

St. Mary Parish Economic Development News

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St. Mary
Parish

Heart
of the Cajun Coast

Frank's Message

Will there be a turnaround in oil prices or just a swerve in the road? US production particularly shale, was displaced by OPEC production led by Saudi Arabia. Worldwide demand is expected to increase modestly through 2017. The latest forecast by Dr. Loren Scott projects oil prices to average \$55/bbl - \$60/bbl through 2017. Uncertainty; however, will prevail as the forecasted low to high range of \$30/bbl to \$90/bbl gives the energy producers and service providers little comfort.

The region lost 2,671 jobs in August compared to the previous month. St. Mary Parish lost 592 jobs as the seasonal workforce of students returned to school.

Cabot/CLECO Power Plant project began in October with a groundbreaking. This is a 40MW power plant designed, constructed and will be operated by CLECO. The fuel is the exhaust gas from the Cabot Carbon Black Plant in Centerville. The hot gas will create steam that will be sent to a turbine generator to produce electricity. The CLECO investment will be \$80 million and have 200 – 300 construction workers on-site at peak. Cabot will also have plant investments in the project. The completion is scheduled in 2018, with a permanent staff of 20 employees.

Swiftships of Morgan City was awarded a \$15 million firm fixed price contract for 28 meter coastal patrol craft production material kits, 4.7 meter rigid inflatable boats, forward looking infrared system, diagnostic equipment and contractor engineering technical services. The contract involves Foreign Military Sales (FMS) to Egypt. Work will be performed in Morgan City, LA and is expected to be completed in December 2017.

Swiftships has partnered with ICS Nett, a Virginia based technology solutions company, to continue research and development efforts that will transform the Special Operations Craft Riverine (SOCR) into a completely autonomous watercraft equipped with Artificial intelligence (AI) capabilities. It will be faster and have more complex maneuverability than its predecessor. "We chose to work with ICS on this project because of their proven success and dedication to leading edge technological services", said Swiftship President Jeff LeLeuex. "This project will reaffirm that both Swiftships and ICS are leaders in innovation in their respective fields.

Parish Economic Development Briefs

Oil & Gas

Louisiana's Weekly Rotary Rig Count for the week ending October 7th was 42, down 23 from one year ago. Both the land based and offshore rig count stood at 21. The U.S. rig count is 524. Meanwhile, first purchase price of Louisiana crude oil in April was \$43.21 per barrel, up 47% from January. Natural gas prices are remaining low and favorable for industrials and consumers. The July price for industrial purposes \$3.37 per MMBtu, and \$16.27 per MMBtu for residential consumers.

Sugar Cane

September rain delays planting with only 70% completed state-wide at the end of September. On the other hand, a dry October is initiating an early start to harvest. Overall the cane industry is a \$2.7 billion industry to the state. In 2015, St. Mary Parish had 39 producers working 44,298 acres, generating 6,955 lbs of raw sugar and 150 gallons of molasses with a total crop value of \$75,182,397.

Employment

Parish employment in August, the most recent available data, was 21,046, down 1,275 jobs from one year ago. The unemployment rate in August was 9.8%, the same as July.

Sales Tax Activity

Parish sales tax collections in September were \$2,930,186.33, up 15% from August and up 9% from one year ago. Year-to-date collections are \$20,746,550, down 9% from last year's year-to-date collections.

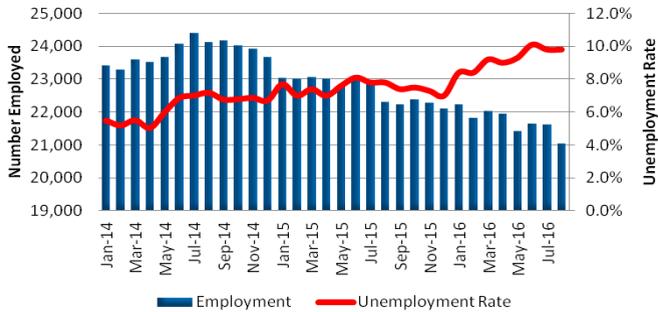
Business Activity

The number of businesses visited by parish staff this past quarter was 14. The number of projects in the pipeline totaled 9 with the potential to create 1,200 jobs and \$500 million in new capital investment.

