal adjustment. **Indexes that increased** in January include motor vehicle insurance, recreation, used cars and trucks, medical care, communication, and airline fares.
The indexes for apparel, personal care, and household furnishings and operations were among the **few major indexes that decreased in January.**
The **Producer Price Index for final demand increased 0.4% in January 2025**, seasonally adjusted. Final demand prices rose 0.5% in December and 0.2% in November. On an unadjusted basis, the index
for final demand moved up 3.5% for the 12 months ended January 2025. The index for final demand less foods, energy, and trade services rose 0.3% in January after moving up 0.4% in December. **For the 12 months ended in January, prices for final demand less foods, energy, and trade services advanced 3.4%.**
Source: U.S. Bureau of Labor Statistics (the CPI measures the change in prices paid by consumer for goods and services. Base year 1999=100; the PPI measures the average price changes by producers for domestically produced goods, services, and construction. Base year 2009=100)

Small Business Optimism Index

The Small Business Optimism Index **fell by 2.3 points in January 2025 to 102.8.** This is the third consecutive month above the 51-year average of 98. The Uncertainty Index rose 14 points to 100 – the third highest recorded reading – after two months of decline. The net percent of owners expecting the economy to improve fell five points from December to a net 47% (seasonally adjusted). Eighteen percent of owners reported that inflation was their single most important problem in operating their business, down two points from December and matching labor quality as the top issue. The last time it was this low was in November 2021.
Source: National Federation of Independent Business

Industrial Production & Capacity Utilization

Industrial production (IP) increased 0.5% in January 2025 after moving up 1.0% in December. In January, gains in the output of aircraft and parts contributed 0.2 percentage point to total IP growth following the earlier resolution of a work stoppage at a major aircraft manufacturer. Manufacturing output declined 0.1% in January, held down by a 5.2% decrease in the index for motor vehicles and parts. The index for mining fell 1.2%, while the index for utilities jumped 7.2%, as cold temperatures boosted the demand for heating. At 103.5% of its 2017 average, total IP in January was 2.0% above its year-earlier level. **Capacity utilization stepped up to 77.8%**, a rate that is 1.8 percentage points below its long-run (1972–2024) average.
Source: The Federal Reserve (The industrial production and capacity utilization rates cover manufacturing, mining, and electric and gas utilities. The industrial detail provided by these measures helps illuminate structural developments in the economy)

Manufacturing and Trade Inventories and Sales

Manufacturers' and trade inventories for December 2024, adjusted for seasonal and trading day differences but not for price changes, were estimated at an end-of-month level of $2,584.3 billion, down 0.2% from November 2024, but were up 2.0% from December 2023. The combined value of **distributive trade sales and manufacturers' shipments** for December 2024, adjusted for seasonal and trading day differences but not for price changes, was estimated at $1,908.8 billion, up 0.8% from November 2024 and was up 3.1% from December 2023. The total **business inventories/sales ratio** based on seasonally adjusted data at the end of December was 1.35. The December 2023 ratio was 1.37.
Source: U.S. Census Bureau

