



REPUBLIC OF KENYA

KENYA NATIONAL BUREAU OF STATISTICS

Gross Domestic Product
Third Quarter 2007

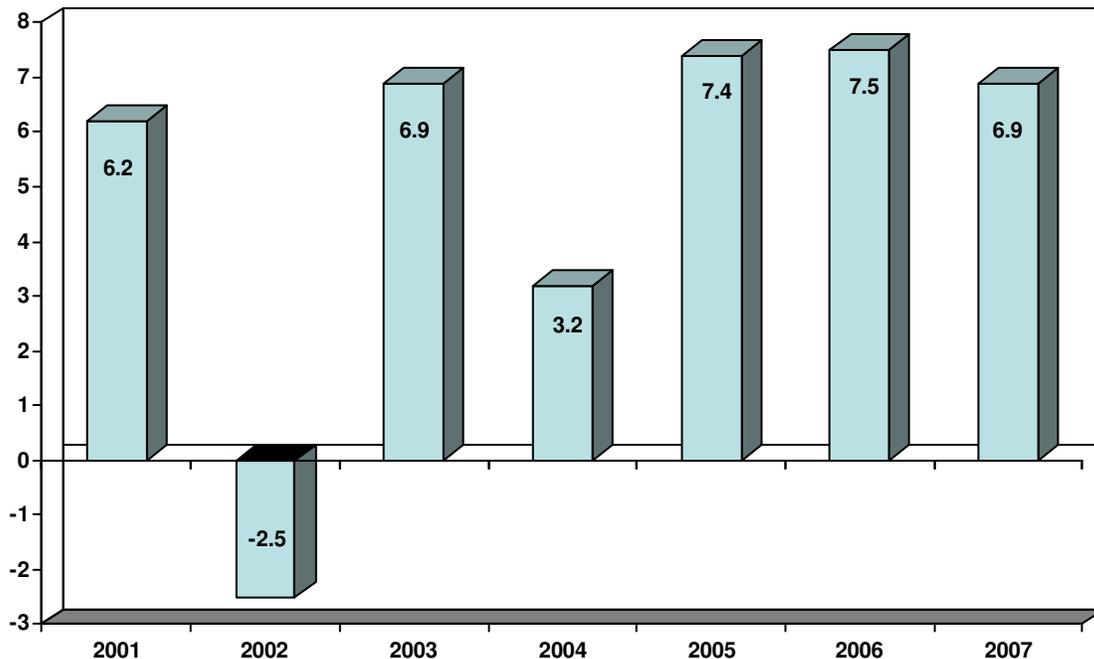
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Economic performance

Provisional results for the first nine months estimate the economy to have grown by 6.9 per cent in 2007 compared to a growth of 5.8 per cent over the same period in 2006 as shown in Table 2. Key sectors that spurred this growth in the first nine months include Agriculture, Manufacturing, Hotels and Restaurants, Transport and Communication, and Financial Intermediation. On the other hand, Real Gross Domestic Product (GDP) is estimated to have grown by 6.9 per cent in the third quarter of 2007 compared to a growth of 7.5 per cent in third quarter of 2006 with all sectors recording positive growths.

Graph 1 Overall growth rates of the third quarter



Sectoral analysis

All the sectors of the economy recorded impressive growths in the third quarter of 2007 with high growths being witnessed in Hotels and Restaurants, Construction, Electricity and Water, Manufacturing, Financial Intermediation and Agriculture.

Agriculture

Agriculture and Forestry recorded a growth of 5.8 per cent in the third quarter of 2007 compared to a growth of 7.8 per cent over the same period in 2006. Coffee deliveries is estimated to have increased from 5,958 metric tonnes in the third quarter of 2006 to 9,338 metric tonnes in 2007 while tea deliveries declined slightly from 75,613 metric tonnes in the third quarter of 2006 to 74,447 metric tonnes in 2007. Sugar cane production recorded a growth of 6.6 per cent in the third quarter of 2007 to stand at 1,294,226 tonnes compared to 1,213,933 tonnes in 2006. Exports of cut flowers, vegetables and fruits went up by 2.7 per cent, 52.4 percent and 10.4 per cent respectively in the third quarter of 2007. Agriculture sector growth is estimated to have grown by 7.7 per cent in the three quarters (nine months) of 2007 compared to a growth of 4.7 per cent in 2006 over the same period.

