LOGISTICS MARKET SNAPSHOT

Georgia® CENTER OF INNOVATION

MARCH 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 in January 2025. The deficit increased from $98.1 billion in December (revised) to $131.4 billion in January, as imports increased more than exports.** The goods deficit increased $33.5 billion in January to $156.8 billion. The services surplus increased $0.2 billion in January to $25.4 billion.
Source: Bureau of Economic Analysis

Import Volumes

January 2025 **imports were $401.2 billion, $36.6 billion more than December imports.** For the 3 months ending in January average imports of goods increased $36.2 billion to $329.5 billion. Imports of services increased $0.4 billion to $71.7 billion in January.
Source: U.S. Bureau of Economic Analysis

Export Volumes

January 2025 **exports were $269.8 billion, $3.3 billion more than December exports.** For the 3 months ending in January average exports increased $1.2 billion to $270.0 billion. Exports of goods increased $2.7 billion to $172.8 billion in January. Exports of services increased $0.6 billion to $97.0 billion in January.
Source: U.S. Bureau of Economic Analysis

Import & Export Price Indexes

U.S. import prices increased 0.4% in February 2025 following a 0.4% advance in January. Higher fuel and nonfuel prices in February contributed to the overall increase in import prices. Prices for U.S. imports rose 2.0% over the past year. Import fuel prices rose 1.7% in February, after increasing 3.5% in January. Prices for nonfuel imports advanced 0.3% in February following an increase of 0.1% in January. **Prices for U.S. exports ticked up 0.1 percent in February 2025 following increases of 1.3 percent in January and 0.5 percent in December.** Higher prices for nonagricultural and agricultural exports each contributed to the increase in February. U.S. export prices have not declined on a 1-month basis since September 2024. The price index for U.S. exports increased 2.1 percent over the past year.
Source: Bureau of Labor Statistics

Unemployment Rate

Total nonfarm payroll employment rose by 151,000 in February 2025, and the **unemployment rate** changed little at 4.1%. Employment trended up in health care, financial activities, transportation and warehousing, and social assistance. Federal government employment declined. **The number of long-term unemployed** (those jobless for 27 weeks or more), at 1.5 million, changed little in February. The long-term unemployed accounted for 20.9% of all unemployed people. **Georgia's unemployment rate comes in at 3.6% for February 2025**, ranking 19th in the U.S. of states with the lowest unemployment, tying with Arkansas, Delaware, and Florida. South Dakota shows the lowest level of unemployment at 1.9%. Nevada ranks highest in unemployment with a rate of 5.8%.
Source: Bureau of Labor Statistics

Labor Force Participation Rate

For February 2025 the labor force participation rate read at **62.4%, a 0.2% decrease from the previous month.** The labor force participation rate for February 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 **declined by 0.3% in February 2025 to 101.1 (2016=100), after a 0.2% decline (revised from –0.3%) in January.** Overall, the LEI fell by 1.0% in the six-month period ending February 2025, less than half of its rate of decline of –2.1% over the previous six months (February–August 2024). Per The Conference Board, "The US LEI fell again in February and continues to point to headwinds ahead,". "Consumers' expectations of future business conditions turned more pessimistic. That was the component that weighed down most heavily on the Index in February. Manufacturing new orders, which improved in January, retreated and were the second largest negative contributor to the Index's monthly decline. **On a positive note, the LEI's six-month and annual growth rates, while still negative, have remained on an upward trend since the end of 2023, suggesting that headwinds in the economy as of February may have moderated compared to last 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)

