



From the Gulf of Mexico ➡ to the Entire Nation

The Impacts of GOM Offshore Oil and Gas Development on the U. S. Economy

The National Ocean Industries Association (NOIA) and the American Petroleum Institute (API) partnered in early 2011 to ask the question: what is the full impact of the offshore oil and gas industry on the American economy? This report, prepared by Quest Offshore Resources, answers that question. The report highlights the potential for several important economic benefits *should the federal government find a way to return to historic permitting rates, such as existed in early 2010.*

Getting the offshore oil and natural gas industry back to full speed would be a boon to job creation and economic growth across the country.

The study estimates that:

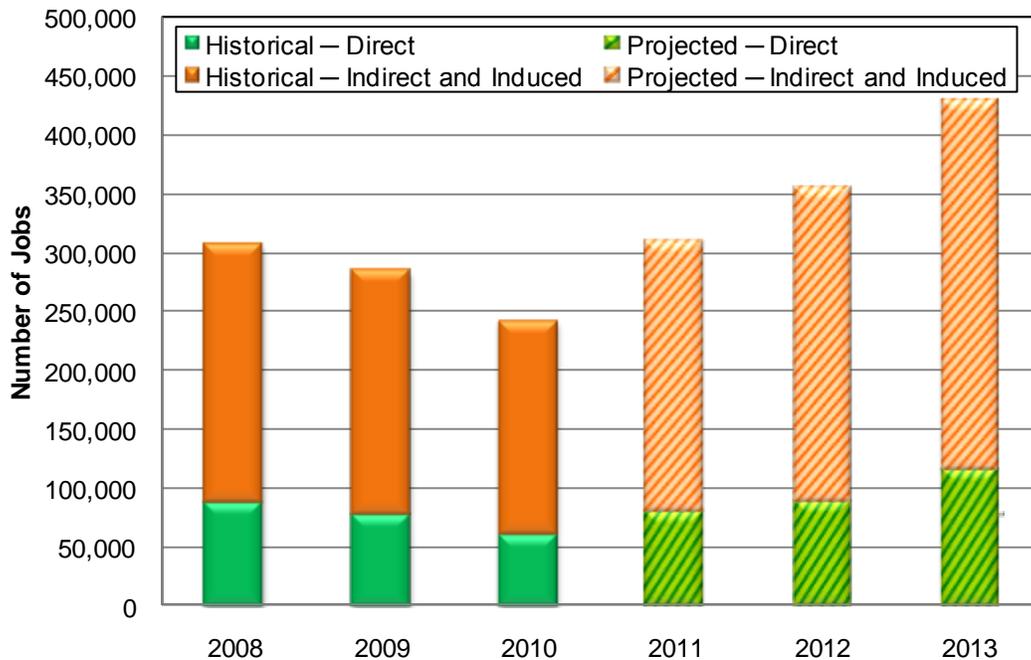
- **190,000 jobs** could be created by **2013**, for a total of nearly **430,000 jobs**
- Capital expenditures could increase by **140 percent**, reaching **\$15.7 billion**
- Spending by the offshore oil and gas industry would increase by **70 percent**, reaching **\$25.7 billion** of investment, with total contributions to the nation’s GDP being nearly **\$45 billion**

	Historical			Projected		
	2008	2009	2010	2011	2012	2013
Operating Expenditures	\$16.7	\$17.2	\$17.7	\$21.6	\$25.0	\$25.7
Capital Expenditures	\$11.9	\$9.7	\$6.5	\$8.9	\$10.4	\$15.7
GDP Impacts	\$30.8	\$29.1	\$26.1	\$32.9	\$38.2	\$44.5
Total Employment	306,870	285,042	242,317	311,023	356,174	429,208

The Gulf offshore oil and natural gas industry is a significant provider of employment in the U.S.

- Due to the economic downturn, the permitting moratorium and the slowdown in permitting for offshore oil and gas activities in the Gulf, total employment (direct, indirect and induced jobs¹) associated with offshore Gulf oil and natural gas industry investments reached its lowest level in 2010.
- Even so, the industry provided an estimated 242,000 jobs in 2010.
 - Over 60,000 of these jobs were within the oil and natural gas industry and 180,000 were either indirect (providing equipment and services to the offshore Gulf oil and natural gas industry) or induced jobs.
 - For 2010, Quest estimated a 15 percent reduction in total jobs associated with the Gulf oil and natural gas industry activity, compared to 2009. Likewise, the 2009 employment level is estimated to be 7 percent below 2008 levels.
- ¹ Direct employment is defined as jobs within the oil and natural gas industry. Indirect employment occurs throughout the supply chain of the oil and natural gas industry. Induced employment is jobs supported by household spending of labor income earned either directly or indirectly from oil and natural gas business activity.

We cannot afford to remain idle. Getting back to work benefits everyone.



Returning to historic permitting levels is the key!

Provided the current rate of permitting returns and eventually surpasses the early 2010 rate:

- Employment in 2011 is expected to grow to 310,000 jobs, a 28 percent increase from 2010, due to increased investments associated with long delayed projects. (This estimate may be optimistic given the current rate of permitting.)
- Employment levels in 2012 are expected to increase by 15 percent to 350,000 jobs, compared to 2011.
- In 2013, employment is projected to reach its highest level in the study period at 430 thousand jobs, which is a 20 percent increase on the 2012 level and a 77 percent increase over the 2010 level.

While economic benefits flow from the Gulf, significant economic benefits, including jobs can accrue in states far from the Gulf.

- The report highlights several of these states including California, New Mexico, Arkansas, Illinois, Ohio and Virginia, among others. There are many examples offered of jobs around the country that are supported by the Gulf offshore oil and gas industry.

Additional Findings from the Report

- The vast majority of the Gulf oil and gas industry expenditures are spent domestically. Less than five percent of Gulf operational spending and capital investment is spent outside the U.S.

The Gulf offshore oil and gas industry could do more to fuel America and America's economic recovery, but Washington, DC must do more first!