

## Jack Walker - World Trade Center of New Orleans

Thank you all for this opportunity to speak with you today. Very briefly, I was asked by a number of members of the World Trade Center to bring to your attention the critical importance of the oil and gas industry to Louisiana's export industries and also how that touches on other industries that Louisiana exports worldwide. If you'll take a look at the statistics that I prepared before you, you will see that the chemicals and allied products and petroleum and coal product sectors are 3<sup>rd</sup> and 4<sup>th</sup> largest export industries in Louisiana. Most of the chemical and allied products are petroleum distillates. I think that when you take a look at the overall size of the export of these two product segments alone you're looking at - in most years - over \$4 billion of exports. These exports provide employment in a lot of other ancillary industries besides the direct employment in the oil and gas sector. The transportation industry immediately comes to mind. The maritime sector, the barge and tow industries are all heavily dependent upon this traffic for their livelihoods. If you were to see a dramatic decrease in Louisiana's exports, Louisiana's indigenous industry in the oil and gas sector, then you can see a reciprocal drop off in the transportation sector in employment there. I think if you look down the list of the other segments, and these come directly from the U.S. Dept. of Commerce, a number of the other sectors - the way that they've classified exports and the products that are exported - a lot of these sectors such as industrial machinery and computer equipment, electronic electric equipment except for computers, fabricated metal products, which, by the way, includes pipes, etc., instruments and related products - a lot of these sectors are directly related to the oil and gas sector and the production from these sectors are going to export markets in which they will be utilized in the oil and gas sectors in those countries. The point of my presentation, basically to you today, is the importance of the oil and gas industry not just within the industry itself but another of the other export industries in the state, a number of the other industries that Louisiana is dependent upon for its tax base and its livelihood. There's a lot of interconnection between the oil and gas industry and the other sectors of our State. It's an underpinning industry. A lot of people are dependent upon the livelihood of the oil and gas industry, and whatever policy alterations that can be made to insure the livelihood of the industry in this State are going to help secure those jobs in other sectors that are not directly related but have a secondary relationship to

the oil and gas industry. I'd be happy to answer any questions that you have.

Louisiana Third Quarter 1998

LOUISIANA EXPORTS BY INDUSTRY SORTED BY 1998 Q3 YTD, TOTAL VALUE (\$'s) State of Origin of Movement Series	1996	1997	1997 Q3 YTD	1998 Q3 YTD	% Incr 97-98
<b>TOTAL ALL INDUSTRIES</b>	<b>23,357,806,196</b>	<b>20,645,031,169</b>	<b>14,657,194,801</b>	<b>13,237,234,769</b>	<b>-9.7</b>
AGRICULTURAL PRODUCTION-CROPS	13,196,418,782	9,734,127,419	6,512,034,270	5,444,356,214	-16.4
FOOD AND KINDRED PRODUCTS	3,494,069,463	3,832,862,302	2,701,772,360	3,008,483,644	11.4
CHEMICALS AND ALLIED PRODUCTS	3,230,403,894	3,470,593,004	2,697,721,061	2,372,054,634	-12.1
PETROLEUM AND COAL PRODUCTS	1,122,717,628	986,125,179	734,366,240	468,674,994	-36.2
TRANSPORTATION EQUIPMENT	256,610,108	390,210,320	346,141,005	390,932,055	12.9
INDUSTRIAL MACHINERY, COMPUTER EQUIPMENT	473,280,375	487,527,668	349,884,904	385,435,913	10.2
PAPER AND ALLIED PRODUCTS	441,899,755	422,677,254	314,008,501	326,569,249	4.0
ELECTRONIC, ELECTRIC EQUIP, EXC COMPUTER	224,943,061	250,412,306	188,957,857	146,407,022	-22.5
FABRICATED METAL PRODUCTS	75,776,492	137,260,324	108,224,871	113,143,363	4.5
BITUMINOUS COAL & LIGNITE MINING	238,037,931	213,802,094	175,072,244	99,141,058	-43.4
PRIMARY METAL INDUSTRIES	119,328,289	164,478,382	109,412,388	96,707,207	-11.6
LUMBER AND WOOD PRODUCTS	108,002,322	99,079,501	64,005,322	78,829,713	23.2
INSTRUMENTS AND RELATED PRODUCTS	100,561,846	110,874,828	89,715,558	78,276,502	-12.8
RUBBER AND MISC. PLASTICS PRODUCTS	46,619,984	53,649,039	38,878,909	46,376,817	19.3
SCRAP AND WASTE	69,312,011	71,710,543	54,547,934	29,150,956	-46.6
APPAREL AND OTHER TEXTILE PRODUCTS	13,616,614	36,120,643	29,626,118	27,911,516	-5.8
TEXTILE MILL PRODUCTS	24,595,462	27,181,043	20,182,698	19,003,650	-5.8
STONE, CLAY, AND GLASS PRODUCTS	17,687,496	17,215,079	12,669,309	18,511,301	46.1
<b>OIL AND GAS EXTRACTION</b>	<b>4,562,898</b>	<b>21,359,635</b>	<b>18,134,618</b>	<b>13,477,520</b>	<b>-25.7</b>
FISHING, HUNTING, AND TRAPPING	21,786,552	28,607,823	21,045,325	13,338,013	-36.6
CANADIAN, NON-CAN GOODS RETND TO CAN	12,089,914	19,145,185	15,390,952	13,288,424	-13.7
MISC. MANUFACTURING INDUSTRIES	11,573,788	20,014,054	17,022,002	8,231,622	-51.6
CHARITY, MILITARY NIK, SHIPMENTS <10K NIK	6,074,565	4,642,387	3,469,959	7,361,450	112.1
NONMETALLIC MINERALS, EXCEPT FUELS	6,361,925	10,524,778	8,708,839	6,453,580	-25.9
LEATHER AND LEATHER PRODUCTS	2,465,713	6,191,226	3,955,777	6,222,990	57.3
FURNITURE AND FIXTURES	5,982,770	6,804,896	4,830,033	6,029,069	24.8
AGRICULTURAL PRODUCTION-LIVESTOCK	7,596,132	7,706,142	6,580,468	4,389,983	-33.3
SPECIAL CLASSIFICATION PROVISIONS, NSPF	5,360,246	3,212,935	2,423,573	3,498,691	44.4
USED OR SECOND-HAND MERCHANDISE	13,776,252	7,345,880	5,502,337	2,578,687	-53.1
PRINTING AND PUBLISHING	2,332,858	2,914,934	2,325,072	1,520,148	-34.6

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METAL MINING	1,127,192	78,173	33,616	397,815	1,083.4
FORESTRY	2,833,878	576,193	550,681	379,608	-31.1
TOBACCO MANUFACTURES	0	0	0	101,361	NA
PREPARED BY: Massachusetts Institute for Social and Economic Research					
SOURCE- Adjustments to data from U.S. Census Bureau, Foreign Trade Div. by MISER					
NOTE: MISER algorithm was revised beginning with 1996 data. Data for prior years may not be consistent.					