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Pending Home Sales Index	The Pending Home Sales Index (PHSI) **grew 2.0% to 72.0 in February 2025.** Year-over-year, pending transactions declined 3.6%. An index of 100 is equal to the level of contract activity in 2001. "Despite the modest monthly increase, contract signings remain well below normal historical levels," says the National Association of Realtors. "**A meaningful decline in mortgage rates would help both demand and supply** – demand by boosting affordability, and supply by lessening the power of the mortgage rate lock-in effect." The Northeast and West experienced month-over-month losses in transactions – with a larger decrease in the West – while the Midwest and South saw gains, which were greatest in the South. Year-over-year, contract signings dropped in all four U.S. regions, with the Midwest undergoing the greatest reduction. *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 **February 2025 were at a seasonally adjusted annual rate of 1,501,000.** This is 11.2% above the revised January estimate of 1,350,000, but is 2.9% below the February 2024 rate of 1,546,000. Single-family housing starts in February were at a rate of 1,108,000; this is 11.4% above the revised January figure of 995,000. **The February rate for units in buildings with five units or more was 370,000.** *Source: U.S. Census Bureau*
Light-Vehicle Sales	New light-vehicle sales in **February 2025 totaled 16.0 million units, an increase of 2.1% compared to February 2024.** According to Wards Intelligence, retail sales were estimated to reach just over 1 million units this February, an increase of 8.7% year over year, while fleet volume should total 210,000 units, representing a year-over-year decline of 16.3%. Sales of battery electric vehicles (BEV) increased year over year through February, totaling nearly 185,922 units, an increase of 18.8% year over year. Conventional hybrids sales also were up significantly, totaling 274,189 units, an increase of 38.6%. **Hybrids have consistently seen the highest sales and market share growth among alternative-fuel vehicles.** As of the release of this report, the 25% tariff on imports from Canada and Mexico has gone into effect. We expect that no vehicle sold in the U.S. will be immune from these tariffs, as even the most "American-made" vehicles have a maximum 75% content originating in the U.S/Canada and vehicle components will be tariffed along with finished vehicles. *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 $194.7 billion (0.8% at a monthly rate) in February 2025. Disposable personal income (DPI)—personal income less personal current taxes—increased $191.6 billion, or 0.9%. The increase in current-dollar personal income in February primarily reflected increases in personal current transfer receipts and compensation. **Personal outlays**—the sum of PCE, personal interest payments, and personal current transfer payments—increased $118.4 billion in February. **Personal saving** was $1.02 trillion in February 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) increased $87.8 billion, or 0.4%.** The $87.8 billion increase in current-dollar PCE in February 2025 reflected increases of $56.3 billion in spending for goods and $31.5 billion in spending for services. **From the preceding month**, the PCE price index for February increased 0.3%. Excluding food and energy, the PCE price index increased 0.4%. **From the same month one year ago**, the PCE price index for February increased 2.5%. Excluding food and energy, the PCE price index increased 2.8% 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 February 2025, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were $722.7 billion, up 0.2% from the previous month, and up 3.1% from February 2024.** Total sales for the December 2024 through February 2025 period were up 3.8% from the same period a year ago. The December 2024 to January 2025 percent change was revised from down 0.9% to down 1.2%. Retail trade sales were up 0.5% from January 2025, and up 3.4% from last year. Food and beverage stores were up 3.9% from last year, while nonstore retailers were up 6.5% from February 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.** ***Note: Next release for Q1 2025 – E-Commerce, will be published May 2025.*** *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 **fell by 7.2 points in March 2025 to 92.9.** The Present Situation Index—based on consumers' assessment of current business and labor market conditions—decreased 3.6 points to 134.5. The Expectations Index—based on consumers' short-term outlook for income, business, and labor market conditions—dropped 9.6 points to 65.2, the lowest level in 12 years and well below the threshold of 80 that usually signals a recession ahead. According to The Conference Board, "Consumer confidence declined for a fourth consecutive month in March, falling below the relatively narrow range that had prevailed since 2022,". "**Of the Index's five components, only consumers' assessment of present labor market conditions improved, albeit slightly.** Views of current business conditions weakened to close to neutral. Consumers' expectations were especially gloomy, with pessimism about future business conditions deepening and confidence about future employment prospects falling to a 12-year low. Meanwhile, consumers' optimism about future income—which had held up quite strongly in the past few months—largely vanished, suggesting worries about the economy and labor market have started to spread into consumers' assessments of their personal situations."

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 0.2% on a seasonally adjusted basis in February 2025**, after rising 0.5% in January. Over the last 12 months, the all items index increased 2.8% before seasonal adjustment. The index for all items less food and energy rose 0.2% in February, following a 0.4% increase in January. The all items index rose 2.8% for the 12 months ending February, after rising 3.0% over the 12 months ending January.