Manufacturing

Manufacturing is estimated to record a growth of 7.5 per cent in the third quarter of 2007 compared to a growth of 9.4 per cent in the previous year. The manufacture of food, beverages and tobacco recorded a growth of 11.3 per cent in the third quarter of 2007. Key contributors to this sub sector were production of beer, domestic sugar and mineral water and soft drinks. All other manufacturing sub sector whose key indicators include cement production and manufacture of textiles, clothing and footwear recorded a growth of 5.8 per cent in the third quarter of 2007. The sector is also estimated to have grown on average by 8.3 percent in the three quarters (nine months) of 2007 compared to a growth of 7.1 per cent in 2006.

Electricity and Water

The sector recorded a growth of 9.9 per cent in the third quarter of 2007 compared to a contraction of 1.6 per cent during the same quarter of 2006. The high generation of hydroelectricity compared to the thermal continued to spur the electricity sub sector to

record a growth of 12.1 per cent in the third quarter of 2007 compared to a decline of 3.7 per cent in 2006. In the three quarters (nine months) of 2007, the sector is estimated to have grown by 8.6 per cent compared to a decline of 1.2 per cent in 2006.

Wholesale and Retail Trade

The continued demand for distributive services enabled the sector to grow at 7.1 per cent in the third quarter of 2007. On average the sector is also estimated to have grown by 7.0 per cent in the three quarters (nine months) of 2007.

Transport and Communication

In the third quarter of 2007 the sector is estimated to have grown by 8.2 per cent compared to a growth of 9.1 per cent in 2006. The key indicators in the transport and storage sub sector which are consumption of light diesel and motor spirits posted mixed results over the period. While the consumption of light diesel recorded a growth of 6.4 per cent in the third quarter of 2007, that of motor spirits recorded a decline of 8.4 per cent. The number of tourist arrivals and departures which also monitors the performance of the air transport grew by 6.1 per cent and 4.6 per cent respectively. The communication sub sector recorded a growth of 15.1 per cent in the third quarter of 2007 compared to a growth of 12.5 per cent in 2006. The Transport and Communication sector recorded an average growth of 8.5 per cent in the three quarters (nine months) of 2007.

Hotels and Restaurants

The hotel and restaurant sector continued to record high growths with the third quarter of 2007 recording a growth of 19.5 per cent. The growth was attributed to the increase in bed occupancy resulting from the continued rise in the number of tourists. The average growth of the sector in the three quarters (nine months) of 2007 was 12.6 per cent in 2007 compared to a growth of 11.9 per cent in 2006.

Construction

The construction sector recorded a growth of 22.4 per cent in the third quarter of 2007 compared to 1.4 per cent in 2006. This increase is reflected to the rise in cement consumption which is a key indicator for the sector that increased by 23 per cent in the third quarter of 2007 compared to 7.7 per cent in 2006. The average growth in the three quarters (nine months) of 2007 was 10.3 per cent compared to 4.4 per cent in 2006.

Financial Intermediation

The sector continued on an upward trend recording a growth of 8.8 per cent in the third quarter of 2007 due to the increase in domestic credit, loans and deposits in the financial institutions. The average growth in the three quarters (nine months) of 2007 was 7.9 per cent compared to 5.3 per cent in 2006.

