

OVERVIEW OF BUSINESS ACTIVITY

**1st Quarter, 2002
(January, February, March, 2002)**

The state marched into the new year with a gross business income loss of 3.3 percent during 1st Quarter, 2002.

Wholesale Trade, perhaps the state's biggest sector, fell 9.5 percent. Its Durable Goods and Nondurable Goods industries declined 8.8 percent and 10.2 percent, respectively. The only business activity under Durable Goods that prospered was Motor Vehicles and Auto Equipment, with almost 9.0 percent gain. As for Nondurable Goods, the Groceries and Related Products business activity increased 8.9 percent and Miscellaneous Nondurable Goods increased 2.4 percent. These two business activities were some of the highlights for Nondurable Goods.

Next in line of significant sectors is Retail Trade, which declined 1.8 percent. Its biggest industry, Automotive Dealers & Gas Stations, fell 6.0 percent while its next largest, Miscellaneous Retail, fell only 1.2 percent. Not all was lost, however. Food Stores grew 2.7 percent and General Merchandise Stores gained 4.3 percent. These two latter industries certainly helped the sector from further losses.

The Manufacturing sector showed its economic strength with a 2.3 percent growth. Given its weight in the state's economy, this was quite good. Its two largest industries, Food Products and Transportation Equipment, boast 5.2 percent and 12.1 percent increases, respectively. Of course, for Transportation Equipment, the gain was almost all Aircraft and Parts activities.

The Services and Other Business sector fell 4.6 percent. Its largest industry, Business Services, took a severe blow of 20.9 percent. Major business activities under this industry all showed losses, including Computer Services. Fortunately, the sector benefited from the Medical and Health Services industry, which gained a whopping 9.0 percent. The Other Services industry was not bad either. It grew almost 10 percent.

Unlike previous quarters when its economic might seem permanent, the Finance, Insurance, and Real Estate sector actually fell 5.7 percent. Only the Insurance business activity gained. All other business activities showed losses.

Lastly, the Communication and Utilities sector shrunk 4.7 percent. This decline was attributable mostly to its Communication and Electric Companies business activities, which recorded 1.6 percent and 16.6 percent declines, respectively.