Economic Facts and Figures

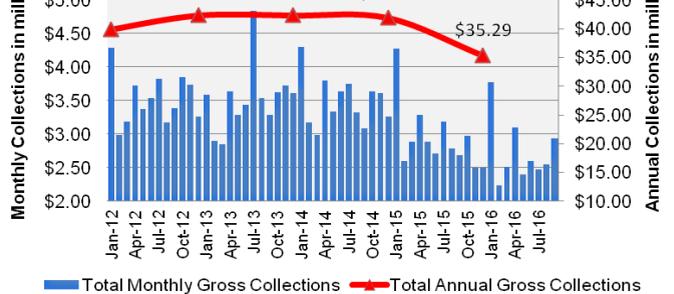
Recent employment gains wiped out by return to school seasonal employment

LaWorks



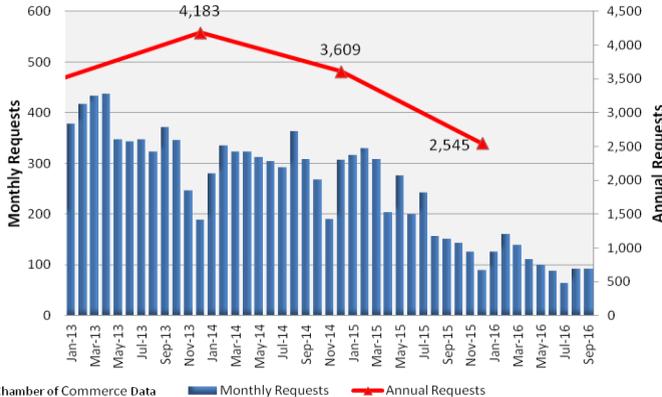
Year to date Sales Tax Collection less than last year but trending upward, September 2016 9% higher than September 2015

Parish Sales & Use Department



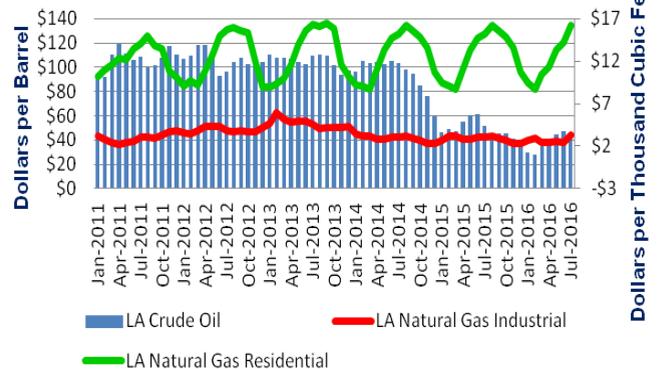
Demand for rental housing remains low based on requests for listings, January 2013 to March 2016

Chamber of Commerce Data



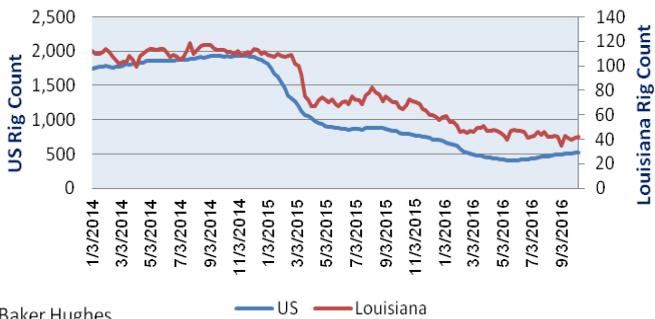
Louisiana Crude Oil and Natural Gas Prices

Source: EIA

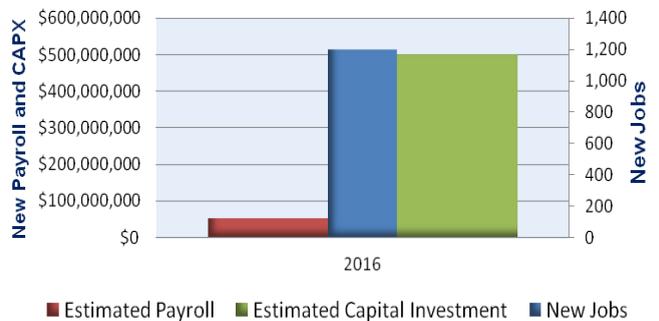


Last 30 days rig count up in US, Louisiana remains flat

Baker Hughes



2016 Projects in the Pipeline have potential for large investments, jobs



Got a comment, send us an email or call:

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