

AMERICA'S OIL PIPELINES

Fueling Manufacturing Jobs and Growth



A new study from IHS Economics and the National Association of Manufacturers (NAM) reveals the impact crude oil pipelines have on U.S. manufacturing growth and employment and the advancement and development potential for manufacturers if new crude oil pipelines are constructed to take advantage of the U.S. energy renaissance. In 2015, construction and operation of crude oil pipelines created 207,800 jobs and contributed \$21.8 billion to GDP. IHS projects that oil pipelines will deliver even more jobs and growth for manufacturers in 2016. Oil pipelines will contribute 243,167 jobs, of which 28,438 will be in manufacturing, and \$25.1 billion in GDP.

U.S. Economic Impacts of Crude Oil Pipeline Construction and Operation in 2016



Refineries

316 Jobs
\$540.2 million to GDP



Fabricated Metals

14,173 Jobs
\$1,424.2 million to GDP



Metals

1,368 Jobs
\$169.9 million to GDP



Paints and Chemicals

2,756 Jobs
\$540.3 million to GDP



Machinery Manufacturing

2,476 Jobs
\$463.3 million to GDP



Minerals Manufacturing

1,395 Jobs
\$134.5 million to GDP

Key Facts

- In 2015 and 2016, **13,252 miles of new crude oil transmission pipelines will be constructed in the United States** at a cost of \$25.6 billion. This is on top of 61,379 miles of onshore crude oil pipelines operating in the United States at the end of 2014.
- From both construction and maintenance in 2016, crude oil pipelines will contribute **243,167 jobs**, including **28,438 manufacturing jobs**.
- **\$91.7 billion** estimated increase in combined U.S. economic output between 2015 and 2016 considering direct spending and indirect and induced multipliers.
- Construction and operation of crude oil pipelines contributed a combined **\$46.9 billion** to GDP, **\$7.6 billion** in manufacturing, from 2015 to 2016.
- **\$31.8 billion** in combined labor income in 2015 and 2016.

Manufacturers Benefit from Crude Oil Pipelines

- Between 32 and 37 percent of the cost of constructing a pipeline is directly for manufacturing inputs.
- The major types of manufacturing goods used include equipment, line pipe, fittings, coatings and booster stations, including pumps.
- At least 66 different manufacturing subsectors, out of 86 total, benefited from the construction of crude oil pipelines by \$10 million or more in 2015 alone. These include iron and steel, fabricated metals, cement, machinery and paints and coatings.
- Manufacturers benefit from pipeline construction and maintenance. As our pipeline network grows, so does manufacturing opportunity.