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Purchasing Managers Index, Manufacturing	The Manufacturing PMI **registered 50.9% in January 2025, 1.7 percentage points higher compared to the seasonally adjusted 49.2% recorded in December.** The overall economy continued in expansion for the 57th month after one month of contraction in April 2020. (A Manufacturing PMI above 42.3 percent, over a period of time, generally indicates an expansion of the overall economy.) U.S. manufacturing activity expanded in January after 26 consecutive months of contraction. Demand clearly improved, while output expanded and inputs remained accommodative. Demand and production improved; and employment expanded. However, staff reductions continued with many companies, but at weaker rates. Prices growth was moderate, indicating that further growth will put additional pressure on prices. As predicted, maintaining a slower rate of price increases as demand returns will be a major challenge for 2025. 43% of manufacturing gross domestic product (GDP) contracted in January, down from 52%in December. *Source: Institute for Supply Management (The PMI combines data on new orders, production, employment, supplier deliveries, and inventory. A reading above 50 % indicates that the manufacturing economy is generally expanding.)*
Purchasing Managers Index, Services	The Services PMI **registered 52.8%, 1.2 percentage points lower than the seasonally adjusted December figure of 54%.** Fourteen industries reported growth in January, five more than the previous month's total. The Services PMI has expanded in 23 of the last 25 months dating back to January 2023. The January reading of 52.8% is below the January 2024 reading of 53.2% but 0.4 percentage point above the 2024 average PMI reading of 52.4. A Services PMI above 48.6%, over time, generally indicates an expansion of the overall economy. Therefore, the January Services PMI indicates the overall economy is expanding for the 56th straight month. *Source: Institute for Supply Management (The PMI combines data on business activity, new orders, employment, supplier deliveries, and inventory.* A reading above 50 % indicates that the manufacturing economy is generally expanding.*)*
Logistics Managers' Index	The January 2025 Logistics Manager's Index **reads in at 62.0, up 4.7 from December's reading. This is the fastest reading of expansion in the overall index since June of 2022**. Movements in eight of the seven sub-metrics of this index contributed to this increasing velocity of positive change. As is often the case, shifts in the logistics industry are driven by inventories. After registering in at 50.0 (no change) in December, Inventory Levels are back up 8.5 to 58.5 – spurred on by a 22.2-point bump in Downstream Inventory Levels as retailers went from contraction at 33.9 to expansion at 56.1. This led to notable cost/price increases as Inventory Costs increased 8.5 to 70.2, Warehousing Prices increased 5.1 to 73.1, and Transportation Prices increased 3.5 to 70.4 are all over 70.0 since April of 2022 when transportation started its two-year slide. Expansion for both capacity metrics slowed in January with both Warehousing Capacity decreased 5.2 to 51.7 and Transportation Capacity decreased 0.5 to 52.6 reading in at only very mild rates of expansion, suggesting that prices are up due to demand and not other factors like inflation. This notion is cemented by the continued strong expansion in Warehousing Utilization at 68.3 and Transportation Utilization at 60.1. *Source: Logistics Manager's Index (The LMI score is a combination eight unique components that make up the logistics industry, including: inventory levels and costs, warehousing capacity, utilization, and prices, and transportation capacity, utilization, and prices. The LMI is calculated using a diffusion index, in which any reading above 50% indicates that logistics is expanding; a reading below 50% is indicative of a shrinking logistics industry.)*
U.S. Market News Clip	Ongoing tariff threats from Washington and potentially sweeping government job cuts have darkened consumers' mood and may be weighing on an otherwise mostly healthy economy. Data released Friday showed that consumers slashed their spending by the most since February 2021, even as their incomes rose. On a positive note, inflation cooled, but President Donald Trump's threats to impose large import taxes on Canada, Mexico, and China -- the United States' top trading partners -- will likely push prices higher, economists say. Some companies are already planning to raise prices in response. Americans cut their spending by 0.2% in January from the previous month, the Commerce Department said Friday, likely in part because of unseasonably cold weather. Yet the retreat may be hinting at more caution by consumers amid rising economic uncertainty. *Source: MSN; link to article*
INTERMODAL:	
Dow Jones Transportation Average	As of February 28, 2025, the Dow Jones Transportation Average **closed at a reading of 15,849.38.** *Source: Marketwatch (A price-weighted average of 20 U.S. companies in the transportation industry. The index includes railroads, airlines, trucking, marine transportation, delivery services, and logistics companies.)*
NASDAQ Transportation Index	As of February 28, 2025, the NASDAQ Transportation Index **closed at a reading of 6,829.31.** *Source: Marketwatch, Inc (A capitalization-weighted stock market index designed to measure the performance of all NASDAQ stocks in the transportation sector.)*

Freight Transportation Services Index

The level of for-hire freight shipments in **December 2024 measured 137.3, 2.9% below the all-time high of 141.4 reached in August 2019.** The Freight TSI decreased in December due to seasonally adjusted decreases in water and trucking, while air freight, rail carload, rail intermodal and pipeline grew. Year to date, for-hire freight shipments measured by the index were down 1.0% in December compared to the end of 2023.

