

St. Mary Parish Economic Development News

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Frank's Message

Is the turnaround at hand? Let's look at the facts regarding U.S. production and global demand. The rig count has collapsed, 325 today vs. 1,609 in October 2014. Capital expenditures have been slashed to the bone. Sixty eight major projects were cancelled in 2015 (27 billion bbls of oil and gas). US production is falling and is projected by EIA to average 8.2 million bbls/day in 2017, 1.5 million bbl/day less than at peak. Global demand will increase to 95.8 million bbls/day according to EIA and that 5 million bbls/day of new supply will be needed to meet worldwide demand over the next five (5) years. Lastly the oversupply is disappearing quickly. Does this mean higher prices? Yes! When? Since January prices for domestic crude nearly doubled from \$27 to \$52/bbl and Louisiana Crude rose 29%. Domestic crude has settled between \$45 and \$50/bbl, but could exceed \$60/bbl in 2017.

Employment in the region has been flat since February and this could signal a market bottom. St. Mary Parish had a small increase in employment from April to May adding 39 jobs, maintaining local employment levels around 22,000 workers since January.

The Bayou Region in conjunction with LED FastStart sponsored a job fair in June at Fletcher Community College. More than 30 companies from the region and statewide have received applications from over 900 workers who attended.

Diachem USA will be conducting a feasibility study to locate a chemical plant on 400+ acres at the Port of West St. Mary. The port site is preferred due to its access to rail and the GIWW. Diachem USA is the parent company to Orion Carbon currently operating at the port.

Southern States Renewable Energy will be tendering a bid to Entergy to build, own and operate a 50MW wind generated power plant. If successful, SSRE will invest more than \$70 million in St. Mary Parish, creating 50-75 construction jobs and 15-20 permanent jobs.

Fred's Department Store project in Franklin is moving forward. The City of Franklin will consider setting up an Economic Development District for that site to assist the developer to defray extraordinary construction costs to raise the elevation of the property.

Conrad Industries, of Morgan City, was a regional recipient of the Lantern Award which honors companies that have grown in the region, whose employees participate in numerous volunteer activities, and the company's generous contributions.

Parish Economic Development Briefs

Oil & Gas

Louisiana's Weekly Rotary Rig Count for the week ending July 1st was 42, down 31 from one year ago. The offshore rig count stood at 18, the land rig count was 24. Meanwhile, first purchase price of Louisiana crude oil in April was \$37.80 per barrel. Optimistic forecasters still predict \$50/barrel crude by the end of the year. Natural gas prices are remaining low and favorable for industrials and consumers. The April price for industrial purposes \$2.11 per MMBtu, and \$11.32 per MMBtu for residential consumers.

Employment

Parish employment in May, the most recent available data, was 22,007, down 807 jobs from a year ago but up 39 from last month.

Sales Tax Activity

Parish sales tax collections in June were \$2,709,489.23, up 6.3% from May. Year to date collections are \$16,566,583.

Business Activity

The number of businesses visited by parish staff this past quarter was 25. The number of projects in the pipeline totaled 12 with the potential to create 400-500 construction jobs and 50-100 permanent jobs and \$160 million in capital investment.

The Marine Campus is under construction at South Central Technical College, Young Memorial Campus in Morgan City.

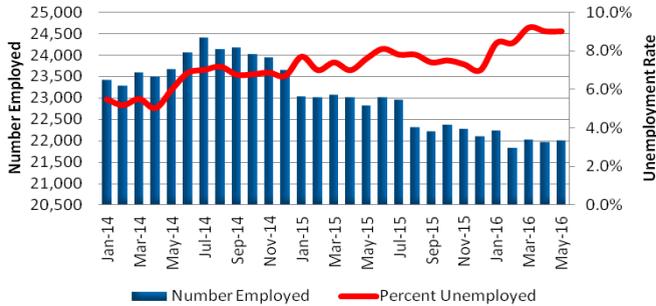
The \$4 million campus will house the Coast Guard Certification and Safety programs and a simulator for training captains and mates in vessel operations under worldwide conditions.



