

St. Mary Parish Economic Development News

Volume 3, Issue 2

April 2015



Frank's Message

The economy has turned down with the reduction in the price of oil from over \$100/bbl to the \$45-55/bbl range today. As predicted companies have responded accordingly by delaying or postponing capital investments, negotiating price reductions in rental rates and cutting back on labor (contractors and company employees). Inland and continental shelf drilling is being curtailed.

The impact of the slowdown is beginning to show up in some of the statistics. The sales tax collections in the first quarter 2015 vs. 2014 were down by 7%, \$10.9 million vs. \$11.7 million respectively. It is the quarterly sales tax collections in the industry segment that were hardest hit down 20% from \$1.8 million to \$1.4 million. Hotel/Motel tax collections were down 10% in quarter to quarter comparisons. Parish employment through February held up reasonably well; however, recently announced cutbacks will begin showing up in the second quarter. Demand for rental housing was the same as the first quarter of 2014 at 955 rental lists sold.

So where is the good news? There are several areas of the St. Mary economy that are doing well. The carbon black plants are operating to supply the US Automotive Industry. Carbon black is used in the manufacturer of tires. Several of the new construction shipyards expect a good year in 2015, with concentration on US and Foreign Government markets. Fabrication shops that have diversified their businesses should also do well this year.

What about oil prices? Economists are generally looking for a gradual recovery in pricing to the \$70-\$75/bbl range. This will help, but it is no panacea. Caution will remain in the industry until a consistent pricing level is achieved.

Parish Economic Development Briefs

Oil & Gas

The economic impacts from the drop in the price of oil depends on where you live and who you serve. Employment wise, Lafayette and Lafourche Parishes took it the hardest, St. Mary Parish recorded gains. Louisiana's Weekly Rotary Rig Count fell by 42 in the first quarter of 2015 to 67, with companies serving onshore and shallow water facilities suffering the most while deep water work remained steady and production predictions indicating an increase in federal GOM waters output by 2016.

Employment

Parish employment in February was 23,632 up 21 jobs compared to last month. February's unemployment rate of 6.9% was .4 points lower than last month. Parish employment in March 2014 was 21,347 the lowest level during last year. The State unemployment rate in March was 6.2%, the nation's unemployment rate was 5.8%. Recent adjustments in employment data has resulted in two data spikes in January and February of 2014, see table of page 2. The Parish Staff is in contact with the State regarding these anomalies.

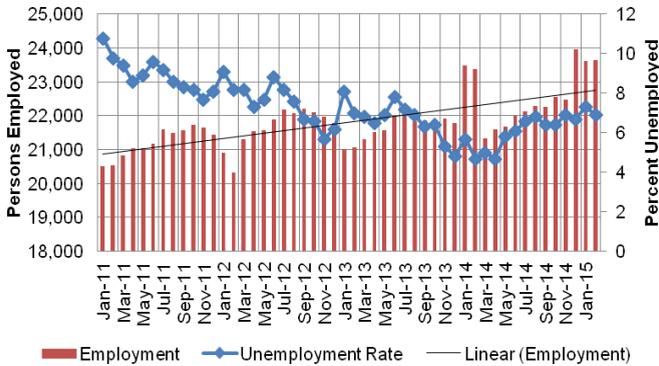
Business Activity

The number of businesses visited by parish staff this past quarter was 17. The number of projects in the pipeline totaled 10 with the potential to create more than 500 new jobs and investments of \$150 million through 2016. Some projects were delayed due to the uncertainty of oil prices, accounting for the reductions in projects, investments and job creation. Companies filing Advance Notifications with the State for upcoming projects continue to drop. In all of 2014, 36 projects totaling \$148 million in investment in the Parish were planned; versus the 4th Quarter of 2014, 1 project and \$13 million in investment and 1st Quarter of 2015, 0 projects.