Source: U.S. Bureau of Transportation Statistics (TSI is based on the amount of freight carried by the for-hire transportation industry)

Freight Index for Shipments and Expenditures

The **shipments component of the Cass Freight Index continued to tumble in January 2025, down 5.3% month-over-month.** About half of the decline was normal seasonality, and part was likely worse weather than normal, and unusually in the Southeast. On a year-over-year basis, shipments declined 8.2% in January. Private fleet capacity additions continue to pull freight from the for-hire market, and LTL consolidation is also putting pressure on this index. After rising 13% in 2021 and 0.6% in 2022, the index declined 5.5% in 2023 and 4.1% in 2024, and so far, is trending toward another decline in 2025.
The **expenditures component of the Cass Freight Index fell 4.8% month-over-month in January 2025.** The year-over-year decline widened to 4.2% from 3.4% in December. The expenditures component of the Cass Freight Index, after a record 38% surge in 2021 and another 23% increase in 2022, fell 19% in 2023 and 11% in 2024.

Source: Cass Information Systems (Based upon transportation dollars and measures the total amount spent on freight and shipments of Cass clients comprised of over 400 shipping companies)

Shippers Conditions Index

The Shippers Conditions Index **improved by a point in November 2024 to a reading of 2.3**, indicating a modestly favorable market for shippers. Lower fuel costs and marginal loosening of capacity resulted in better market conditions in November, offsetting less favorable freight rates and volume. The outlook for shippers' conditions has improved slightly but remains close to neutral, and swings in fuel costs could yield both positive and negative outliers. According to FTR Transportation Intelligence, "The freight market has entered a transitional phase in which shippers should no longer expect consistently favorable conditions as has been the case over the past two years. During that period, the SCI was negative only twice, and in both cases a spike in diesel prices was the key factor. As we enter 2025, shippers should expect a more balanced market but not one that is especially tough, at least not by the standards of years like 2021 and 2018."
Note: Most recent Shippers Conditions Index not yet released at time of Logistics Market Snapshot publication.
Source: FTR Transportation Intelligence (Figures below zero indicate a less-than-ideal environment for shippers)

North American Transborder Freight

Total transborder freight moved by all modes of transportation between the United States and North American countries Mexico and Canada for **December 2024 was valued at $126.3 billion,** up 3.9% compared to December 2023. Freight between the **U.S. and Canada totaled $62.4 billion**, up 2.1% from December 2023. **Freight between the U.S. and Mexico totaled $63.8 billion**, up 5.6% from December 2023 (Mexico has lead Canada in freight dollar value for the last 22 months). **Trucks** moved $77.6 billion of freight, up 6.0% compared to December 2023. **Railways** moved $15.4 billion of freight, down 6.2% compared to December 2023. **Vessels** moved $10.2 billion of freight, down 7.6% compared to December 2023 (**Vessels** moved 8.5% less mineral fuels by dollar value). **Pipelines** moved $9.0 billion of freight, down 2.1% compared to December 2023 (**Pipelines** moved 1.8% less mineral fuels by dollar value). **Air** moved $5.1 billion of freight, up 9.7% compared to December 2023.