The **Producer Price Index for final demand was unchanged in February 2025**, seasonally adjusted. Final demand prices rose 0.6% in January and 0.5% in December 2024. On an unadjusted basis, the index for final demand advanced 3.2% for the 12 months ended in February. In February, a 0.3% increase in prices for final demand goods offset a 0.2% decline in the index for final demand services.

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 2.1 points in February 2025 to 100.7.** This is the fourth consecutive month above the 51-year average of 98 and is 4.4 points below its most recent peak of 105.1 in December. The Uncertainty Index rose four points to 104 – the second highest recorded reading. The net percent of owners expecting the economy to improve fell ten points from January to a net 37% (seasonally adjusted). 12% (seasonally adjusted) of owners reported that it is a good time to expand their business, down five points from January. This is the largest monthly decrease since April 2020. 16% of owners reported that inflation was their single most important problem in operating their business, down two points from January and now just below labor quality as the top issue. The last time it was this low was in October 2021.

Source: National Federation of Independent Business

Industrial Production & Capacity Utilization

Industrial production (IP) increased 0.7% in February 2025 after moving up 0.3% in January. Manufacturing output rose 0.9%, boosted by a jump of 8.5% in the index for motor vehicles and parts. The output of manufacturing excluding motor vehicles and parts increased 0.4%. The index for mining gained 2.8%, and the index for utilities decreased 2.5%. At 104.2% of its 2017 average, total IP in February was 1.4% above its year-earlier level. **Capacity utilization stepped up to 78.2%**, a rate that is 1.4 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 January 2025, adjusted for seasonal and trading day differences but not for price changes, were estimated at an end-of-month level of $2,591.9 billion, up 0.3% from December 2024 and were up 2.3% from January 2024. The combined value of **distributive trade sales and manufacturers' shipments** for January 2025, adjusted for seasonal and trading day differences but not for price changes, was estimated at $1,896.5 billion, down 0.8% from December 2024, but was up 3.5% from January 2024. The total **business inventories/sales ratio** based on seasonally adjusted data at the end of January was 1.37. The January 2024 ratio was 1.38.

Source: U.S. Census Bureau

Purchasing Managers Index, Manufacturing

The Manufacturing PMI **registered 50.3% in February 2025, 0.6 percentage point lower compared to the 50.9% recorded in January.** The overall economy continued in expansion for the 58th 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.) The New Orders Index dropped back into contraction territory after expanding for three months, registering 48.6%, 6.5 percentage points lower than the 55.1% recorded in January. The February reading of the Production Index (50.7%) is 1.8 percentage points lower than January's figure of 52.5%. The index expanded for the second month in a row after eight months in contraction. The Prices Index surged further into expansion (or 'increasing') territory, registering 62.4%, up 7.5 percentage points compared to the reading of 54.9% in January. The Backlog of Orders Index registered 46.8%, up 1.9 percentage points compared to the 44.9% recorded in January. The Employment Index registered 47.6%, down 2.7 percentage points from January's figure of 50.3%. The Inventories Index registered 49.9%, up 4 percentage points compared to January's reading of 45.9%. The New Export Orders Index reading of 51.4% is 1 percentage point lower than the reading of 52.4% registered in January. The Imports Index continued in expansion in February, registering 52.6%, 1.5 percentage points higher than January's reading of 51.1%.
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 53.5%, 0.7 percentage point higher than the January figure of 52.8%.** Fourteen industries reported growth in February, equaling the previous month's total. The Services PMI has expanded in 54 of the last 57 months dating back to June 2020. The February reading of 53.5% not only exceeds the January reading of 52.8%, but is also a full percentage point above the average PMI reading of 52.5 for the last 12 months. PMI experts said "February was the third month in a row with all four subindexes that directly factor into the Services PMI — Business Activity, New Orders, Employment and Supplier Deliveries — in expansion territory, the first time this has happened since May 2022.
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 February 2025 Logistics Manager's Index **reads in at 62.8, up from January's reading of 62.0. For the second consecutive month, this is the fastest reading of expansion in the overall index since June of 2022.** The January Logistics Manager's Index reads in at 62.8, up (+0.8) from January's reading of 62.0. For the second consecutive month, this is the fastest reading of expansion in the overall index since June of 2022. So far 2025 stands in stark contrast to the more JIT inventory patterns of 2024 when average Inventory Level growth was a lean 52.7. It is likely that this increase has been at least partially driven by continually shifting trade policies. The spike in inventories has led to increased rates of expansion for Inventory Costs (+7.1 to 77.3), Warehousing Prices (+4.0 to 77.0). Both of these are reading in at their fastest rate of expansion in several years as supply chains strain to shoulder both the volume and velocity of inventory that poured across U.S. borders in January and early February as firms attempted to avoid costs associated with potential tariffs. Further evidence that supply chains are straining is Warehousing Capacity dipping (-1.2) to 50.5, which is on the verge of contraction. Interestingly, transportation metrics slowed in February, with Transportation Capacity increasing (+2.5 to 55.1) while the expansion of Transportation Utilization (-2.3 to 57.8) and Transportation Prices (-4.9 to 65.5) decreased.
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