Table 1 Gross Domestic Product by activity

Constant 2001 prices –KSh. million

Year	Quarter	Agriculture and forestry	Fishing	Mining and quarrying	Manufacturing	Electricity and water	Construction	Wholesale and retail trade	Hotels and restaurants	Transport and communication	Financial intermediation
2000		251,171	7,995	4,536	98,202	18,683	30,653	88,479	12,280	81,649	47,114
2001		277,592	6,532	4,915	99,777	19,671	31,829	93,531	11,864	92,932	42,124
2002		269,071	5,119	5,036	99,858	23,749	31,214	91,219	12,425	101,336	41,443
2003		276,089	4,765	5,213	105,822	27,074	31,530	92,604	9,899	104,915	42,064
2004		280,518	5,246	5,195	110,544	27,877	32,932	100,481	13,741	112,251	42,657
2005		299,749	5,751	5,335	115,699	27,898	35,446	106,009	15,572	122,243	43,868
2006		315,805	6,269	5,554	123,626	27,635	37,665	117,524	17,895	135,466	46,265
2000	1	63,498	2,267	1,062	24,827	5,510	7,009	21,538	3,407	18,808	12,087
	2	54,167	1,763	1,176	23,931	5,173	8,127	20,505	2,511	18,748	11,891
	3	64,038	1,688	1,188	24,520	3,918	8,126	21,634	2,826	21,111	11,742
	4	69,469	2,277	1,109	24,924	4,082	7,390	24,802	3,535	22,982	11,394
2001	1	67,652	1,440	1,158	25,509	4,712	7,390	22,495	3,264	21,834	10,894
	2	60,318	1,830	1,301	25,236	4,701	8,927	22,236	2,453	22,956	10,633
	3	73,821	1,645	1,246	24,926	5,123	8,264	22,666	2,739	24,143	10,304
	4	75,801	1,617	1,210	24,106	5,136	7,247	26,134	3,409	23,999	10,293
2002	1	67,968	1,342	1,212	25,218	5,426	7,882	23,032	3,494	25,375	10,312
	2	57,658	985	1,275	24,819	5,999	8,098	21,476	2,618	25,635	10,244
	3	69,628	1,277	1,299	25,190	6,235	7,698	21,818	3,200	23,690	10,431
	4	73,816	1,516	1,250	24,631	6,089	7,536	24,893	3,114	26,636	10,457
2003	1	65,494	1,253	1,282	25,870	6,314	7,813	22,825	2,516	26,386	10,389
	2	58,961	928	1,359	25,975	6,694	8,390	20,969	2,064	23,453	10,349
	3	73,999	1,183	1,284	26,889	6,904	7,758	23,120	2,462	26,950	10,481
	4	77,634	1,401	1,287	27,087	7,162	7,570	25,690	2,857	28,126	10,846
2004	1	70,241	1,337	1,248	27,233	7,198	7,780	24,288	3,518	27,584	10,631
	2	59,048	1,186	1,331	27,026	7,057	8,517	23,270	2,694	26,353	10,606
	3	72,066	1,265	1,373	26,999	6,615	8,945	25,052	3,714	29,086	10,665
	4	79,163	1,458	1,243	29,286	7,007	7,690	27,871	3,816	29,229	10,754
2005	1	69,668	1,612	1,284	27,802	6,943	8,312	23,879	5,100	29,165	10,831
	2	64,156	1,054	1,283	28,825	6,905	8,535	25,166	3,030	29,414	10,867
	3	80,709	1,429	1,433	28,707	7,010	9,612	26,591	3,852	32,019	10,992
	4	85,217	1,655	1,335	30,365	7,040	8,986	30,373	3,589	31,645	11,179
2006	1	69,864	1,661	1,297	29,751	6,844	8,960	24,826	5,218	33,684	11,297
	2	67,658	1,107	1,335	30,229	6,859	8,910	29,841	3,388	32,786	11,552
	3	86,986	1,520	1,441	31,402	6,895	9,742	30,019	4,802	34,945	11,568
	4	91,297	1,981	1,481	32,245	7,037	10,053	32,838	4,487	34,052	11,849
2007	1	78,390	1,686	1,336	32,118	7,181	8,912	26,193	5,592	35,638	12,125
	2	71,300	1,181	1,420	33,096	7,608	9,618	32,297	3,764	36,629	12,428
	3	92,062	1,569	1,558	33,766	7,578	11,920	32,165	5,737	37,806	12,584