Source: U.S. Bureau of Transportation Statistics

Intermodal News Clip

Total Logistic Solutions (TLS) is one of Australia's leading providers of transport, warehousing and logistics solutions.
With a long list of national and multinational partners, many of TLS' clients need an uncommonly flexible approach to freight transportation. And when one of them required a Melbourne to Brisbane route, the company needed to find a uniquely hard-wearing solution. TLS reached out to SCF and within a week a plan was deployed that would solve not one but five key business challenges.
Source: Trailer Magazine; link to article

RAIL:

U.S. Freight Rail Traffic

For the week ending February 22, 2025, **total U.S. weekly rail traffic was 458,513 carloads and intermodal units**, down 5.1% compared with the same week last year. Total carloads for the week were 193,252 carloads, down 13.6% compared with the same week in 2024, while U.S. weekly intermodal volume was 265,261 containers and trailers, up 2.3% compared to 2024. **One of the 10 carload commodity groups posted an increase** compared with the same week in 2024. It was chemicals, up 70 carloads, to 33,527. Commodity groups that posted decreases compared with the same week in 2024 included coal, down 13,190 carloads, to 47,852; grain, down 5,347 carloads, to 16,374; and nonmetallic minerals, down 4,770 carloads, to 22,827.
Source: Association of American Railroads (Report includes rail car-loadings by 20 different major commodity categories)

Railroad Fuel Price Index

The index of **average railroad fuel prices for January 2025 was 482.8,** an increase from 445.6 the previous month. The index for January 2024 was 509.3, or difference of 5.34%.
Source: Association of American Railroads (Average monthly price for gallons purchased by freight railroads; Includes federal excise taxes, transportation, and handling expenses)

Class 1 Railroad Employment

Total railroad employment for **January 2025 was 119,373 workers**, down from 120,169 workers in December 2024. Total number of workers in January 2024 was 122,677.
Source: U.S. Surface Transportation Board

Rail Freight News Clip

The railroad industry is at a pivotal juncture. For decades, it has steadily ceded freight market share to trucks, an erosion that—if left unchecked—will continue to diminish rail's relevance in the broader transportation landscape. However, this decline is not inevitable. As someone who has spent a career on both sides of the industry—first working within the rail sector, then transitioning to a major shipper—I've seen firsthand both the challenges and opportunities that exist. By taking a hard look at service reliability, embracing technological innovations, and adopting customer-centric pricing strategies, railroads can reclaim lost ground and position themselves as indispensable players in freight logistics.
Source: Railway Age; link to article

ROAD:

Cowen/AFS Freight Index

Truckload Rates: Truckload demand remains flat, but some positive cues are emerging, including rising spot rates and higher tender rejection rates, indicating that carriers are being more selective about what loads they accept. But the upward momentum in the spot market has not made its way to contract rates, and the market remains in a state of overcapacity. Truckload linehaul cost per shipment fell year-over-year for the 8th straight quarter and reached its lowest point in that period, 11.6% above pre-pandemic levels. **LTL Rates:** Unlike the malaise of sustained low rates in truckload, LTL pricing has remained elevated since Q3 2023, with the Yellow Freight bankruptcy serving as the capacity crunch necessary to give rates a boost. Carriers have managed to keep rates high ever since, but recent data shows signs of that discipline weakening. In Q4 2024, LTL cost per shipment dropped 1.3% quarter-over-quarter – significantly more than the 0.3% decline in weight per shipment over the same period. **Ground Parcel Rates:** Pricing changes proved effective tools for carriers during peak season, with the newly introduced "blanket" demand surcharge pushing the ground parcel average accessorial charge per package 16.4% higher in Q4 compared to Q3. Continued adjustments to fuel surcharge tables also paid off for carriers in Q4, as average net fuel cost for ground parcel rose 4.7% quarter-over-quarter, despite on-highway diesel prices falling 4.6%. **Express Parcel Rates**: Express parcel saw a similar disconnect, with the U.S. Gulf Coast jet fuel price falling 8.8% QoQ, but only a 2.7% decrease for the carrier fuel surcharge. UPS announced yet another fuel surcharge increase in December, their eighth in 2024. But rather than a uniform increase across fuel price intervals, this adjustment includes a "tilt" to the fee curve, so that the fuel surcharge rises faster as diesel prices increase and falls at a slower rate when fuel prices drop.
Note: The Cowen-AFS Q1:2025 Report / Q2:2025 Forecast will be released April 2025.
Source: AFS Logistics (An index providing a snapshot of less-than-truckload shipping, full truckload shipping, and parcel shipping.)

