

St. Mary Parish Economic Development News

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St. Mary Parish

Heart
of the Cajun Coast

Frank's Message

Just when the price of Brent crude rose to \$55.92/bbl, in early February, and OPEC maintained production curtailment, the US shale producers ramped up production. Domestic crude oil inventories rose and the price of crude dropped to \$49.97/bbl by mid-March. What are we really seeing? Lower cost Shale producers are profitable above \$45/bbl with all others, particularly deep water production, not until prices approach \$60/bbl. With crude currently trading above \$50/bbl, the guesstimators still believe crude could trade between \$60-\$65/bbl by year end. Is this overly optimistic?

Notwithstanding some of the positive activity in the Gulf, the labor force in the 8 parishes from Lafayette to Houma-Thibodaux lost more than 10,000 jobs from November 2016 through February 2017 or a decline of 3.2% of total employment. By comparison, St. Mary Parish lost 325 jobs or 1.6%. I am cautiously optimistic about a recovery by year end. Worldwide demand is still projected by IEA to increase by 1.5 million barrels per day each year from 2018 – 2022.

PHI is consolidating its St. Mary operations, with others in the region, into its base in Terrebonne Parish. The impact will be significant affecting both local sales tax and hotel/motel tax collections. The hotel tax is the primary source of funding for the Cajun Coast Visitors and Convention Bureau. The PHI decision was based upon the very difficult economy related to offshore operations.

The South Central Technical College's Young Memorial Campus held a grand opening on March 31st for the Hugh and Byrnes Young Marine and Petroleum Safety Training Center in Morgan City. Young Memorial is a national leader for issuing short-term certifications, and preparing residents in the area to go back to work. The Marine Campus houses a \$750,000 simulator for training pilots and mates to navigate the waters of the world under all conditions. The Marine Campus also offers Coast Guard certifications and Safety Training programs and is ranked as a worldwide leader in commercial diving.

More good news. Metal Shark is expanding its Franklin facility to produce catamaran ferries for the New York City Port Authority, and will add up to 40 new employees. Cabot, a carbon black plant in Centerville is also adding up to 20 new employees. Check the Cabot website for employment opportunities. The \$130 million CLECO/Cabot clean power plant project is underway. When finished, the plant will produce 50 MW of electricity and provide 20 new permanent jobs. At the height of construction, 400 workers will be on site.

Parish Economic Development Department launches new website



www.stmaryparishdevelopment.com

Parish Economic Development Briefs

Oil & Gas

Louisiana's Weekly Rotary Rig Count for the week ending April 7th was 60, up 13 from one year ago. The land based count was 39 and the offshore rig count stood at 21. The U.S. rig count was 839, up 396 from one year ago. Meanwhile, first purchase price of Louisiana crude oil rose above \$50 to 50.52 per barrel in January.

Employment

Parish employment in February, the most recent available data, was 19,268, down 1,285 jobs from one year ago, but up 102 from January. The unemployment rate in February was 8.9%.

Sales Tax Activity

First quarter Parish gross sales tax collections were \$8.13 million, down 4.6% from the first quarter 2016.

Business Activity

The number of businesses visited by parish staff this past quarter was 23. The number of projects in the pipeline totaled 10 with the potential to create 300 permanent jobs, 500 construction jobs, and \$300 million in new capital investment.