Table 1 Gross Domestic Product by activity
Constant 2001 prices – KSh. million

Year	Quarter	Real estate, renting, business services	Public administration	Education	Other services	FISIM	All industries at basic prices	All industries excl. agriculture	Taxes on products	GDP at market prices	GDP, seasonally adjusted
2000		57,091	48,243	62,148	67,339	12,479	863,105	611,933	113,232	976,337	
2001		58,667	46,760	63,013	69,424	11,772	906,859	629,267	113,148	1,020,007	
2002		60,452	46,731	64,748	71,453	10,665	913,190	644,119	112,394	1,025,584	
2003		61,864	46,991	71,045	72,203	10,315	941,763	665,674	113,895	1,055,658	
2004		63,740	47,062	72,268	74,854	10,801	978,565	698,047	130,772	1,109,338	
2005		65,882	46,461	72,908	77,136	11,261	1,028,696	728,947	144,088	1,172,784	
2006		68,402	45,631	73,549	80,091	11,989	1,089,386	773,580	155,059	1,244,445	
2000	1	14,309	12,105	15,593	16,738	-3,152	215,607	152,109	28,441	244,048	243,681
	2	14,158	12,120	15,560	16,777	-3,117	203,492	149,326	26,427	229,919	241,467
	3	14,199	12,068	15,521	16,854	-3,122	216,312	152,274	28,467	244,779	243,714
	4	14,426	11,949	15,474	16,970	-3,089	227,694	158,225	29,897	257,591	247,163
2001	1	14,486	11,798	15,785	17,124	-3,032	222,510	154,859	26,971	249,482	249,124
	2	15,119	11,676	15,690	17,279	-3,001	217,352	157,034	29,377	246,730	259,394
	3	14,731	11,629	15,706	17,433	-2,894	231,484	157,662	28,506	259,990	258,551
	4	14,331	11,657	15,833	17,588	-2,846	235,513	159,712	28,293	263,806	252,950
2002	1	15,581	11,679	16,048	17,742	-2,756	229,554	161,586	31,784	261,338	261,415
	2	14,663	11,672	16,085	17,853	-2,654	216,425	158,767	27,252	243,677	256,359
	3	14,961	11,679	16,205	17,918	-2,649	228,581	158,953	24,921	253,502	251,598
	4	15,247	11,701	16,410	17,940	-2,607	238,629	164,813	28,438	267,067	255,788
2003	1	15,673	11,733	17,723	17,939	-2,555	230,655	165,160	26,529	257,183	258,078
	2	15,418	11,752	17,776	17,975	-2,521	219,543	160,581	26,201	245,743	258,642
	3	15,256	11,757	17,788	18,069	-2,557	241,342	167,343	29,643	270,985	268,240
	4	15,517	11,749	17,759	18,220	-2,682	250,224	172,590	31,522	281,746	269,326
2004	1	16,056	11,743	18,098	18,462	-2,652	242,765	172,524	31,217	273,981	276,403
	2	16,087	11,767	18,026	18,648	-2,677	228,939	169,890	31,442	260,381	273,987
	3	15,555	11,777	18,031	18,806	-2,717	247,232	175,166	32,467	279,699	275,835
	4	16,042	11,775	18,114	18,937	-2,754	259,630	180,467	35,647	295,277	281,984
2005	1	16,310	11,661	18,131	19,040	-2,776	246,963	177,295	34,261	281,224	285,155
	2	16,772	11,621	18,173	19,179	-2,785	242,196	178,041	36,394	278,590	292,929
	3	16,512	11,612	18,248	19,353	-2,822	265,257	184,549	35,261	300,518	295,487
	4	16,288	11,566	18,356	19,563	-2,879	274,280	189,063	38,172	312,452	298,098
2006	1	16,905	11,483	18,225	19,808	-2,914	256,909	187,044	35,734	292,642	298,196
	2	16,765	11,420	18,345	19,992	-2,993	257,193	189,534	37,635	294,828	309,504
	3	16,860	11,376	18,447	20,115	-2,997	283,119	196,132	39,789	322,908	316,886
	4	17,872	11,352	18,532	20,176	-3,085	292,166	200,870	41,901	334,067	318,677
2007	1	17,174	11,691	18,566	20,376	-3,168	273,811	195,421	38,240	312,051	318,832
	2	18,240	12,145	18,566	20,535	-3,260	275,568	204,268	40,732	316,300	331,562
	3	17,706	12,219	18,567	20,694	-3,189	302,744	210,682	42,385	345,130	338,521

Table 2 Growth rates of Gross Domestic Product
Percentage changes at constant prices 2001