Truckload Linehaul Index

The Truckload Linehaul Index **rose 0.6% month-over-month in January 2025**, the fifth straight small increase from a cycle low in August. The year-over-year change inflected to a 0.8% increase in January from a 0.4% decline in December. **There you have it, folks, another important positive freight cycle inflection.** For those looking for something similar to the past two cycles, expect a long wait, but this cycle is moving in a positive direction. This index fell 10% in 2023, and another 3% in 2024. Where it will go in 2025 is a big question, but it is off to a positive start.

Source: Cass Information Systems (this index measures the per-mile change in linehaul rates and is an indicator of market fluctuations in per-mile dry van truckload pricing in the U.S. and does not include other components like fuel and accessorials. Provides trends in baseline truckload prices)

Truck Tonnage Index

In January 2025, the For-Hire Truck Tonnage Index equaled 111.9 the same as December 2024. According to the American Trucking Associations, "After declines in November and December totaling 1.7%, tonnage was unchanged in January". "This outcome is impressive considering the massive winter storm that brought cold temperatures and significant snowfalls to large parts of the country, including those that rarely see such storms. Furthermore, the terrible wildfires in California likely also caused freight disruptions. Softness in manufacturing and retail sales continue to be a drag on truck freight volumes as well, so **the fact tonnage was flat is a positive sign.**"
Source: American Trucking Associations (Note: ATA recently revised the seasonally adjusted index to 2015 = 100)

Truckload Freight, Van	The **national van load-to-truck ratio for February 2025 was 4.7.** The previous month's ratio was 7.18 and the February 2024 ratio was 2.82. **Georgia's load-to-truck ratios** for vans for February 2025, average 5.5+ for every truck. For February 2025, the **spot rate** (national average) for dry van freight came in at $2.04. **Contract rates** registered an average of $2.44 for the same month. The average outbound van rate for the Southeast region came in at $1.91 for February 2025. *Source: DAT Freight & Analytics*
Truckload Freight, Refrigerated	The national **load-to-truck ratio for refrigerated hauls came in at 8.31 loads per truck in February 2025.** The previous month's ratio was 11.38 and the February 2024 ratio was 4.45. **Georgia's load-to-truck ratio** for February 2025 averaged 5.6 - 11.9 reefer loads per truck. The average national **spot market reefer rate** for February 2025 was $2.36 per mile**,** an 18-cent decrease from the previous month. **Contract rates for reefers** averaged $2.76 for the same month. The average outbound rate for the **Southeast region for reefer freight** registered at $2.12 for February 2025. *Source: DAT Freight & Analytics*
Trucking Conditions Index	The Trucking Conditions Index for **December 2024 declined to 2.67 from November's 3.02 reading.** While the decrease was minimal, the underlying factors changed substantially. Freight rates in December were considerably more unfavorable for carriers than they were in November, but the contributions from freight volume and capacity utilization were much improved. While FTR's forecast for trucking conditions envisions near-term weakness due to fuel prices and freight rates, we expect the TCI to be consistently positive by Q2. According to FTR Transportation Intelligence, "Preliminary data suggests that market conditions were tough for carriers in January, but **we still forecast consistently favorable market conditions for carriers to begin soon.** Volatility in economic data due to tariff expectations and response from businesses and consumers injects further uncertainty into the outlook. Despite these concerns, we are confident in modestly stronger conditions for trucking companies at least by the second half of the year." *Source: FTR Transportation Intelligence (Figures below zero indicate a less-than-ideal environment for trucking)*
Diesel Prices	As of February 24, 2025, the **U.S. average diesel price was $3.70 per gallon**. This is a 4-cent increase month-over-month and $0.36 lower than the same week in 2023. The average price of diesel in the **Lower Atlantic states came in at $3.71 per gallon**, a penny less than the previous month and $0.41 lower than the same week in 2023. *Source: U.S. Energy Information Administration (Reflects the costs and profits of the entire production and distribution chain)*
Trucking Employment	January 2025 numbers (preliminary) for the trucking industry **read at 1,521,900 employees,** increasing from 1,518,100 employees (preliminary) for December 2024. *Source: U.S. Bureau of Labor Statistics*
Trucking Earnings & Hours	For December 2024, the average earnings (preliminary) for occupations commonly found in truck transportation **were $31.66/hour**, increasing from the previous month's rate of $31.47. December 2024 showed **average weekly hours totaling 40.6 hours** (preliminary) up from 39.8 hours in November 2024. *Source: U.S. Bureau of Labor Statistics*
U.S. Truck & Trailer Orders (Class 8)	Preliminary North American Class 8 net orders in **January 2025 totaled 24,000 units, down 28% month-over-month and 15% year-over-year.** This figure was below seasonal expectations, falling short of the seven-year January average of 27,950 net orders. **With looming threats of significant tariffs among the North American trading partners and increasing uncertainty for market participants, the positive momentum that held throughout the beginning of the 2025 order season appears to be facing some headwinds.** Despite this, cumulative net orders from September 2024 through January 2025 for build in 2025 remain 3% higher year-over-year. Through January 2025, Class 8 orders have totaled 276,917 units over the last 12 months. "A 25% U.S. tariff on imports from Canada and Mexico – currently paused for trade negotiations through early March – and a 10% tariff on Chinese imports as of February 4 could significantly increase costs for North American Class 8 trucks and parts if fully implemented and enforced indefinitely. With roughly 40% of U.S. Class 8 trucks built in Mexico and around 65% of Canada's Class 8 trucks built in the U.S., tariffs and likely counter-tariffs threaten to disrupt supply chains and drive-up vehicle prices. says FTR Transportation Intelligence. *Source: FTR Transportation Intelligence*

