

St. Mary Parish Economic Development News

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St. Mary
Parish

Heart
of the Cajun Coast

Frank's Message

Place your bets on the price of oil. What is going on? Libyan and Nigerian supplies are back on line with exemption from OPEC on production caps. US rig counts are increasing with shale production growing rapidly. Worldwide demand has only recovered slowly. There is an expected 3% increase in energy investments, 53% of that is shale production. The price of WTI has moved back under \$50/bbl and currently closer to \$45/bbl. Adding insult to injury Goldman Sachs warns that oil can test the \$40/bbl mark. "Saudi Aramco fears the market could experience a supply shortage as some \$1 trillion in investments were scrapped during the market downturn. Speculating that the world will need 20 million bbl/day of new supply over the next 5 years, investments in smaller increments such as shale will just not get it." It would seem that \$50-\$55/bbl by year end is hopeful. Would you bet on this forecast? Bet long term!

Metal Shark continues to be a bright spot in the St. Mary Parish economy. In July of 2014 the company commenced operations at the new Franklin Yard in a 60,000 sq. ft. assembly building. In October 2015 the company installed a new 150' x 80' auxiliary structure for final assembly. In the first half of 2017, construction on a fully enclosed 200' x 80' large vessel assembly building, is enabling weather independent construction of vessels up to 180' in length. Yet to come is an 8,000 sq. ft. office building for Metal Shark executive, engineering, project management and administrative personnel. The company employment has grown from 40 employees in Franklin with 3rd quarter projections exceeding 160 employees.

In June, the company won a \$54 million US Navy contract to supply thirteen 85' defiant class near coastal patrol vessels (NCPV) for the United States Latin American Partner Nations. Metal Shark was selected from a field of six competing shipyards.

Reported in a previous newsletter, the St. Mary Parish School System received the highest "B" grade in the State, at 99.2 (.8 below "A"). This improvement is born out by the parish's 2016 graduation rate of 84.9% compared to the statewide average of 77%. Berwick, Patterson and Morgan City high schools reached record graduation rates this year. Centerville high school has a perfect score of 100%.

Parish Economic Development Briefs

Oil & Gas

Louisiana's Weekly Rotary Rig Count for the week ending July 7th was 69, up 26 from one year ago. The land based count was 48 and the offshore rig count stood at 21. The U.S. rig count was 952, up 512 from one year ago. Meanwhile, first purchase price of Louisiana crude oil dropped below \$50 per barrel in March and settled at \$48.5 in April. West Texas Intermediate was \$47.50 in April and down to \$44.40 in July. Brent was also \$46.57 in July.

Employment

Parish employment in May, the most recent available data, was 18,989, down 1,159 jobs from one year ago. The unemployment rate in May was 8.9%, down 0.4 points from one year ago.

Sales Tax Activity

Second quarter Parish gross sales tax collections were \$8.178 million, slightly up from the first quarter this year and last year.

Business Activity

The number of businesses visited by parish staff this past quarter was 22. The number of projects in the pipeline totaled 4 with the potential to create 350 permanent jobs, 500 construction jobs, and \$400 million in new capital investment.

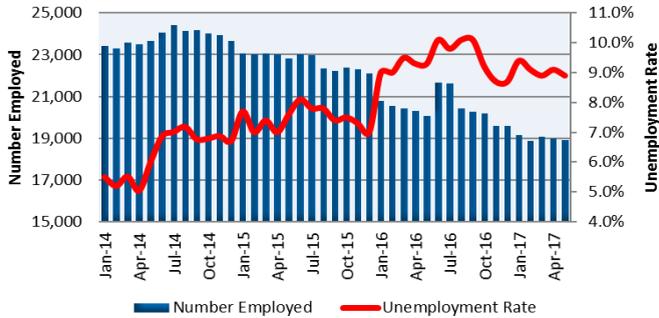
During the first half LED offered 22 new projects. St. Mary was able to offer sites for 6 of the prospective projects. The other 16 sites were either location or resource specific. The 22 projects in the first half of 2017 compares to 22 projects in all of 2016.

Louisiana Economic Development received 8 applications so far this year for projects seeking approval of incentives. Seven project are industrial and one retail. The projects will result in \$35.9 million in capital investment, \$4.6 million in annual payroll, and create 122 construction jobs and 108 permanent jobs, statewide.

