

OVERVIEW OF BUSINESS ACTIVITY

Calendar Year 2008
(January - December 2008)

State gross business income increased \$16.8 billion, or 2.7 percent, in calendar year 2008 compared to calendar year 2007. Though the state saw small growth over the year in the last two quarters major industries experienced a drop in gross business income slowing growth overall in the state.

With decreases in Manufacturing, Construction and Retail Trade the overall economy in Washington is showing signs of weakening. Industry specific decreases can be seen in New and Used Auto Dealers with 19.6 percent over last year and Apparel and Accessories down 4 percent. Dramatic decreases in Lumber and Wood Products 12.9 percent and Transportation Equipment 17.1 percent resulted in the overall decrease seen in Manufacturing. Not all industries in Manufacturing experienced declines. Food Products was up 14.1 percent; specifically Meat Products up 41.2 percent to \$1.9 billion.

Wholesaling seemed to buck the trend with an overall increase of 8.1 percent with Electronic Markets, Agents & Brokers leading the industry, 84.4 percent increase relative to the past year. Another industry that experienced growth was Business, Personal and Other Services up 8.6 percent over last year.

Taxable Retail Sales in the most populous counties was down. King and Pierce both experienced declines of 4.3 percent and 6.6 percent respectively; while Snohomish dropped 7.9 percent. This trend carried through to the incorporated areas as well. Seattle up slightly at 0.4 percent but Bellevue was down 6.0 percent Tacoma experienced a decline of 8.1 percent.

Losses in major industries and in taxable retail sales throughout the state reflect the weak economy. Construction is down 0.9 percent, Manufacturing dropped 0.8 percent and Retail Trade is down 0.1 percent.