

OVERVIEW OF BUSINESS ACTIVITY

**4th Quarter, 2008
(October, November, December 2008)**

State gross business income declined \$8.3 billion to \$164.7 billion in the fourth quarter of 2008, a 4.8 percent decrease over the fourth quarter of 2007.

Some industries experienced substantial declines. The gross income of New and Used Auto Dealers dropped 36.5 percent to \$2.5 billion, illustrating the State's economy is still weak. Another significant decline was in Manufacturers of Aircraft, and Aerospace Products and Parts; the industry experienced a decline of \$5.3 billion from the fourth quarter of 2007 a 52.4 percent drop.

Gross income continued to increase in some industries, despite the economic slowdown. In the manufacturing sector, Software Reproduction increased 64.1 percent and Household Appliances jumped 150.8 percent. In the wholesale sector, Chemicals and Plastics rose 56.2 percent.

While Retail Trade decreased 8.7 percent overall, some specific industries experienced increases. E-Commerce and Mail Order realized the largest increase at 15.8 percent, while Radio, TV and Other Electronics climbed 11.3 percent and Computers and Software rose 11 percent.

Statewide, Taxable Retail Sales were down 10.8 percent compared to the fourth quarter of 2007. However, Douglas County continued to experience an increase in taxable retail sales, 83 percent in the fourth quarter, due to construction projects in the county. King County continues to experience decreases in taxable retail sales, down 12.9 percent from the fourth quarter of 2007.

The incorporated areas of Fife and Kent saw decreases of 37.7 percent and 32.6 percent, respectively, while Mountlake Terrace recorded an increase of 19.3 percent.

Losses for other major industries reflected the weak economy. Manufacturing is down 23.1 percent, and Construction decreased 7.6 percent. Bucking the trend, Wholesale Trade increased 4.2 percent.