Economic Effects of Changes in Oil and Gas Prices and State Offshore Petroleum Production on the Louisiana Economy, 1969-1999

OCS Study MMS 2004-052


This study examines the interactions between changes in crude oil and natural gas prices, oil and gas production in Louisiana offshore waters, and measures of economic activity in Louisiana using a time series econometric model. In an overall sense, the study finds that oil and gas prices are still important with respect to short-term fluctuations in employment and personal income in Louisiana, but less so with respect to the variation in State revenue. In addition, the empirical results show that, while there are some differences between the effects of oil price shocks and gas price shocks on the State economy, the pattern of the effects is similar in many respects. However, the findings support the contention that natural gas price shocks have a more destabilizing effect on the economy in the long run than oil price shocks.

This report is available only in compact disc format. The disc is available from the Minerals Management Service, Gulf of Mexico OCS Region, at a charge of $15.00 by referencing OCS Study MMS 2004-052. The report may be ordered through the Minerals Management Service's on-line ordering system at http://www.gomr.mms.gov/WebStore/front.asp. You will be able to obtain this report also from the National Technical Information Service in the near future. Here are the addresses. You may also inspect copies at selected Federal Depository Libraries.

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