



► *The future looks bright for this state. I am confident that Texas will adapt and succeed as it has always done. This is a tribute to its people, its culture and the strong leadership this state.*

The Texas economy is highly resilient despite the challenges its energy industry faces. This resiliency is due in large part to an increasingly diversified economy, migration of people and firms to the state and expansion of the petrochemical industry along the Gulf Coast.

Importantly, it is also a product of the entrepreneurial spirit and “can-do” attitude of the great people in this state. This spirit is embodied in its leaders and is exemplified by Richard W. (Dick) Evans Jr., chief executive officer of Cullen/Frost Bankers Inc. and Frost Bank. He is the subject of the “On the Record” interview in this issue of *Southwest Economy*. Dick is a true giant of the Texas banking community and a past Federal Reserve Bank of Dallas director. After 44 years at Frost Bank, Dick is retiring. We wish him well and thank him for his invaluable service to the Dallas Fed, his customers, his employees and the state of Texas.

Also in this issue, Jesse Thompson discusses the significant growth experienced by Texas’ ports over the past two decades: The value of foreign trade has grown over 400 percent since 1996. Texas is home to four of the nation’s top 15 port districts. Ongoing investment in infrastructure and in petrochemical plants along the Gulf Coast, Mexican energy reforms and pending trade agreements will ensure that Texas’ ports continue to make strong economic contributions. This, in turn, will promote job creation for our citizens and open markets for our goods.

While the longer-term outlook for our ports is bullish, there are shorter-term challenges due to declining oil prices. In this issue, Martin Stuermer and Navi Dhaliwal discuss the role the Organization of the Petroleum Exporting Countries has played in driving down prices by maintaining near-record levels of production. The ample supply has put substantial pressure on high-cost competitors, particularly U.S. shale producers.

Despite these challenges, the future looks bright for this state. I am confident that Texas will adapt and succeed as it has always done. This is a tribute to its people, its culture and the strong leadership in this state.

A handwritten signature in black ink that reads "Robert S. Kaplan". The script is fluid and cursive, with a large, stylized 'R' and 'K'.

*Robert S. Kaplan
President and Chief Executive Officer
Federal Reserve Bank of Dallas*