

OVERVIEW OF BUSINESS ACTIVITY

**1st Quarter, 2009
(January, February, March 2009)**

State gross business income declined \$18 billion to \$128.8 billion in the first quarter of 2009, a 12.3 percent decrease over the first quarter of 2008.

Most industry groups experienced declines. Manufacturing was down 18.8 percent compared to first quarter 2008. Construction was down 16.9 percent and Wholesaling realized a decrease of 17.9 percent. The gross income of New and Used Auto Dealers dropped 31.1 percent to \$2.57 billion. Other significant industry declines were in Semiconductor Manufacturing, dropping 60.6 percent to \$340.5 million, and Gas Stations with Convenience Stores at \$1.64 billion, down 36.2 percent.

Gross income increased in some industry groups, despite the economic slowdown. Utilities, as a group, were up 2.1 percent and Business, Personal and Other Services were up 0.3 percent over first quarter of 2008. In the Manufacturing sector, Aircraft and Aerospace Parts was up 7.5 percent, a \$700 million increase. E-Commerce and Mail Order Retail Trade was up again year over year, increasing 25 percent to \$538 million. Radio, TV and Other Electronics retailing was also up \$47 million, an 11.6 percent increase over first quarter 2008. Other Health Facilities and Services also increased \$666 million, up 29 percent.

Statewide, taxable retail sales were down 12.8 percent compared to the first quarter of 2008. However, Douglas County continued to experience an increase in taxable retail sales, up 13.7 percent in the first quarter of 2009, due to construction projects in the county. Most counties experienced declines in taxable retail sales with King County down 15.3 percent, Snohomish County down 14.6 percent, Spokane County down 7.7 percent, and Clark County down 15.6 percent.

The incorporated areas of Fife and Kent had decreases of 31.8 percent and 38.8 percent, respectively. Seattle was down 11.2 percent compared to first quarter of 2008. Camas had an 11.3 percent increase compared with the previous year, as did Port Townsend, up 4 percent, and Shelton, up 6 percent.