

## OVERVIEW OF BUSINESS ACTIVITY

1st Quarter, 2003  
(January, February, March 2003)

The year 2003 started with a decline in gross business income of almost 2 percent in the first quarter.

Of the major sectors of the state's economy, only Retail Trade was positive, with a gain of 8.9 percent over Quarter 1, 2002. Under this sector, Automotive Dealers and Gas Stations remained relatively constant, with a gain of only 0.1 percent. Miscellaneous Retail did slightly better, with an increase of almost 2 percent. A bright spot for Retail Trade was its Food Stores industry which grew 13.2 percent. The industry's largest business activity, Grocery Stores, increased 15.5 percent.

Two other industries under Retail Trade worth mentioning are General Merchandise Stores and Eating and Drinking Places. The former grew 30.1 percent and the latter grew 16.8, percent. However, these increases were balanced out somewhat by a loss of 2.6 percent in the Furniture, Furnishings and Equipment industry.

The other major sectors, Manufacturing and Wholesale Trade, experienced losses of 12.1 percent and 7.8 percent, respectively. Under Manufacturing, the decline was attributed mostly to the loss of almost 40 percent in Transportation Equipment, which was the largest industry. This industry's loss, in turn, was due greatly to the Aircraft and Parts business activity. This activity declined 41.1 percent. As for other major industries under Manufacturing, Food Products gained 11.5 percent; Lumber and Wood Products increased 10.3 percent; and Paper and Allied Products grew almost 13 percent.

Under Wholesale Trade, Durable Goods fell 9.7 percent and Nondurable Goods dropped 5.8 percent. For Durable Goods, the shrinkage was due mainly to three industries: Lumber and Construction Materials, Electrical Goods, and Other Wholesalers. Their losses were 48.5, 19.8, and 12.7 percent, respectively.

With Nondurable Goods, the decline can be found in Groceries and Related Products which fell 6.6 percent and Petroleum and Petroleum Products which fell 12.5 percent.

Among the moderate-sized sectors in the state, only Finance, Insurance and Real Estate experienced a gain. Its 29 percent gain was attributed mostly to its Finance industry, which increased a noticeable 37.5 percent. The other moderate-sized sectors, Contract Construction and Communication and Utilities, suffered losses of 4.5 and 8.3 percent, respectively.