

OVERVIEW OF BUSINESS ACTIVITY

2nd Quarter, 2007
(April, May, and June 2007)

State gross business income increased \$12.2 billion, or 8.9 percent, in the second quarter of 2007 compared to the second quarter of 2006.

Two of the largest gains were realized in the Wholesale of Petroleum Products industry and the Wholesaling of Other Durable Goods Industry. There was a \$1.03 billion (142.1 percent) increase in the Petroleum industry and a \$940 million (44.6 percent) increase in the Other Durable Goods industry.

A few aerospace-related industries realized strong growth during the second quarter of 2007 including Aircraft Parts Manufacturing (\$909 million) and Transportation Equipment Manufacturing (\$858 million).

In terms of the largest percentage increase, the Wholesale of Petroleum Products sector grew by 142.1 percent, or \$1.03 billion. The second highest percent increase was in the Air Transportation sector which realized a 99.9 percent, or \$27.1 million, increase. The high growth was due to changes to the industry classification assignments and to new firms and non-reporters in both industries.

Petroleum Refining exhibited the greatest decrease over the last year (\$771 million, or 13.5 percent). This was due to industry reclassifications (as noted in the previous paragraph). Banks and Credit Unions also showed a large decline (\$251 million, or 5 percent).

Overall, Wholesale Trade was up \$3.6 billion (13.9 percent) and the Business, Personal, and Other Services sector realized gains of \$2.6 billion (11.4 percent). Construction was up \$2.2 Billion (22.3 percent). Manufacturing grew by \$1.9 billion (6.0 percent) and Retailers increased by \$1.6 billion (6.2 percent).