Road Freight News Clip	The end of 2024 saw fleets face profitability challenges due to rising operational costs, including higher driver wages, maintenance expenses, and insurance claims, which impacted margins despite some revenue growth. Market conditions remained weak for many carriers, with lower freight volumes and pricing pressures affecting earnings, though some executives noted signs of market improvement and expressed cautious optimism. *Source: CCJ Digital; link to article*

AIR:

Air Cargo Traffic	**Global Cargo-Tonne-Kilometers (CTK) rose 3.2% year-over-year in January 2025**, marking a year and a half of consistent expansion. Adjusted for seasonality, demand posted a 3.1% month-on-month increase. International CTK grew 3.6% year-over-year, with most major regions and trade lanes recording single-digit gains. Airlines in the Latin America and Caribbean region saw the strongest growth at 10.0%, the only region to reach double digits. Among trade lanes, Europe-North America led with a 9.7% year-over-year rise. Global air cargo capacity, measured in Available Cargo Tonne-Kilometers (ACTK), increased by 6.8% year-over-year in January. **Cargo Load Factor (CLF) declined to 43.9%, the lowest in 17 months.** *Source: International Air Transport Association (Global air freight covers international and domestic scheduled air traffic.)*
Jet Fuel Prices	As of February 21, 2025, the global average jet fuel price **ended at $95.17/bbl, a decrease of 1.5% from the previous month.** This is a 3.9% decline, year-over-year. *Source: International Air Transport Association (the weekly index and price data shows the global average price paid at the refinery for aviation jet fuel)*
Air Freight News Clip	Construction of a new air cargo facility at Milwaukee Mitchell International Airport (MKE) got underway yesterday as the airport aims to develop as alternative to congested gateways. The development includes a 337,000 sq ft air cargo facility featuring a dedicated air cargo building, a new Milwaukee County Highway Maintenance Facility to support both County and State transportation needs, and enhancements to adjacent taxiways to improve accessibility for widebody cargo aircraft. *Source: Air Cargo News; link to article*