Year	Quarter	Agriculture and forestry	Fishing	Mining and quarrying	Manufacturing	Electricity and water	Construction	Wholesale and retail trade	Hotels and restaurants	Transport and communication	Financial intermediation
2000											
2001		10.5	-18.3	8.4	1.6	5.3	3.8	5.7	-3.4	13.8	-10.6
2002		-3.1	-21.6	2.5	0.1	20.7	-1.9	-2.5	4.7	9.0	-1.6
2003		2.6	-6.9	3.5	6.0	14.0	1.0	1.5	-20.3	3.5	1.5
2004		1.6	10.1	-0.4	4.5	3.0	4.4	8.5	38.8	7.0	1.4
2005		6.9	9.6	2.7	4.7	0.1	7.6	5.5	13.3	8.9	2.8
2006		5.4	9.0	4.1	6.9	-0.9	6.3	10.9	14.9	10.8	5.5
2000	1										
	2										
	3										
	4										
2001	1	6.5	-36.5	9.0	2.7	-14.5	5.4	4.4	-4.2	16.1	-9.9
	2	11.4	3.8	10.6	5.5	-9.1	9.8	8.4	-2.3	22.4	-10.6
	3	15.3	-2.5	4.9	1.7	30.8	1.7	4.8	-3.1	14.4	-12.2
	4	9.1	-29.0	9.1	-3.3	25.8	-1.9	5.4	-3.6	4.4	-9.7
2002	1	0.5	-6.8	4.6	-1.1	15.2	6.7	2.4	7.0	16.2	-5.3
	2	-4.4	-46.2	-2.0	-1.7	27.6	-9.3	-3.4	6.7	11.7	-3.7
	3	-5.7	-22.4	4.2	1.1	21.7	-6.9	-3.7	16.8	-1.9	1.2
	4	-2.6	-6.2	3.3	2.2	18.6	4.0	-4.7	-8.6	11.0	1.6
2003	1	-3.6	-6.6	5.8	2.6	16.4	-0.9	-0.9	-28.0	4.0	0.7
	2	2.3	-5.8	6.6	4.7	11.6	3.6	-2.4	-21.1	-8.5	1.0
	3	6.3	-7.4	-1.1	6.7	10.7	0.8	6.0	-23.1	13.8	0.5
	4	5.2	-7.6	2.9	10.0	17.6	0.4	3.2	-8.3	5.6	3.7
2004	1	7.2	6.7	-2.7	5.3	14.0	-0.4	6.4	39.8	4.5	2.3
	2	0.1	27.8	-2.1	4.0	5.4	1.5	11.0	30.5	12.4	2.5
	3	-2.6	7.0	6.9	0.4	-4.2	15.3	8.4	50.9	7.9	1.8
	4	2.0	4.1	-3.5	8.1	-2.2	1.6	8.5	33.6	3.9	-0.8
2005	1	-0.8	20.6	2.9	2.1	-3.6	6.8	-1.7	45.0	5.7	1.9
	2	8.6	-11.1	-3.6	6.7	-2.1	0.2	8.1	12.5	11.6	2.5
	3	12.0	13.0	4.4	6.3	6.0	7.5	6.1	3.7	10.1	3.1
	4	7.6	13.5	7.4	3.7	0.5	16.9	9.0	-5.9	8.3	4.0
2006	1	0.3	3.0	1.0	7.0	-1.4	7.8	4.0	2.3	15.5	4.3
	2	5.5	5.0	4.0	4.9	-0.7	4.4	18.6	11.8	11.5	6.3
	3	7.8	6.4	0.6	9.4	-1.6	1.4	12.9	24.6	9.1	5.2
	4	7.1	19.7	11.0	6.2	0.0	11.9	8.1	25.0	7.6	6.0
2007	1	12.2	1.5	3.0	8.0	4.9	-0.5	5.5	7.2	5.8	7.3
	2	5.4	6.7	6.4	9.5	10.9	7.9	8.2	11.1	11.7	7.6
	3	5.8	3.2	8.1	7.5	9.9	22.4	7.1	19.5	8.2	8.8
2006	1-3	4.7	4.7	1.8	7.1	-1.2	4.4	12.0	11.9	11.9	5.3
2007	1-3	7.7	3.5	5.9	8.3	8.6	10.3	7.0	12.6	8.5	7.9

Table 2 Growth rates of Gross Domestic Product
Percentage changes at constant prices 2001