Economic Facts and Figures

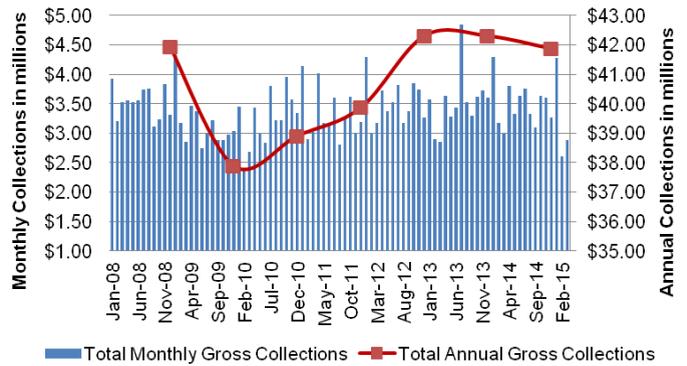
Resident Employment/Unemployment

January 2011 to February 2015
Louisiana Workforce Commission



Parish Gross Tax Collections 2008 to Q1 2015

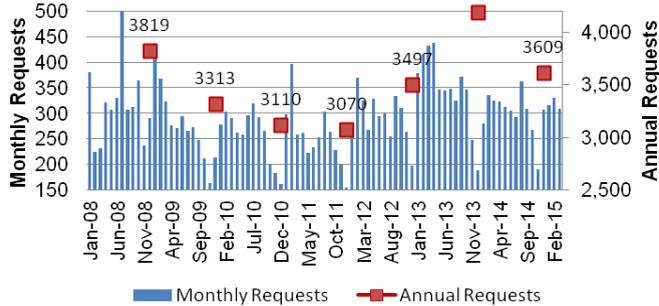
Parish Sales & Use Department



Requests for Rental Housing Listings

1/1/08-3/31/15

Chamber of Commerce Data

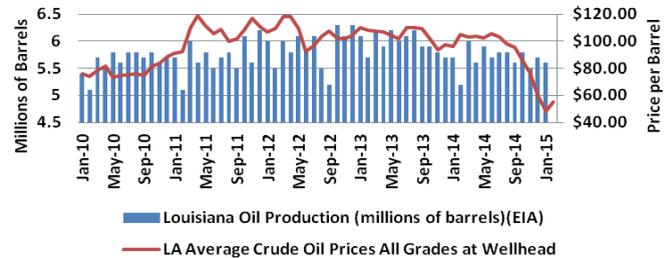


Louisiana Oil Production and Price

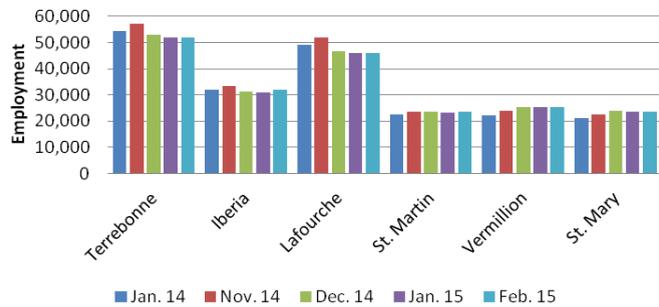
2010 to Jan 2015 (prod.) & Feb 2015 (price)

Excluding OCS

LA DNR & DOE EIA

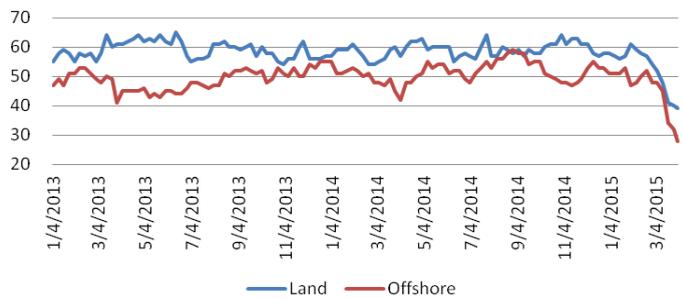


Parish 4 Month Employment Trends and Comparison to Jan. 2014



Louisiana Weekly Rotary Rig Count Land & Offshore

1/4/13 to 4/2/15



Got a comment, send us an email or call:

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