



NEWS RELEASE

For Immediate Release:
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Assessment of Gustav's Economic Impact

Lafayette, LA– In order to determine how businesses were affected by Hurricane Gustav, Lafayette Economic Development Authority (LEDA), in cooperation with Louisiana Economic Development (LED) and Acadiana Economic Development (AED), engaged in a post-storm assessment. By conducting brief interviews with affected businesses, LEDA collected data in relation to Gustav's impact on the community and the economy as the business community worked to recover and return to business as usual.

In Lafayette Parish, the majority of businesses interviewed reported little to no damage to their facilities. The majority of companies were operational one day after the hurricane passed through the city. Company officials noted the successful execution of disaster plans that were created or revised after Hurricanes Katrina and Rita, and were pleased with the proactive approach and reactive response of our local and state government.

"Government agencies and economic development entities from across the region learned from the trials following Katrina and Rita and took appropriate measures to lessen similar problems in the wake of Gustav," says Gregg Gothreaux, President and CEO of LEDA. "Government preparedness, paired with forethought by business owners, meant many businesses had minimal impact on their operations and were able to serve their customers again in a timely manner following the storm."

Most damage reported has been categorized as cosmetic, minor water damage such as leaking roofs and ceilings, or minimal flooding through windows and doors. Lafayette endured brief power outages, which had some impact to area businesses, but overall have seen far less impact than other areas of the state. Businesses in other areas of Louisiana were affected, and in some cases still affected, by a lack of electricity, fuel, and employees. Approximately \$1.5-2.5B was lost in economic activity during the evacuation periods before and after impact; and a total of \$2.5 – 5.0B is expected in lost economic activity due to business interruption throughout the state.

"Lafayette General Medical Center was fortunate to escape virtually unscathed during Hurricane Gustav, with only minor cosmetic damage to the hospital's roof. All hospital services functioned normally throughout the storm due to extensive emergency planning for staff levels and supplies, says Mark Attales, Director of Community Relations and Development for Lafayette General Medical Center. "The emergency department saw an influx of patients prior to and just after the

storm passed, but the numbers were manageable, especially with the Louisiana Emergency Medical Unit offering free care for minor medical needs”.

In other areas of Louisiana, specifically Houma, Fourchon, and Venice, business owners could only speculate about more extensive damage. Facilities and resources continue to be assessed as restrictions were lifted. Similarly, companies with offshore property have been unable to complete offshore assessments at this time. The inability to access some port locations, lack of electricity, fuel, and employees will also impact businesses who service the offshore oil industry, although crews were placed into production immediately in areas that were not affected.

Brian Recatto, president and CEO of OMNI Energy Services Corp., in Carencro, states, “Our Lafayette Parish business facilities fared well with minimal impact to our operations. We have been able to determine, late this week, that our other south Louisiana facilities in Fourchon, Venice, Morgan City, Belle Chase and Jennings did not suffer significant damage and we expect to resume operations at these locations in a couple of weeks.”

Compared to the property damage experienced by Hurricane Katrina and Rita, property damage for Hurricane Gustav is estimated to be 7-15 percent of the \$100B experienced by Katrina and Rita. The primary issue effecting business, which include manufacturing and oil-and-gas companies, is not property damage but a lack of electricity in the most affected areas of Louisiana. The manufacturing sector has experienced the greatest lost, estimating \$500MM and \$100MM in lost economic activity and production, respectively, to date. Additionally, approximately \$150-250MM per day of GSP is being lost in economic activity by businesses across the state due the affects of Hurricane Gustav.

With assessments underway, LEDA, LED and AED will continue to help with recovery efforts and aid displaced and affected businesses with temporary relocation and assistance. Businesses can find additional information about temporary locations and other important information at www.lafayette.org/gustav. The economic impact of Hurricane Gustav continues to be assessed by Louisiana Economic Development with a comprehensive assessment expected in several months.

Citizens and business owners in Lafayette Parish and Louisiana can receive emergency and relief information at www.lafayetteoep.org, www.lafayette.org/gustav, www.louisiana.gov, www.louisianaforward.gov; www.fema.gov, and www.sba.gov.