Inflation picked up last month and consumers barely raised their spending, signs that the economy was already cooling even before most tariffs were imposed. Friday's report from the Commerce Department showed that consumer prices increased 2.5% in February from a year earlier, matching January's annual pace. Excluding the volatile food and energy categories, core prices rose 2.8% compared with a year ago, higher than January's figure of 2.7%. Economists watch core prices because they are typically a better guide of where inflation is headed. The core index has barely changed in the past year. Inflation remains above the Federal Reserve's 2% target, making it difficult for the central bank to cut its key interest rate anytime soon.
Source: MSN; link to article

INTERMODAL:

Dow Jones Transportation Average

As of March 28, 2025, the Dow Jones Transportation Average **closed at a reading of 14,693.72.**
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 March 28, 2025, the NASDAQ Transportation Index **closed at a reading of 6,167.53.**
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 fell 0.4% to 137.1 in January 2025 from December, following a marginal increase in December. From January 2024 to January 2025 the index rose 1.9%. The Freight TSI decreased in January due to seasonally adjusted decreases in air freight, rail carload, rail intermodal and trucking, while water and pipeline increased. January 2025 for-hire freight shipments were up 1.9% from January 2024. *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 recouped some losses in February 2025, up 10.5% month-over-month**, almost half of which was normal seasonality. The decline in shipments narrowed to 5.5% year-over-year in February from 8.2% in January. In SA terms, the index rose 4.9% month-over-month, after a 2.7% drop in January. Some of the sequential variation was likely caused by severe January weather, and some of the improvement in February was likely from pre-tariff shipping. This could begin to reverse as soon as March, but normal seasonality would see a narrower 3%-4% year-over-year drop in March shipments. The **expenditures component of the Cass Freight Index rose 3.6% month-over-month in February**. The year-over-year decline widened to 4.6%, from 4.2% in January. The year-over-year decline was more than explained by lower volumes, as shipments fell 5.5%. From these respective changes, we infer rates rose 1.0% year-over-year in February. *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 for **December 2024 fell to -1.8, which is only the second negative reading for the measure since August 2023.** The November SCI reading had been +2.3. Sharply stronger freight volume and capacity utilization in December were a hit to shippers' market conditions for the month, although the impact on freight rates was marginal. According to FTR Transportation Intelligence, "**Market conditions for shippers likely will be volatile in the near term as the supply chain reacts to the plethora of tariff impositions and threats as well as similar measures such as the proposed port access fee related to China.** Our forecast for the SCI is slightly weaker than it was previously but generally not as weak as it was in December." ***Note: December 2024 is the most recent Shippers Conditions Index 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 **January 2025 was valued at $134.4 billion,** increasing 8.2% compared to January 2024. **Freight between the U.S. and Canada totaled $64.8 billion**, up 8.6% from January 2024. **Freight between the U.S. and Mexico totaled $69.6 billion**, up 7.9% from January 2024. **Trucks** moved $87.6 billion of freight, up 10.2% compared to January 2024. **Railways** moved $15.2 billion of freight, down 2.7% compared to January 2024. **Pipelines** moved $10.4 billion of freight, up 7.0% compared to January 2024. **Vessels** moved $8.2 billion of freight, down 18.3% compared to January 2024. **Air** moved $6.1 billion of freight, up 48.3% compared to January 2024. *Source: U.S. Bureau of Transportation Statistics*
Intermodal News Clip	Last month the Office of the U.S. Trade Representative floated a plan to impose steep fees on Chinese vessels that call on U.S. ports. Vessels operated by Chinese companies would face a $1 million port call fee. Ships built in China would have to pay a $1.5 million fee per port call. And any shipping line that has placed more than 50% of its new vessel orders with Chinese shipyards would incur a $1 million port entry fee. "Some U.S. ports, notably those on the West Coast but also the East Coast, compete with ports in Canada and Mexico. If the cost of calling a U.S. port is suddenly much higher, some carriers may feel pressure to divert U.S.-bound ships facing those higher costs to a Mexican or Canadian port instead, forcing their customers to transport their goods by truck or rail from there to U.S. destinations. The ability to do this, however, is also constrained by the infrastructure and prevailing business load at these ports," the groups' report said. *Source: Trains; link to article*
RAIL:	
U.S. Freight Rail Traffic	For the week ending March 22, 2025, **total U.S. weekly rail traffic was 496,214 carloads and intermodal units, up 5.5% compared with the same week last year.** Total carloads for the week ending March 22 were 224,904 carloads, up 4.5% compared with the same week in 2024, while U.S. weekly intermodal volume was 271,310 containers and trailers, up 6.3% compared to 2024. **Nine of the 10 carload commodity groups posted an increase compared with the same week in 2024.** They included coal, up 3,766 carloads, to 57,497; nonmetallic minerals, up 2,014 carloads, to 29,612; and metallic ores and metals, up 1,685 carloads, to 20,198. **One commodity group posted a decrease compared with the same week in 2024: forest products**, down 333 carloads, to 8,204. *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 February 2025 was 494.7,** an increase from 482.8 the previous month. The index for February 2024 was 554.3, or difference of 11.36%. *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 **February 2025 was 119,562 workers**, down from 119,373 workers in January 2025. Total number of workers in February 2024 was 123,377.
Source: U.S. Surface Transportation Board

