

OVERVIEW OF BUSINESS ACTIVITY

**1st Quarter, 2005
(January, February, March 2005)**

State gross business income increased \$9.4 billion, or 9.3 percent, in the first quarter of 2005 compared to the first quarter of 2004.

A large share of the increase was in the Manufacturing industry, which realized \$3.1 billion in growth. The major contributor to the growth in the Manufacturing sector was the Petroleum Refining industry with a \$0.9 billion increase. This increase was primarily due to higher gas prices.

Many industries realized strong growth during the first quarter of 2005 as a result of the increased Washington real estate activity. Some of these industries include the Contract Construction industry with a \$0.9 billion increase; a nearly \$0.3 billion increase for both the Wholesale Trade of Lumber and Construction Materials, and Machinery and Equipment; a \$0.2 billion increase for the Retail Trade of Building Materials and Hardware; and the Architectural and Engineering Services and Computer System Design sectors both grew more than 15.0 percent.

Overall, Retail Trade grew by \$1.7 billion, or 8.9 percent, Manufacturing increased \$3.1 billion, Wholesale Trade grew \$0.9 billion, and the Business, Personal and Other Services sector increased by \$2.3 billion.