Economic Facts and Figures

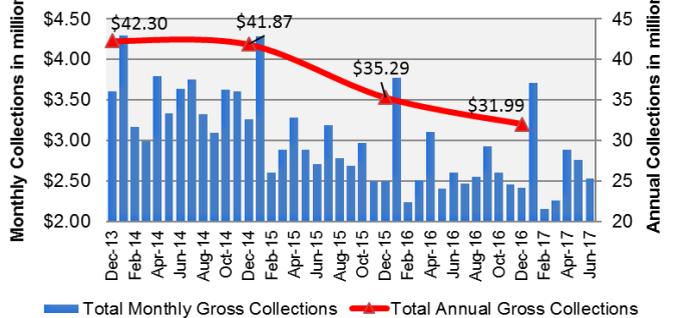
Both Employment and Unemployment Rate remain flat in 2017

LaWorks



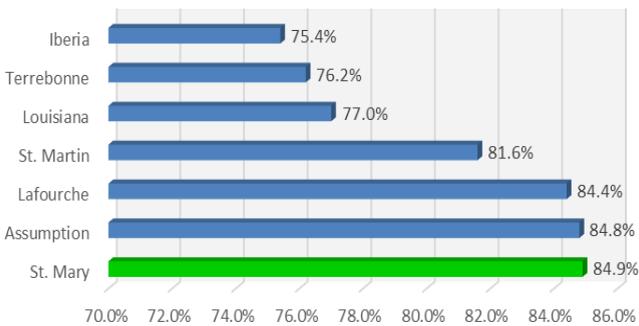
Monthly sales tax collections increase in 2nd Quarter, match 2nd Quarter 2016

Parish Sales & Use Department

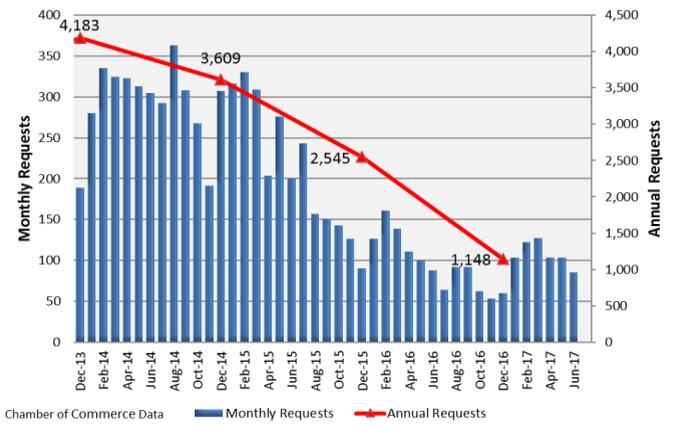


St. Mary Parish Leads Area's 2016 High School Graduation Rates

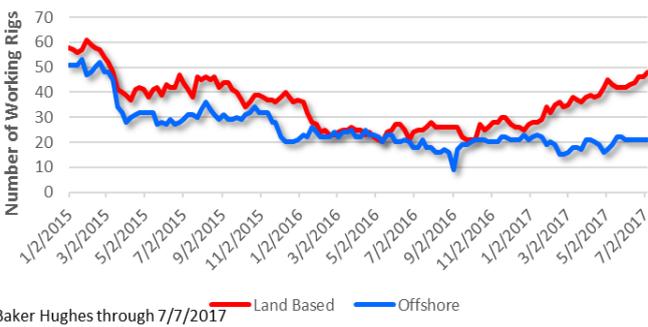
Source: LA Dept. of Education



Demand for rental housing levels off in 2nd Quarter

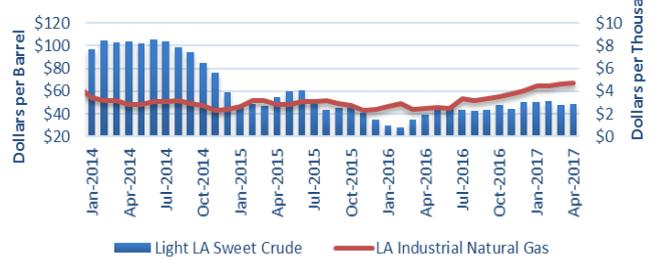


Louisiana Rig Count up 18 from beginning of year led by land based operations



In April, first purchase price for Louisiana crude oil up 25% over last year, price of natural gas up 89%

Source: EIA



Got a comment, send us an email or call:

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