

## FROM THE PRESIDENT & CEO

**The start of 2017 has seen several positive outlooks as we continue to strive to leave this economic downturn. Crude oil prices have risen 72% from one year ago and the Louisiana rig count has continued to rise; however, we still have ground to cover.**

Our region has seen several announcements during the first quarter including the proposed \$800M LNG facility at Port Fourchon plus a new contract announcement from Danos for work in the northeast. Petroleum Helicopters Incorporated (PHI) will be expanding their work at the Houma-Terrebonne airport and Metal Shark in Franklin continues to remain strong.

In February, SLEC hosted an industry roundtable with Senator Bill Cassidy to review and discuss features of his Congressional bill that addressed major changes to the existing Affordable Care Act.

On the state level, SLEC has continued to monitor all bills effecting industry along with legislation that will benefit the financial viability of all eight Regional EDOs. You can visit [www.bayouregion.com/legislature](http://www.bayouregion.com/legislature) to view a list of all bills we continue to monitor and our position on that bill respective to our partnership with LIDEA. This year's regular session will end on June 8th and we'll continue to monitor and advocate throughout this session and into the second extraordinary session, should it be convened.

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?

*Although seasonally unadjusted employment throughout the region is below last year's numbers, an increase of 1,268 jobs in March over January is promising.*

Cautious optimism is being fueled by an uptick in both the price of oil and the number of working rigs, see accompanying charts. The first quarter was also marked by several substantial project announcements led by the Greater Lafourche Port Commission and Energy World USA announcing the construction of an \$800 million mid-scale LNG production and export facility at Port Fourchon. The facility will produce up to 2 million tons per year and will also provide facilities to fuel the next generation of Offshore Supply Vessels. Danos announced it will provide materials management services for construction of a petrochemical processing plant in Northeast U.S. at its 365 acre Amelia site, a Foreign Trade Zone that will provide duty-free storage and staging for imported materials. Petroleum Helicopters International is increasing the use of its "Super Base" at the Houma-Terrebonne Airport to consolidate operations from several sites around Louisiana. Shipbuilding remains strong as Metal Shark is underway at its Franklin facility making ferries for New York, and Bollinger delivered more vessels to the U.S. Coast Guard. Meanwhile, SLEC is working on projects in the pipeline that could result in \$1.4 billion in capital investment and 1,300 jobs.

Parish over the year employment changes from March 2016 to March 2017 were: Assumption Parish down 194 jobs at 8,341; Lafourche down 2,000 at 39,122; St. Mary down 1,333 at 19,083, and; Terrebonne down, 2,300 at 44,185.

Crude oil prices have risen 72% from one year ago as well as Louisiana's rig count, which is up 13. Other sector news received as mixed is Royal Dutch Shell's big bet on offshore oil. Shell announced, as reported last month by the Wall Street Journal, that its Mars platform, located 130 miles south

## THE FAST FACTS OF QUARTER 1

- 1 March's regional employment was 110,731; up 1,268 from January.
- 2 The Houma-Thibodaux MSA not seasonally adjusted unemployment rate in March was 6.2%; the same as the previous month.
- 3 The seasonally adjusted unemployment rate for Louisiana in March was 5.4%, also the same as the previous month; the nation's rate was 5.5.
- 4 Louisiana's Rotary Rig count, land and offshore on May 5th was 62 up 19 over the past year.
- 5 Fifty-two buildings and 32 sites are listed for sale or lease on the Bayou Region database:  
<http://www.louisianasiteselection.com/bayouregion/Buildings-and-Sites.aspx>

of New Orleans, is advancing the use of highly efficient land based technology and processes to extract oil out of existing wells that they hope will be profitable even at \$15 per barrel on offshore platforms. As a result, output on Mars is up 25%. On the flip side, saddled with over \$90 billion of debt, the days of spending \$10-\$20 billion on mega projects is gone, for now, for Shell. Instead, it's on a cost cutting mission to lower drilling and production costs. As a result, output is up. It has slashed 25% of its workforce and the number of supply boats it uses from 61 to 16.