Economic Facts and Figures

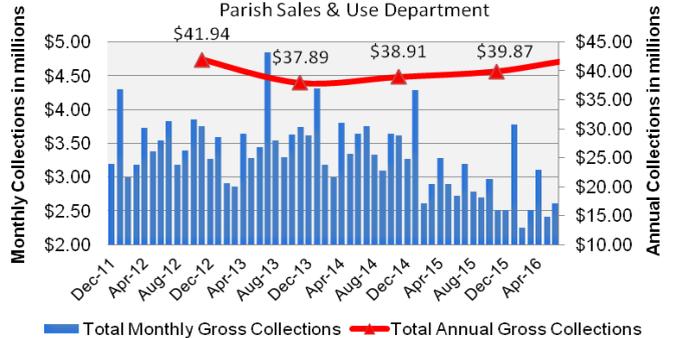
Parish Employment and the Unemployment Rate Are Leveling Out

LaWorks

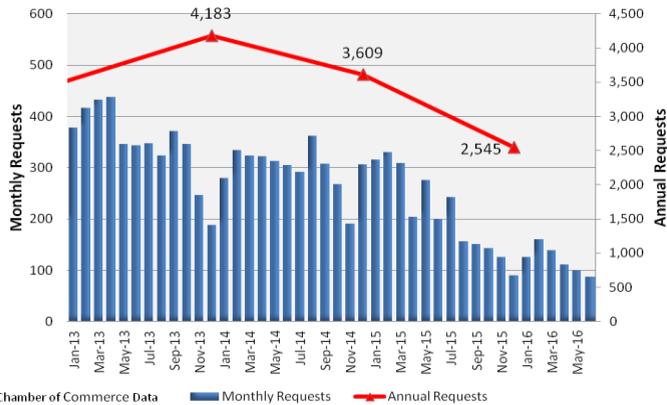


Parish Gross Sales Tax Collections December 2011 - June 2016

Parish Sales & Use Department

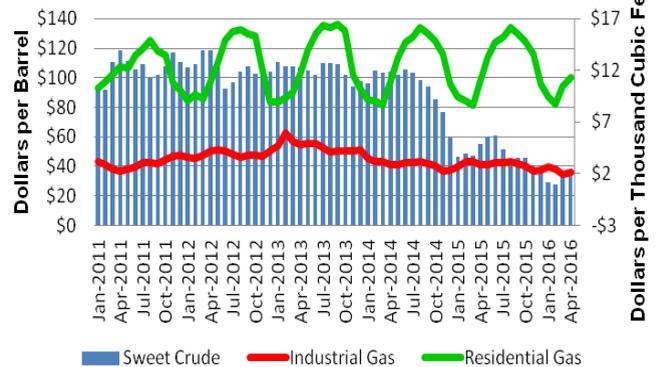


Requests for Rental Housing Listings January 2013 to March 2016

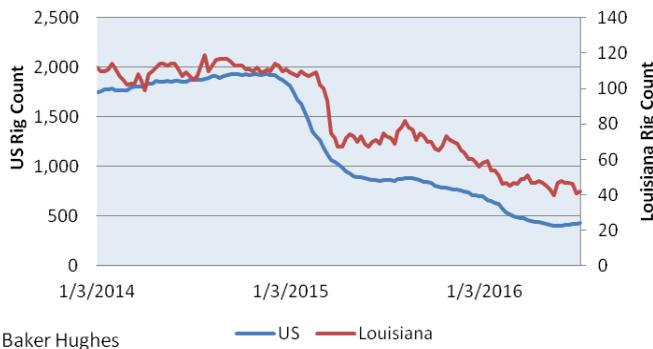


Louisiana Crude Oil and Natural Gas Prices

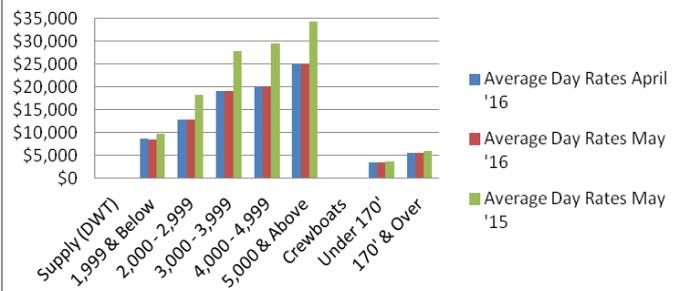
Source: EIA



Weekly Rig Count Continues Slide



Day Rates for Offshore Vessels Remained Unchanged in May, Down Significantly for One Year Ago



Got a comment, send us an email or call:

Frank G. Fink, Director
337-828-4100, Ext: 340
ffink@stmaryparishla.gov

Ramona Landry, Administrative Manager
337-828-4100, Ext: 342
randry@stmaryparishla.gov

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