OCEAN:

Shanghai Containerized Freight Index	As of February 21, 2025, the China Shanghai Containerized Freight Index **reading was $1,595.08 per FEU.** This is a 9.31% decrease from the previous month, **and a 24.4% decrease year-over year**. *Source: MacroMicro (The Shanghai Containerized Freight Index reflects the spot rates of the Shanghai container transport market. It is a weekly reported average spot rate of 15 major container trade routes exported from Shanghai to regions around the globe.)*
Georgia Ports Authority	Building strong partnerships, superior connectivity, ample capacity ahead of demand and a responsible approach with communities is the "GPA way," and sets the ports of Savannah and Brunswick apart from the competition. That was the message shared at the Savannah State of the Port event Feb. 25. **GPA handled nearly 5.6 million twenty-foot equivalent container units (TEUs) last year – an increase of approximately 618,000 TEUs compared to 2023. That made Savannah the fastest growing container gateway on the U.S. East and Gulf coasts.** "Even in a challenging year, we still found a way to grow by 12.5%, and I think one conclusion we can draw here is that connectivity is key," said Georgia Ports President and CEO Griff Lynch, noting **Savannah is one of the best globally connected ports in the U.S.** *Source: Georgia Ports Authority*
Ocean Freight News Clip	The Trump administration's proposal to assess massive port charges on Chinese-built and -operated cargo vessels is creating more questions than answers for the global maritime industry. The proposal announced Friday by the United States Trade Representative (USTR) has its roots in a 2024 investigation that found China leveraged unfair trade practices to dominate the maritime, logistics and shipbuilding sectors. There are also new ocean cargo preference rules which would immediately require 1% of U.S. exports move on U.S.-flagged and -operated ships, then 3% within two years, 5% within five years and 15% within seven years. *Source: FreightWaves; link to article*

