

FROM THE PRESIDENT & CEO

The end of 2016 proved to be one where the topic of unemployment and job loss was common; however, we continue to move forward with our efforts and help our local businesses and workforce rebound. As our region has seen an employment slump, we are happy to report an increase in productivity as the January rig count was up 8 from the past 6 months.

Over the final few months of the year, we have accomplished several tasks to project us into the future. The major accomplishment was the release of our 2017-2019 Strategic Plan in partnership with Nicholls State University and South Central Planning and Development. Survey data was collected throughout the region and then combined and analyzed with regional leaders and stakeholders. We will now use this plan as a guide moving forward to drive Economic Development initiatives and services provided throughout the region.

Dream It Do It, a statewide initiative focused on Manufacturing Week, took place in early October. On behalf of the Economic Council, I was able to site on the steering committee for the initiative which allowed our region to have representation in the events of that week. Our major regional event was the South Central Industrial Association's Females Fueling Our Workforce where local high school females were able to meet successful women from within blue collar industries.

As we move forward, our continued goal is to increase development and economic activities within our region of Assumption, Lafourche, St. Mary, and Terrebonne Parishes. Our council is here to serve our business community and we welcome any input you may have. If our services can be of benefit to your organization of business, or you have any concerns affecting our regional business community, please contact our office.

Our organization remains committed to the region and will continue to work through this economic downturn to ensure our businesses can both develop and grow.

Respectfully,



Vic Lafont
President, CEO
SLEC

WHAT'S HAPPENING IN THE BAYOU REGION?

2016 oil bust overshadows announced projects; Year end increases in the price of crude and rig count fuels optimism for 2017.

Many Bayou Region businesses and those who depend on them are glad 2016 is over. By November, regional employment was down 5,827 jobs from its 2016 peak level of 122,827, which occurred in July; and down 20,600 jobs from the region's record high employment that occurred in July of 2014. Sectors hardest hit and experiencing 20% losses in employment are manufacturing, mining, and transportation and warehousing. See Charts 1-2.

Not all sectors were impacted equally. In fact job growth occurred in professional and technical services, utilities, education, and IT. Over \$200 million in contract awards were won by local industry including Metal Shark, Conrad Industries, Swiftships, Bollinger Shipyards, and Edison Chouest. Over \$150 million in projects were completed or announced including the Thibodaux Regional Medical Center's Wellness Center, the Marine and Petroleum Safety Training Center at South Central Louisiana Technical College's Young Memorial campus, the Port of Morgan City Operations Center, road, power, and bulk heading at the Port of West St. Mary, and construction underway at CLECO's 50 MW power plant. Meanwhile, SLEC is working on projects in the pipeline that could result in \$2.6 billion in capital investment and 2,600 jobs.

Parish over the year employment changes from November 2015 to November 2016 were: Assumption Parish down 461 jobs at 8,534; Lafourche down 1,538 at 41,565; St. Mary down 2,143 from one year ago at 20,143, and; Terrebonne down, 1,796 at 46,758.

Crude oil prices have risen 63% as well as Louisiana's rig count, which is up 19%. See Charts 3-5. Oil analyst see \$62-\$65 per barrel in 2017 however the resurgence of

THE FAST FACTS OF QUARTER 4

- 1 August Regional Employment was 117,000; down 739 from October.
- 2 The Houma-Thibodaux MSA not seasonally adjusted unemployment rate in November was 6.0%; down 0.3 points from October.
- 3 Louisiana's not seasonally adjusted unemployment rate in November was 6.2%, down 0.1 points from October; the nation's rate was 4.6%, down 0.3 points from one month ago.
- 4 Louisiana's Rotary Rig count, land and offshore on January 6, 2017 was 50; up 8 from the past 6 months.
- 5 Thirty-three buildings and 56 sites are listed for sale or lease on the Bayou Region database:
<http://www.louisianasiteselection.com/bayouregion/Buildings-and-Sites.aspx>

shale production and non-compliant OPEC members will prevent higher prices. Even though shale production costs are expected to rise 20%, Louisiana must stay competitive for oil and gas business by addressing excessive tax burden and lawsuits that dampen investment. Under a Trump administration we can expect regulations to be relaxed somewhat. The U.S. is expected to be a net energy exporter by 2026 and Louisiana is sure to play a big part in that. However Statoil's inability to strike a field in the Gulf after spending billions is disappointing.

Agriculture and fisheries suffered from low prices. Crop production in 2016 was further impacted by bad weather statewide. Row crops most impacted were sugar cane, corn, soybeans, and grain sorghum.

Commuters in the Bayou Region typically spend 20 to 30 minutes driving to and from work. The low is 13 minutes in Houma and Thibodaux and the high is 45 minutes in western St. Mary Parish. See Chart 6.