Rail Freight News Clip

Norfolk Southern says it expects to reopen its freight railroad line between Asheville and Tennessee by the end of March, six months after tracks and bridges were damaged by the remnants of Hurricane Helene. The reopening is an important step in the recovery of the Western North Carolina economy. While most goods move in and out of the region by truck, trains are critical for shipping bulk materials such as malt, grain, stone and chemicals, says Ashley Swanger, director of industrial services for the Asheville Area Chamber of Commerce. Flooding and landslides severed both long-distance freight railroad lines that pass through Western North Carolina, cutting rail-dependent businesses off from customers and suppliers elsewhere in the country. Both railroads, CSX and Norfolk Southern, have made progress but still have miles of track to rebuild. Norfolk Southern's AS Line has been out of service from Old Fort through Asheville to Newport, Tennessee, since the storm. Altogether, the company says more than four miles of track were washed out and another 12 miles damaged by scour or slides.
Source: MSN; 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 Cass Truckload Linehaul Index **rose 1.2% month-over-month in February 2025**, **the sixth straight small increase from a cycle low in August.** The index was 4.8% above that August low in February. The year-over-year change accelerated to a 1.9% increase in February after a 0.8% increase in January. 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 February 2025, the For-Hire Truck Tonnage Index equaled 115.2, up from 111.9 in January. The index, which is based on 2015 as 100, was up 0.6% from the same month last year, the second straight year-over-year increase, which hasn't happened since early 2023. According to the American Trucking Associations, "After a scant 0.1% decline in January, which wasn't bad considering the harsh winter weather and California wildfires, truck tonnage had a robust gain in February". "This outcome fits well with our growing optimism for the truck freight market after a two-year recession. Some of the gain in February was due to accelerated imports early in the year as shippers rushed to bring products into the U.S. before tariffs hit. Even accounting for this, **the first two months of the year were positive, all things considered, indicating that the freight recovery has indeed begun.**"
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 March 2025 was 4.28.** The previous month's ratio was 4.7 and the March 2024 ratio was 3.13. **Georgia's load-to-truck ratios** for vans for February 2025, average 5.5+ for every truck. For March 2025, the **spot rate** (national average) for dry van freight came in at $1.99. **Contract rates** registered an average of $2.41 for the same month. The average outbound van rate for the Southeast region came in at $1.92 for March 2025.
Source: DAT Freight & Analytics