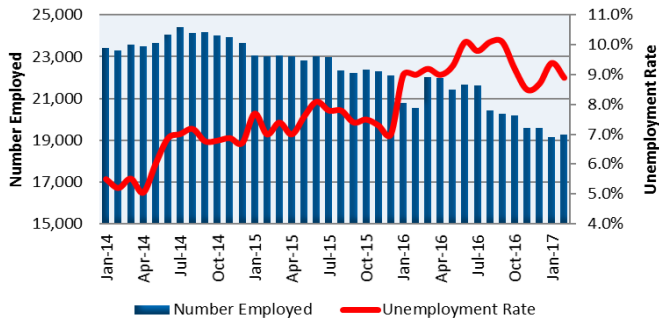


Metal Shark's Franklin Facility

Economic Facts and Figures

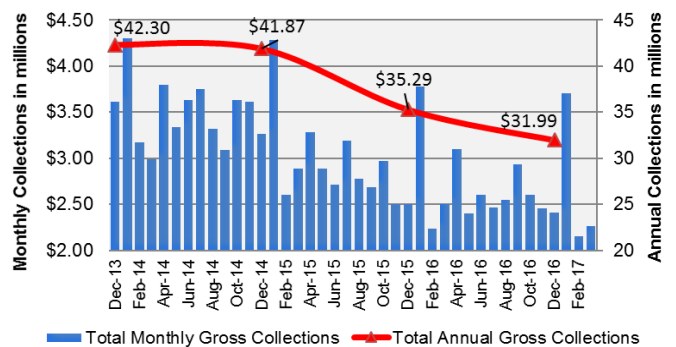
Employment rose and the percent unemployed dropped in February compared to January

LaWorks



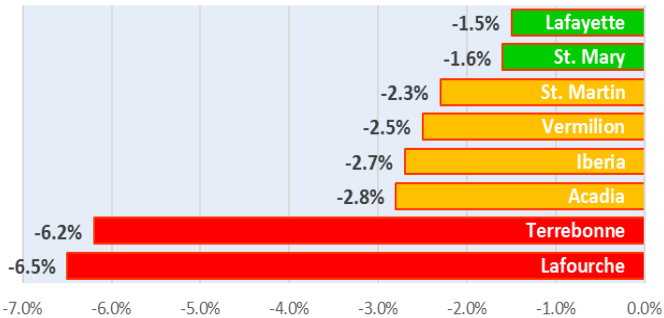
Monthly sales tax collections below previous year

Parish Sales & Use Department

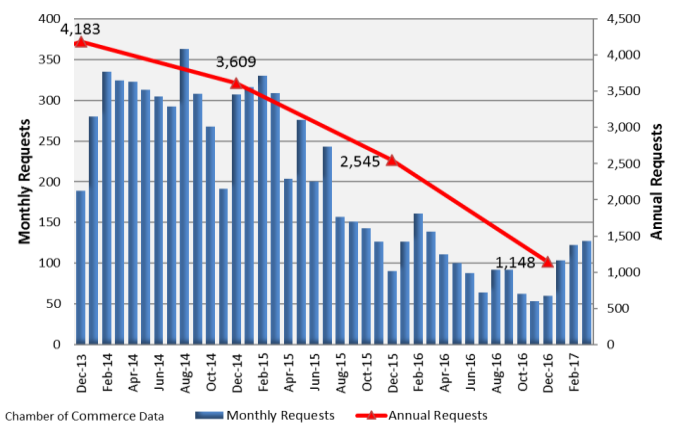


St. Mary fared better than most with job loses; Percent change November 2016 through February

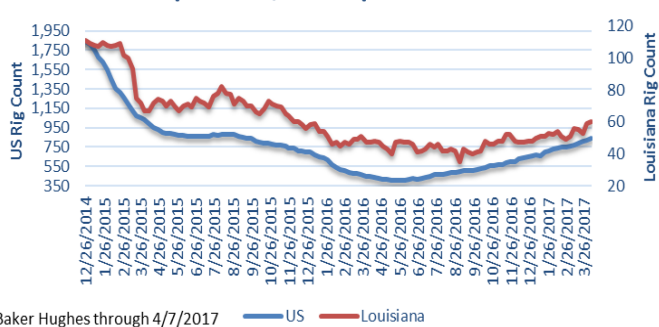
LaWorks



Demand for rental housing picks up, December 2013 to March 2017

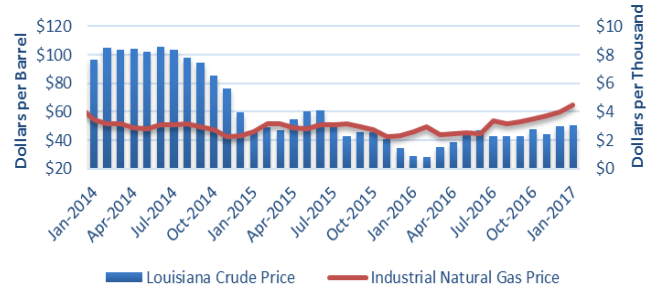


Rigs counts up over past 12 months, Louisiana up 27.2%, U.S. up 89.4%



First purchase price for Louisiana crude oil up 72% over last year, price of natural gas up too, 69%

Source: EIA



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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