

## **OVERVIEW OF BUSINESS ACTIVITY**

**4th Quarter, 2002  
(October, November, December 2002)**

State gross business income fell 2.9 percent this quarter over the same quarter of last year.

The two largest sectors experienced opposite impacts: Wholesale Trade fell 4.6 percent while Retail Trade climbed 3 percent.

Under Wholesale Trade, the Durable Goods industry dropped 12.6 percent while Nondurable Goods grew 3 percent. The loss under Durable Goods was due mostly to the Other Wholesalers business activity, which fell a noticeable 31 percent. Motor Vehicles and Auto Equipment business activity grew 13.3 percent. The growth in Nondurable Goods should not be surprising, as many of its business activities experienced growth of various degrees.

With Retail Trade, its biggest industry, Miscellaneous Retail, grew 3.8 percent. This increase was contributed mostly by Drug Stores and Nonstore Retailers, which gained 14.5 and 16.1 percent, respectively. Unfortunately, its similar-sized industry, Automotive Dealers and Gas Stations, decreased 8 percent. All business activities in this industry suffered losses. The third largest industry under Retail Trade, Food Stores, rose 2.1 percent; this growth was contributed mostly by the Grocery Stores business activity.

The third largest sector in the state, Manufacturing, took a hit of 12.2 percent. Transportation Equipment, the largest industry under Manufacturing, suffered a loss of 32.4 percent. Not surprisingly, this was due mostly to Aircraft and Parts, which decreased 34 percent. On the bright side, however, Food Products gained a good 5.3 percent and Paper and Allied Products increased 19.5 percent.

As for the Services and Other Business sector, it remained essentially the same from last year with a gain of under half a percent. This holds true for Contract Construction also, which grew barely over 1 percent.

The last sector deserving mention is Finance, Insurance and Real Estate. Every industry under this sector grew, but only minimally. These resulted in a net gain of 3.9 percent for the sector.