

Louisiana and the Petrochemical Industry

A Losing Bet for Investors and Local Communities

Decades of dependence on the fossil fuel industry has put Louisiana in a precarious position. If the state does not take action to move beyond its reliance on petrochemical producers, the economy will continue on a downward trajectory. In our latest report, IEEFA reviewed the underlying market conditions for 24 companies that invested \$82 billion since 2010 and received \$6.8 billion in industrial tax exemptions. To continue these subsidies into the future is an unthinkable public policy.

Times are changing



At the turn of the 21st century, Louisiana hosted one of the fastest-growing economies in the country, putting it 6th nationally for five-year average GDP growth. Today, Louisiana ranks 49th.



The oil and gas and petrochemical industry accounted for 33% of the state's GDP at the turn of the century. Today, it accounts for 14%.



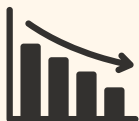
Development of petrochemical facilities in Louisiana is heavily concentrated in black and brown communities. Residents have higher incidences of cancer and asthma compared to the rest of the nation. The area where these facilities are located has been dubbed "Cancer Alley".



The petrochemical profits are not translating to communities. In 2023, Louisiana ranked 49th in the country in median household income.



Total state revenues from the oil and gas industry has been steadily declining for decades. After reaching a peak of 60% in the 1960s, today total state revenues from the oil and gas industry is only 4.5%.



The coal, oil and gas, and petrochemical industries are an economic laggard, in Louisiana and globally. The oil and gas industry is in a state of decline and the petrochemical industry is increasingly facing challenges it is unprepared to meet.