

OVERVIEW OF BUSINESS ACTIVITY

Calendar 2001

Despite the terrorist attack on America and how this event may have impacted our state economy, we did not do too poorly during Calendar Year 2001. Overall our state economy remained stable, with a gross business income decline of only 0.7 percent over Calendar Year 2000.

Wholesale Trade, our biggest sector, took an economic hit and fell 5.3 percent. Under this category, Durable Goods shrunk by almost 10 percent while Nondurable Goods declined only 0.3 percent.

Next in line of significant sectors is Retail Trade, with a 2.4 percent loss. Its largest industry, Automotive Dealers and Gas Stations, fell 4.6 percent. Miscellaneous Retail, which was also a major player under Retail Trade, fell 7.6 percent. Luckily, Food Stores and General Merchandise Stores saved the day with gains of 5.7 percent and 4.6 percent, respectively. If it were not for these two latter industries, Retail Trade would have suffered further.

The good news for the state lies in the Manufacturing and Services and Other Business sectors, with growth of 0.4 percent and 2 percent, respectively.

Under Manufacturing, the Transportation Equipment industry gained an impressive 9.2 percent during the calendar year. The industry was assisted greatly by the Aircraft and Parts business activity, which gained 11.5 percent. Unlike Transportation Equipment, however, the other industries under Manufacturing did not do so well. Declines of various degrees were experienced by these other industries.

With Services and Other Business, we saw growth in the magnitude of 2 percent. Its biggest industry, Business Services, suffered a loss of 5.2 percent while its second largest industry, Medical and Health Services, gained a powerful 9.5 percent. Other Services helped this sector further with a noticeable 7.9 percent increase. All in all, our fourth largest sector not only sustained, but did well during economic hard times.

The state should be thankful to our Finance, Insurance, and Real Estate and Communication and Utilities sectors. These sectors grew 5.2 percent and 7 percent, respectively. Under the former, the Finance and Insurance industries gained 5.9 percent and 9.3 percent, respectively. Communication and Utilities was an interesting sector in that all its industries showed gains -- no losses whatsoever.