VISUALIZING THE INFORMATION OF QUARTER 4

CHART 1

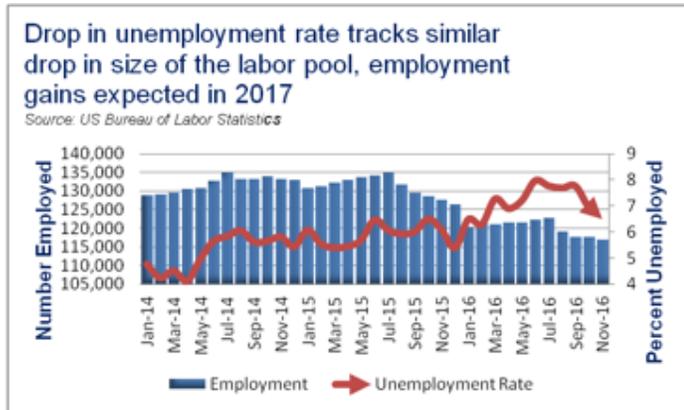


CHART 2

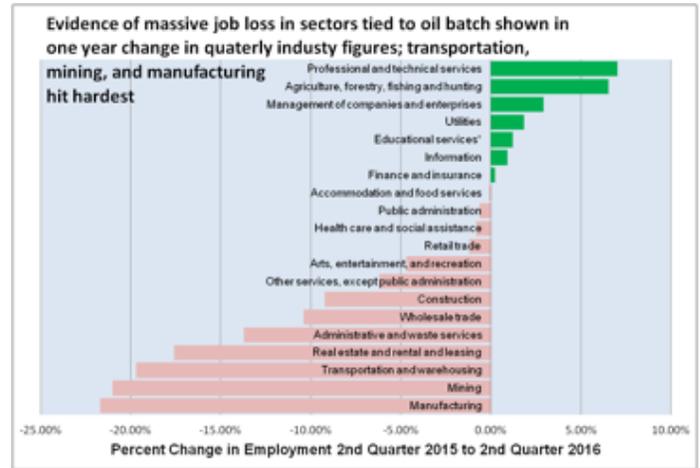


CHART 3

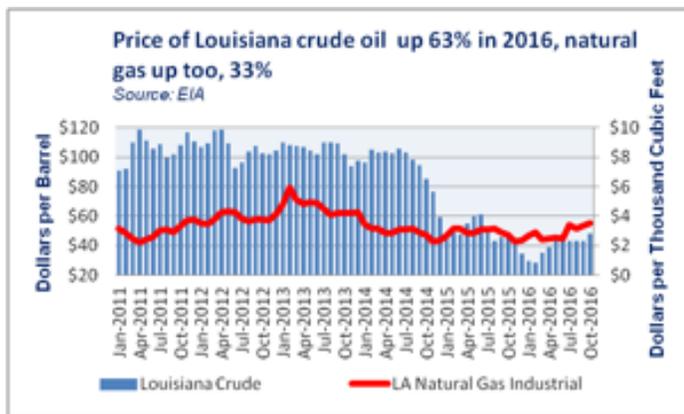


CHART 4

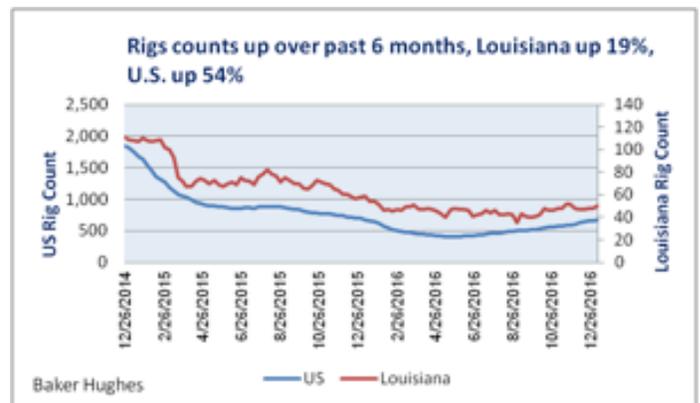


CHART 5

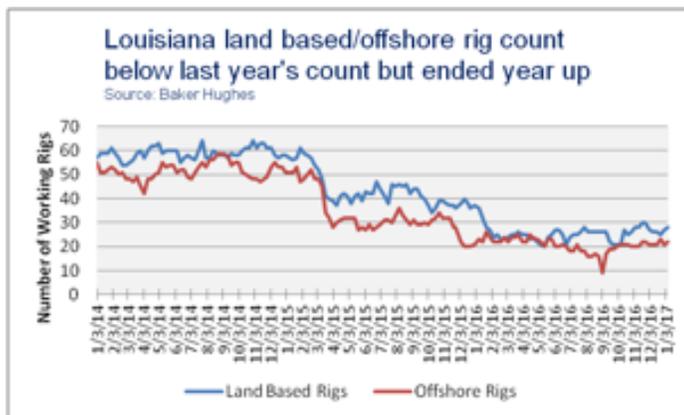


CHART 6