Truckload Freight, Refrigerated	The national **load-to-truck ratio for refrigerated hauls came in at 6.59 loads per truck in March 2025.** The previous month's ratio was 8.31 and the March 2024 ratio was 4.83. **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 March 2025 was $2.27 per mile**,** a 13-cent decrease from the previous month. **Contract rates for reefers** averaged $2.72 for the same month. The average outbound rate for the **Southeast region for reefer freight** registered at $2.09 for March 2025. *Source: DAT Freight & Analytics*
Trucking Conditions Index	The Trucking Conditions Index reading for **January 2025 fell to -2.56, which was almost of mirror image of December's +2.67 reading.** Higher diesel prices and weak freight rates, volume, and utilization resulted in unfavorable overall market conditions for carriers in January. The only positive contributor to the index in January was cost of capital, although volume and utilization were only minor negatives. According to FTR Transportation Intelligence, "January proved to be tough for carriers as we anticipated. **Although we still forecast an improving market for trucking companies in the months ahead, we remain very concerned that the great uncertainty introduced by tariffs** – and especially the lack of clarity over scope and timing – will chill activity and investments that drive freight demand." *Source: FTR Transportation Intelligence (Figures below zero indicate a less-than-ideal environment for trucking)*
Diesel Prices	As of March 24, 2025, the **U.S. average diesel price was $3.57 per gallon**. This is a 13-cent decrease month-over-month and $0.47 lower than the same week in 2024. The average price of diesel in the **Lower Atlantic states came in at $3.57 per gallon**, a 14-cent decrease month-over-month and $0.47 lower than the same week in 2024. *Source: U.S. Energy Information Administration (Reflects the costs and profits of the entire production and distribution chain)*
Trucking Employment	February 2025 numbers (preliminary) for the trucking industry **read at 1,515,100 employees,** decreasing from 1,521,900 employees (preliminary) for January 2025. *Source: U.S. Bureau of Labor Statistics*
Trucking Earnings & Hours	For January 2025, the average earnings (preliminary) for occupations commonly found in truck transportation **were $31.74/hour**, increasing from the previous month's rate of $31.66. January 2025 showed **average weekly hours totaling 40.1 hours** (preliminary) down from 40.6 hours in December 2024. *Source: U.S. Bureau of Labor Statistics*
U.S. Truck & Trailer Orders (Class 8)	Preliminary North American Class 8 net orders in **February 2025 totaled 17,000 units, down 31% month-over-month and 38% year-over-year.** This figure was well below seasonal expectations, falling notably short of the seven-year February average of 26,912 net orders. With continuous threats of significant tariffs among the North American trading partners and increasing uncertainty for market participants, business investment directed towards Class 8 trucks/tractors appears to have slowed significantly. For the first time since the 2025 order season began, cumulative net orders from September 2024 through February 2025 are down year-over-year, declining 3%. Class 8 orders have totaled 266,900 units over the last 12 months. **"Significant U.S. tariffs could substantially increase costs for North American Class 8 trucks/tractors and related components.** Approximately 45% of all Class 8 trucks built for the U.S. and Canadian markets will be subject to the 25% U.S. tariff on all imports from Canada and Mexico and planned Canadian counter tariffs. About 40% of U.S. Class 8 trucks are produced in Mexico, and roughly 65% of Canada's Class 8 trucks are assembled in the U.S. Even if those tariffs went away, others affecting costs include those on steel and aluminum, goods imported from China, and perhaps others coming down the pike." says FTR Transportation Intelligence. *Source: FTR Transportation Intelligence*
Road Freight News Clip	For many years, the most promising potential use for self-driving technology was ride-hailing services in big cities. In April, US-based Aurora Innovation, which partners with Volvo, Uber and FedEx, plans to commercially deploy up to 10 driverless trucks hauling freight between Dallas and Houston. Autonomous technology could massively disrupt a $4.6tn global market for road freight which is under pressure from a shortage of truck drivers, as well as the rising cost of logistics and volume of online parcels. *Source: Financial Times; 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.** ***Note: Most recent Air Cargo Traffic not yet released at time of Logistics Market Snapshot publication. Last modified February 27.*** *Source: International Air Transport Association (Global air freight covers international and domestic scheduled air traffic.)*
Jet Fuel Prices	As of March 21, 2025, the global average jet fuel price **ended at $88.68/bbl, a decrease of 6.82% from the previous month.** This is a 10.5% 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	Global airfreight rates have kept on rising despite the very mixed outlook for trade and markets according to the latest data from TAC Index, the leading price reporting agency for air freight markets. The global Baltic Air Freight Index (BAI00) calculated by TAC was up another +2.3% WoW over the week to March 24, leaving it ahead by +3.5% YoY over the past 12 months. Rates out of China were higher again last week on lanes both to Europe and to North America, leaving them still close to levels of 12 months ago. The index of outbound routes from Hong Kong (BAI30) was narrowly lower by -0.1% WoW, but still ahead by +3.1% YoY, with sources suggesting that spot rates had continued to rise. *Source: Air Cargo Week; link to article*