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy	**The U.S. industrial vacancy increased from 6.5% in Q3 2024 to 6.7% in Q4 2024**. The overall vacancy rate ticked up by 20 basis points in the fourth quarter. Driven by vacant, speculative supply, **overall vacancy rose by 150 basis points in 2024**. The pace of increase slowed significantly in the fourth quarter, suggesting vacancy may approach peak levels in the first half of 2025 amid softer completion totals and a moderation in space dispositions. Overall vacancy remained 30 basis points below pre-pandemic levels, with half of the markets tracked by Cushman & Wakefield Research recording rates below 6.0% at year-end. However, some markets with high speculative development or modest demand totals, such as Austin, Phoenix, Greenville and Las Vegas—posted double-digit vacancy rates. **Savannah, GA** reported a vacancy rate of 8.6% for Q4 2024, compared to 7.0% in Q4 2023. **Atlanta, GA** reported a vacancy rate of 8.4% for Q4 2024, compared to 6.4% in Q4 2023. ***Note: Next release for Q1 2025 – U.S National Industrial Vacancy, will be published April 2025*** *Source: Cuman & Wakefield*
Warehouse Rent Rates	For Q4 2024, the national average asking rent for industrial space **rose by 0.9% quarter-over-quarter to $10.13 per square foot (psf), compared to $10.08 per square foot in Q3 2024.** Annual rent growth ticked marginally higher in the fourth quarter to 4.5%, fueled by the South region's 6.0% year-over-year increase. Some rent increases were tied to deliveries of vacant, speculative industrial product, priced at a premium over market averages. However, 30% of U.S. markets saw annual declines, with notable drops along the West Coast. Amid rising vacancy rates and the deceleration in net absorption, Los Angeles, the Inland Empire and Puget Sound – Eastside each recorded year-over-year rent decreases exceeding 10%. **For Savannah, GA** the average asking rental rate for Q4 2024 was $6.96, compared to $6.59 for Q4 2023. **For Atlanta, GA** the average asking rental rate for Q4 2024 was $6.96, compared to $6.89 for Q4 2023. ***Note: Next release for Q1 2025 – U.S. National Asking Rents, will be published April 2025*** *Source: Cushman & Wakefield*
Industrial Absorption	**Net absorption totaled 36.8 million square feet (msf) in the fourth quarter, up 10.5% quarter-over-quarter**. For 2024, 135 million square feet of industrial space was absorbed, on par with Cushman & Wakefield forecasts. Of the 84 markets tracked by Cushman & Wakefield Research, 54 reported positive occupancy growth in the fourth quarter, including 11 markets with more than 1 million square feet of absorption. However, five markets yielded net losses exceeding 1 million square feet, including Columbus (-3.6 msf), Los Angeles (-2.1 msf), Central Valley (-2.0 msf), Northern New Jersey (-1.2 msf) and Orange County (-1.1 msf) as occupiers consolidated operations to cut costs and improve efficiency. Compared to 2023, most markets posted a deceleration in absorption totals in 2024, though some bucked the trend. Phoenix, Savannah, Salt Lake City and St. Louis recorded year-over-year growth in net demand of 35% or more. **For Savannah, GA, Q4 2024** net absorption registered at 14,057,155 compared to 2,428,841 for Q4 2023. **For Atlanta, GA, Q4 2024** net absorption registered 1,632,651 compared to 1,268,486 for Q4 2023. ***Note: Next release for Q1 2025 – U.S. National Industrial Absorption, will be published April 2025.*** *Source: Cushman & Wakefield (Absorption is the net change in occupied space between two points in time. Positive absorption means that previously unoccupied space is being occupied.)*
Warehouse Employment	Preliminary January 2025 numbers for the warehousing industry workforce comes in at **1,838,200 employees, decreasing from 1,842,800 employees** for December 2024 (preliminary). *Source: U.S. Bureau of Labor Statistics*
Warehouse Earnings & Hours	December 2024 average hourly earnings in the warehousing and storage subsector comes in at **$24.00/hour (preliminary), $0.31 lower** than the November 2024 rate. The **average weekly hours were 41.3 for December 2024** (preliminary) up from 40.2 hours in November 2024. *Source: U.S. Bureau of Labor Statistics*
Warehouse & Distribution News Clip	Tariffs are pushing retailers to pull cargo forward to ease supply chain disruptions but, thus far, the pressure on supply chain facilities has been marginal, experts say. Although many shippers in recent months have pulled cargo forward to mitigate port labor concerns and new tariffs from the Trump administration, experts say warehouse capacity has not been overly taxed. While frontloading isn't new, it became a prominent strategy in 2024 due to the crisis in the Red Sea, labor unrest at East and Gulf Coast ports and drought issues at the Panama Canal. *Source: Supply Chain Dive; link to article*

The free Logistics Market Snapshot is compiled and prepared monthly by the Georgia Center of Innovation

The Georgia Center of Innovation's logistics team is the leading statewide resource for fueling logistics industry growth and global competitiveness. The Center works to address the needs and opportunities of companies of any size involved in logistics and freight transportation – both providers and heavy consumers of logistics services. The Center provides industry knowledge and technical expertise, connections to state resources in research and innovation, and joins together an extensive cross-sector industry network. As an industry focused component of the Georgia Department of Economic Development (GDEcD) the Center has main offices in Savannah and Atlanta with activity in all parts of the State.

The Center represents all segments of the logistics industry and provides a unique platform for companies to network, address industry issues and share knowledge. **Simply put, the Center is a catalyst to help logistics-enabled businesses clear the path to innovation and growth**.

For more information about Georgia's Center of Innovation, Logistics please contact:
Malissa MacKay- mmackay@georgia.org – 912-966-7842 – www.georgialogistics.com