

OVERVIEW OF BUSINESS ACTIVITY

Calendar 1996

Statewide calendar year 1996 gross income posted a 7.7 percent increase over calendar 1995 and showed the effects of a strong Washington State economy. Most significant was the 12.5 percent increase in the manufacturing sector.

Contract construction lagged behind the overall growth rate somewhat with a 5.6 percent increase. General building construction was up 6 percent while heavy construction was up only 3 percent. Special trade contractors (plumbing, heating, electrical, masonry, etc.) was up 9.3 percent.

Growth in the manufacturing sector was led by a 28.7 percent increase in the transportation equipment sector, but other manufacturing industries reported strong growth. Apparel and textiles was up 14.7 percent, fabricated metal products 20.3 percent, and non-electric machinery 10.6 percent. What held the overall manufacturing sector increase to 12.5 percent was mainly due to declines in lumber and wood products and paper and allied products. Food products, a significant industry in this sector, was up 5.5 percent.

Transportation and allied services was up 6.5 percent largely due to an 8 percent increase in motor freight warehousing. Railroads reported a 9.3 percent decline.

Communication and utilities was up 4.9 percent with increases fairly uniform among all types of utilities. Gas companies reported the largest increase at 6.3 percent.

Wholesale trade was up 6.5 percent with all wholesaling categories reporting gains except for paper and paper products which was down 10.9 percent as a result of declines in paper prices. Wholesale durable goods substantially out-performed the nondurable goods sector with a 9.4 percent increase versus 3.4 percent. Once again, sporting goods recreational equipment led the durable goods sector with a 19.9 percent increase. Within nondurable goods, petroleum and petroleum products was up 11.1 percent.

Retail trade posted an overall increase similar to the wholesale trade sector at 6.3 percent. A leading gainer in the retail trade sector, and the largest retail industry, automotive dealers and gas stations was up 8.5 percent with gross income of over \$16 billion. Furniture, furnishings and equipment posted a 10.7 percent increase due to the sub-category, electronics and music stores, up 19.5 percent.

Finance, insurance and real estate had a strong year with an overall 8.7 percent increase. The insurance industry reported an 18.9 percent increase, real estate 8.4 percent, and other finance up 10.2 percent.

The service and other business sector was up 7.4 percent with business services leading the way with an 11 percent increase on \$18.2 billion in gross income. The largest industry within business services, computer services, was up 10.1 percent. A significant industry within the service sector, medical and other health services, was up 4.4 percent.