OCEAN:

Shanghai Containerized Freight Index	As of March 28, 2025, the China Shanghai Containerized Freight Index **reading was $1,356.88 per FEU.** This is a 16.12% decrease from the previous month, **and a 24.23% 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	In its busiest February on record, the **Georgia Ports Authority moved 479,850 twenty-foot equivalent container units, a 6 percent increase over the same month last year.** "This strong performance is a testament to the trust our customers place in the Port of Savannah as their gateway to the U.S. Southeast," said GPA President and CEO Griff Lynch. "I would also like to congratulate the International Longshoremen's Association and the US Maritime Alliance on signing a six-year contract in February, which will ensure labor stability and support the prosperity of our state and nation." *Source: Georgia Ports Authority*
Ocean Freight News Clip	PHILIPPINE exporters to the United States are expected to shift from air freight to ocean freight due to US tariffs, according to a report by global logistics provider Dimerco. "Expect exports from the Philippines to the US to shift from air freight to ocean freight due to US tariffs," Dimerco's Asia Pacific Freight Report for March 2025 noted. As to Dimerco's projection for the Philippines, March freight capacity remains stable, but long-haul shipments should be booked two weeks in advance. It also highlighted that with the summer starting in the Philippines, fewer disruptions are expected from rain and typhoons. *Source: BusinessMirror; 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 February 2025 numbers for the warehousing industry workforce comes in at **1,837,400 employees, decreasing from 1,838,200 employees** for January 2025 (preliminary). *Source: U.S. Bureau of Labor Statistics*
Warehouse Earnings & Hours	January 2025 average hourly earnings in the warehousing and storage subsector comes in at **$25.05/hour (preliminary), $0.32 higher** than the December 2024 rate. The **average weekly hours were 39.2 for January 2025** (preliminary) down from 42.8 hours in December 2024. *Source: U.S. Bureau of Labor Statistics*
Warehouse & Distribution News Clip	Hooker Furnishings Corporation, a global leader in the design, production, and marketing of home furnishings for 101 years, announced its decision to exit its Savannah, Georgia distribution center and consolidate operations in its existing facilities. "Our decision to exit our Savannah, Georgia distribution facility was not taken lightly," said Jeremy R. Hoff, Hooker's Chief Executive Officer. "We deeply appreciate the hospitality and support received from the state of Georgia, the Georgia Ports Authority, and from the Liberty County Development Authority, in particular." The Company commenced operations at the Savannah facility in October 2021 for its Home Meridian segment's ("HMI") Accentrics Home ("ACH") brand. However, shortly after opening the facility, ACH's competitive position was severely eroded by a sharp rise in post-COVID container freight rates from Asia, which jumped from approximately $4,000 to over $25,000 per container in some cases at the time. *Source: The Manila Times; 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.

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