



FOR IMMEDIATE RELEASE – April 23, 2018

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FORMOSA TO LOCATE \$9.4 BILLION PROJECT IN PORT OF SOUTH LOUISIANA DISTRICT

In two phases, ethane crackers and downstream plants would create up to 1,200 new direct jobs and result in thousands of new indirect jobs

St. James Parish, LA.

Today, Gov. John Bel Edwards and Formosa Petrochemical Corp. executive Keh-Yen Lin announced the company has selected St. James Parish in Louisiana for a \$9.4 billion chemical manufacturing complex and has purchased a 2,400-acre site along the west bank of the Mississippi River.

Located just downriver from the Sunshine Bridge, the complex would be built in two phases and produce ethylene, propylene, ethylene glycol and associated polymers. Formosa plans to operate the complex under its subsidiary and Louisiana registered company, FG LA LLC, and is branding the site as “The Sunshine Project.” Pending the completion and approval of permits for the site, FG could begin construction as soon as 2019 in what projects to be a 10-year building and development process in two phases.

The Sunshine Project would create 1,200 new direct jobs averaging \$84,500, plus benefits. Louisiana Economic Development estimates the project also would result in 8,000 new indirect jobs, for a total of more than 9,000 jobs in the River Parishes and surrounding regions of Louisiana.

“For more than 50 years, the Sunshine Bridge has connected the River Parishes in a strategic fashion that has enabled tremendous industrial growth and thousands of new jobs along both sides of the Mississippi River in Louisiana,” Gov. Edwards said. “The new Sunshine Project continues that bridge into a brighter economic future for Louisiana, one with an estimated 8,000 construction jobs at peak, even more permanent jobs upon completion, and a multibillion-dollar impact on earnings and business purchases for decades to come. As a major global manufacturer based in Taiwan, Formosa has operated in Louisiana for several decades, and we applaud the company’s responsible and thorough approach to developing this project.”

With over 100,000 employees worldwide, Formosa Plastics Group operates three existing Louisiana facilities with 410 employees in East Baton Rouge and Pointe Coupee parishes. Years in the making, the

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St. James Parish complex will create one of the world's most innovative, single-site ethylene hubs. Production at the Louisiana complex will support a host of plastic goods, ranging from sports equipment and food packaging to clothing and healthcare and technology products.

"We will work to keep the community updated and informed at each stage of this project," said Formosa's Keh-Yen Lin, who is CEO of the FG LA LLC project and executive vice president of Formosa Petrochemical Corporation. "We welcome questions and concerns, and encourage nearby residents and anyone interested in the project to visit our website at SunshineProjectLA.com."

To secure the project, the State of Louisiana offered a competitive incentive package that would include a \$12 million performance-based grant to offset infrastructure costs. Following company performance in building the complex, FG would receive the grant in four annual installments of \$3 million beginning in 2021, the projected first year for hiring permanent jobs. FG also would receive the services of the nation's No. 1 state workforce development program, LED FastStart®, and the company expects to utilize Louisiana's Quality Jobs and Industrial Tax Exemption programs.

"Given the history of St. James Parish, this will be the largest industry ever welcomed," Parish President Timmy Roussel said. "This plant alone will almost double the present tax base. Assisting our unemployed and underemployed residents of the community is a priority in St. James Parish. Thus, a company like Formosa, of this magnitude, surely can help to remedy a lot of our community's needs. Such an operation will offer St. James Parish residents and businesses unheard of opportunities: St. James Parish is a great place to live, work, play and grow."

In developing its site within the Port of South Louisiana District, FG will join the largest port, by tonnage, in the Western Hemisphere.

"The Port of South Louisiana welcomes Formosa to our district and we look forward to assisting them in constructing and operating their facility," Port Executive Director Paul Aucoin said. "As one of the most important investments within the Port of South Louisiana, we appreciate the many jobs the project brings to our community."

The port district spans 54 miles between Baton Rouge and New Orleans and falls within the 10-parish economic development region of Greater New Orleans Inc.

"GNO Inc. is proud to welcome Formosa to St. James Parish, where it will bring over 1,200 new direct jobs and \$9.4 billion in capital investment," said GNO Inc. President and CEO Michael Hecht. "Formosa's decision to announce in St. James Parish is proof not only of the River Region's unique assets, but also of the unsurpassed economic development partnership that exists within Greater New Orleans and Louisiana."

An economic impact study completed by LSU economist James Richardson forecasts the 10-year FG construction period will yield \$362 million in new state and local tax receipts, with an additional yield of \$313 million in new state and local taxes during the initial 10 years of operation, beginning in 2025. Through 2035, combining both periods, Richardson estimates the project will yield \$4.7 billion in new personal earnings and \$18.5 billion in new business transactions.



Formosa Petrochemical Corp. officials photographed with St. James Parish President Timmy Roussel, Louisiana Governor John Bel Edwards, and LED Secretary Don Pierson



Louisiana Governor John Bel Edwards with Port of South Louisiana Executive Director Paul Aucoin during Formosa Petrochemical Corp.'s announcement press conference

About the Port of South Louisiana

The Port of South Louisiana is a 54-mile port district on the Mississippi River between New Orleans and Baton Rouge, encompassing the parishes of St. Charles, St. John and St. James. The facilities located within the port's district consistently handle over a quarter billion short tons of cargo annually, ranking it the largest tonnage port district in the Western Hemisphere (and the 16th largest in the world), the nation's greatest grain exporter, and one of the major energy transfer ports in the United States. Along the 108 miles of deep-water frontage on both banks of the river there are seven grain transfer facilities, four major oil refineries, 11 petrochemical manufacturing facilities and several other facilities for a total of more than 50 docks owned and operated by an impressive group of companies in the Port District, such as ADM, ArcelorMittal, Cargill, DowDupont, Marathon, Shell, Nucor Steel, Occidental, Valero, and Occidental Chemical. The Port also owns and operates the Executive Regional Airport (KAPS). To learn more, visit us at www.portsl.com, like us on [Facebook](#), and follow us on [LinkedIn](#).

About Formosa and FG

FG is an affiliate of Formosa Plastics Group, which is a Taiwanese-based company founded in 1954. Formosa has over 100,000 employees worldwide, with locations in the U.S., Taiwan, China, Vietnam, Philippines and Indonesia. Formosa's major businesses are oil refining, petrochemicals, plastics, fibers, textiles, electronics, energy, steel, transportation, machinery, healthcare and biotech. Like Formosa, FG has a deep commitment to social, environmental and safety performance, and will keep the community updated and informed as The Sunshine Project moves forward.

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For information about this particular topic or about the Port of South Louisiana, contact Alexandra "Alex" Hernández, Public Information Officer, at (985) 652-9278 or ahernandez@portsl.com.