

OVERVIEW OF BUSINESS ACTIVITY

1st Quarter, 2007
(January, February, March 2007)

State gross business income increased \$12.3 billion, or 10 percent, in the first quarter of 2007 compared to the first quarter of 2006.

Two of the largest gains were realized in the wholesale of Nondurable Goods industry, and manufacturing of Paper Products industry. The wholesale of Nondurable Goods realized gains of \$2 billion (19.4 percent), while the Paper Products industry grew by \$0.7 billion (74.5 percent).

A few other industries realized strong growth during the first quarter of 2007 including Architectural, Engineering, and Design Services with realized gains of \$0.5 billion and Computer & Electronics with an increase of \$0.4 billion.

In terms of the largest percentage increase, the Public Administration, Other sector grew by 281.3 percent, or \$147.2 million, and the Petroleum Products industry rose 167.2 percent, or \$962.4 million. The high growth was due to changes to the industry classification assignments and to new firms and non-reporters in both industries.

The Banks & Credit Unions industry shows the greatest decline of \$0.9 billion from Quarter 1, 2006 to Quarter 1, 2007. The manufacturing of Petroleum & Coal Products was down by \$378.9 million, and the Natural Gas Distribution's gross income fell by \$161.8 million. The majority of the decline was due to incorrect reporting in Quarter 1, 2006, which has been corrected.

Overall, Wholesale Trade was up \$3.4 billion and the Business, Personal, and Other Services sector realized gains of \$3.2 billion. Manufacturing grew by \$2.8 billion and Retail Trade increased by \$1.6 billion.