

## ***Beaver County Times***

### **Beaver County sees economic growth amid cracker construction**

With construction of the Shell Chemicals ethane cracker plant in Potter Township taking shape, Beaver County is poised as a regional leader in the petrochemical industry. [BCT file]

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### **Construction of Shell Chemicals' ethane cracker plant made Beaver County a leader in economic growth two years ago, new data reveals.**

Construction of Shell Chemicals' ethane cracker plant made Beaver County a leader in economic growth two years ago, new data reveals.

Federal Bureau of Economic Analysis estimates released last month show Beaver County had the region's highest year-over-year gross domestic product growth in 2018. Economists use GDP to measure the size and economic health of a region.

"It's a measure of value added," said Chris Briem, an analyst with the University of Pittsburgh's Center for Social and Urban Research. "Beaver County shot out as having this very rapid growth because of the tremendous number of construction jobs at the cracker plant."

While all seven counties in southwestern Pennsylvania generated growth in 2018, annual rates varied — ranging from 0.6 percent in Armstrong to 6 percent in Beaver. Allegheny County produces more than \$96 billion in GDP annually, according to the bureau, or 63 percent of the region's total.

Beaver County's growth was primarily in the construction industry; roughly \$400 million of net growth represented a 62.5 percent surge in what the industry generated in 2017. That year, the county saw a 3.2 percent spike — good news considering Beaver's 1.4 percent decline in 2016.

Shell Chemicals began constructing the petrochemical complex in Potter Township late 2017.

Now, roughly 6,500 pipe fitters, electricians and welders are on site, a number that has gradually increased over time. It's unclear how 2019's growth will stack up as the site nears completion.

"Much of the work is done," Michael Marr, Shell Chemicals' business integration lead, told The Times in December. "Now we are tying the various larger structures together."

Once open sometime this year, it will support about 600 permanent, full-time jobs. The company expects to produce more than a million tons of plastic each year at the facility, spurring an interest in Appalachian petrochemical production.

Briem said it's unlikely this level of growth will last post-construction when thousands of temporary employees leave the county for other opportunities.

"The estimated employment numbers are 600 jobs at the plant," he said. "There's some value to that, but I don't think it's on the same scale. The chemical industry, in general, has a fairly high output for workers so you might see a jump beyond employment, but it's a relatively small number."

Other industries experiencing growth in Beaver County included transportation, information and manufacturing. This, plus construction, greatly offset a steep decline in utility, agriculture and similar industries.

"The big question now is whether the existence of the cracker will spur any other development or manufacturing facilities in the region," Briem said.