

OVERVIEW OF BUSINESS ACTIVITY

2004 Third Quarter

State gross business income increased \$10.1 billion, or 9.7 percent, in the third quarter of 2004 compared to the third quarter of 2003.

Gross business income increased \$0.8 billion in the Contract Construction industry, reflecting low interest rates and an economy beginning to pick up after a recession.

Reflecting strength in construction activity nationwide, gross business income in Lumber and Wood Products manufacturing in Washington increased \$0.5 billion.

In the Petroleum Refining industry gross business income increased \$0.8 billion, as oil prices soared to record highs and the refinery industry operated near capacity in order to meet strong demand.

In Wholesale Trade, gross business income increased \$3.0 billion, or 15.0 percent, as business spending on items such as motor vehicles, office equipment, and machinery increased after an extended period of weakness stretching back to the start of the recession in 2001.

Gross business income increased \$2.2 billion, or 9.3 percent, in Retail Trade. Lumber and Building Materials and Furniture were among the stronger retailing sectors, reflecting recent strength in Washington real estate activity.

In Services, gross business income increased \$1.6 billion, or 9.9 percent, with most of the growth taking place in business and professional services.