Agriculture and fisheries. Statewide, sugarcane production's average yield in 2016 was 29 net tons per acre, down 0.6 net tons from 2015 while total production was 12.5 million tons, up 3% from last year. As reported by the Southern Shrimp Alliance, Louisiana's 2016 total shrimp landings were down 5.1% from the previous year at 42,995,000 pounds with prices for all sizes falling within the past 5 year's average prices.

*Written by Jim Edmonson at jim@jimedmonson.com. Designed by White Car.*

# VISUALIZING THE INFORMATION OF QUARTER 1

CHART 1

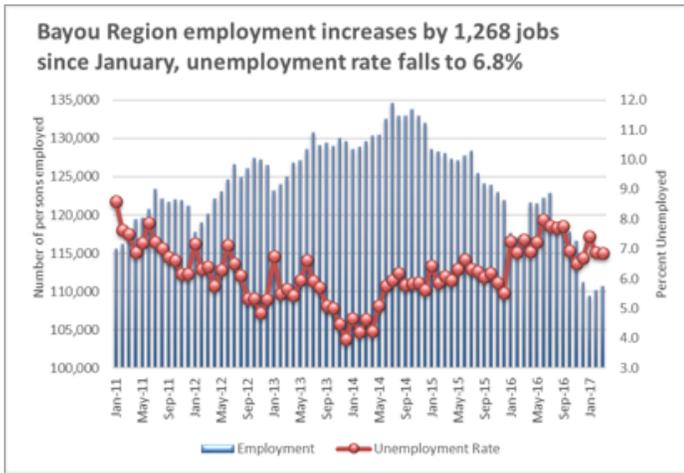


CHART 2 Regional Employment by Sector, 3rd Quarter 2016

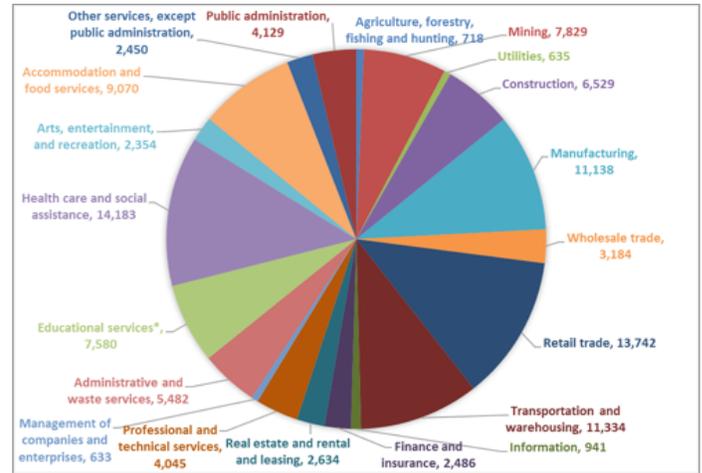


CHART 3

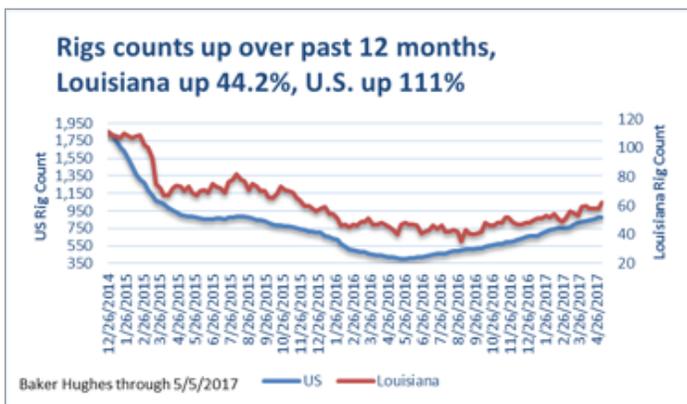


CHART 4