Year	Quarter	Real estate, renting, business services	Public administration	Education	Other services	FISIM	All industries at basic prices	All industries excl. agriculture	Taxes on products	GDP at market prices	GDP, seasonally adjusted
2000											
2001		2.8	-3.1	1.4	3.1	-5.7	5.1	2.8	-0.1	4.5	
2002		3.0	-0.1	2.8	2.9	-9.4	0.7	2.4	-0.7	0.5	
2003		2.3	0.6	9.7	1.0	-3.3	3.1	3.3	1.3	2.9	
2004		3.0	0.2	1.7	3.7	4.7	3.9	4.9	14.8	5.1	
2005		3.4	-1.3	0.9	3.0	4.3	5.1	4.4	10.2	5.7	
2006		3.8	-1.8	0.9	3.8	6.5	5.9	6.1	7.6	6.1	
2000	1										
	2										-0.9
	3										0.9
	4										1.4
2001	1	1.2	-2.5	1.2	2.3	-3.8	3.2	1.8	-5.2	2.2	0.8
	2	6.8	-3.7	0.8	3.0	-3.7	6.8	5.2	11.2	7.3	4.1
	3	3.7	-3.6	1.2	3.4	-7.3	7.0	3.5	0.1	6.2	-0.3
	4	-0.7	-2.4	2.3	3.6	-7.9	3.4	0.9	-5.4	2.4	-2.2
2002	1	7.6	-1.0	1.7	3.6	-9.1	3.2	4.3	17.8	4.8	3.3
	2	-3.0	0.0	2.5	3.3	-11.6	-0.4	1.1	-7.2	-1.2	-1.9
	3	1.6	0.4	3.2	2.8	-8.5	-1.3	0.8	-12.6	-2.5	-1.9
	4	6.4	0.4	3.6	2.0	-8.4	1.3	3.2	0.5	1.2	1.7
2003	1	0.6	0.5	10.4	1.1	-7.3	0.5	2.2	-16.5	-1.6	0.9
	2	5.2	0.7	10.5	0.7	-5.0	1.4	1.1	-3.9	0.8	0.2
	3	2.0	0.7	9.8	0.8	-3.5	5.6	5.3	18.9	6.9	3.7
	4	1.8	0.4	8.2	1.6	2.9	4.9	4.7	10.8	5.5	0.4
2004	1	2.4	0.1	2.1	2.9	3.8	5.3	4.5	17.7	6.5	2.6
	2	4.3	0.1	1.4	3.7	6.2	4.3	5.8	20.0	6.0	-0.9
	3	2.0	0.2	1.4	4.1	6.3	2.4	4.7	9.5	3.2	0.7
	4	3.4	0.2	2.0	3.9	2.7	3.8	4.6	13.1	4.8	2.2
2005	1	1.6	-0.7	0.2	3.1	4.7	1.7	2.8	9.8	2.6	1.1
	2	4.3	-1.2	0.8	2.8	4.0	5.8	4.8	15.7	7.0	2.7
	3	6.2	-1.4	1.2	2.9	3.9	7.3	5.4	8.6	7.4	0.9
	4	1.5	-1.8	1.3	3.3	4.5	5.6	4.8	7.1	5.8	0.9
2006	1	3.7	-1.5	0.5	4.0	5.0	4.0	5.5	4.3	4.1	0.0
	2	0.0	-1.7	0.9	4.2	7.5	6.2	6.5	3.4	5.8	3.8
	3	2.1	-2.0	1.1	3.9	6.2	6.7	6.3	12.8	7.5	2.4
	4	9.7	-1.9	1.0	3.1	7.2	6.5	6.2	9.8	6.9	0.6
2,007	1	1.6	1.8	1.9	2.9	8.7	6.6	4.5	7.0	6.6	0.0
	2	8.8	6.4	1.2	2.7	8.9	7.1	7.8	8.2	7.3	4.0
	3	5.0	7.4	0.7	2.9	6.4	6.9	7.4	6.5	6.9	2.1
2006	1-3	1.9	-1.8	0.9	4.1	6.2	5.7	6.1	6.8	5.8	5.8
2007	1-3	5.1	5.2	1.2	2.8	8.0	6.9	6.6	7.2	6.9	7.0