Presented by PARCEL MONITOR
A Pocket Guide for Industry Data Affecting the US Domestic Parcel Market

Source: US Bureau of Economic Analysis

GDP

TRUCKING

INTERMODAL

EAST COAST PORTS

SOUTHEAST AIRPORTS

OUTLOOK

• As of April 26, both Atlanta and New York Federal Reserve banks downgraded their outlook for 1Q2017 economic growth after disappointing retail sales and consumer prices in March.
  • Atlanta downgraded from 0.6% to 0.5%.
  • New York downgraded from 2.56% to 2.09%.

• Seasonally adjusted tonnage was up 0.2% for 1Q2017 compared to 1Q2016.

• “Signs remain mostly positive for freight including lower inventory levels, better manufacturing activity and good consumer spending.” – ATA Chief Economist

For 1Q2017 carloads were up 2.8% and rail intermodal was up 1.4%.

According to the VP of Policy and Economics for AAR, “This was the best first quarter ever for US railroad intermodal growth.”

Biggest year over year commodity growth for March was coal, up 19%, and petroleum products saw the biggest decline, down 8.1%.

Record year-over-year breaking TEUs in March for:
  • Charleston +12.7%
  • Norfolk  +8.9%
  • Savannah   +5.6%

Strong first quarter year-over-year TEUs for:
  • Charleston +6.8%
  • Norfolk  +8.7%
  • Savannah +9.7%

Strong start to 2017 with January –February cargo up 6.4% for the Atlanta airport.

While Memphis is home to other cargo providers, it is FedEx’s major air hub. For the January-February period cargo was down 2.3% and down 1.3% for the quarter.

Similarly, Louisville is home to UPS major air hub. For the January – February period cargo was up slightly less than 1.0% (0.8%) and for the quarter, cargo increased 3.1%.

Economic growth for 1Q2017 is expected to be positive despite a downgrade by two Federal Reserve Banks. Economic growth should continue into 2Q2017 as construction and consumer spending gains strength.

Despite first quarters traditionally being slow periods for the logistics and transportation markets, gains were noted in various modes of transport including ocean freight, rail intermodal and trucking. Pickup in activity should occur in 2Q2017 as inventory levels are replenished.

The small parcel market continues to benefit in terms of volumes from e-commerce but is struggling with profitability thanks to network investments and tight competition.

1Q2017 Highlights:
  • FedEx introduced FedEx Fulfillment.
  • UPS announced it would begin Saturday deliveries.

– John Haber, CEO & Founder

967 Buckingham Circle, NW | Suite 200 | Atlanta, GA 30327
phone 404.902.5390 | www.spendmgmt.com

@Spend_Mgmt  | Spend Management Experts is a leading transportation spend management consultancy that helps companies optimize spend across the supply chain reducing costs by 20% or more.

Our finance background and experience analyzing shipping costs relative to carrier profitability enable us to develop effective supply chain optimization strategies across all transportation modes. We leverage cost modeling technology to identify saving opportunities and build negotiation strategies, while providing our clients with straightforward details on exactly how savings are derived.

To learn more, contact us at 404.902.5390 or visit www.spendmgmt.com.