

## **Statistical Release**

# **Gross Domestic Product First Quarter 2012**

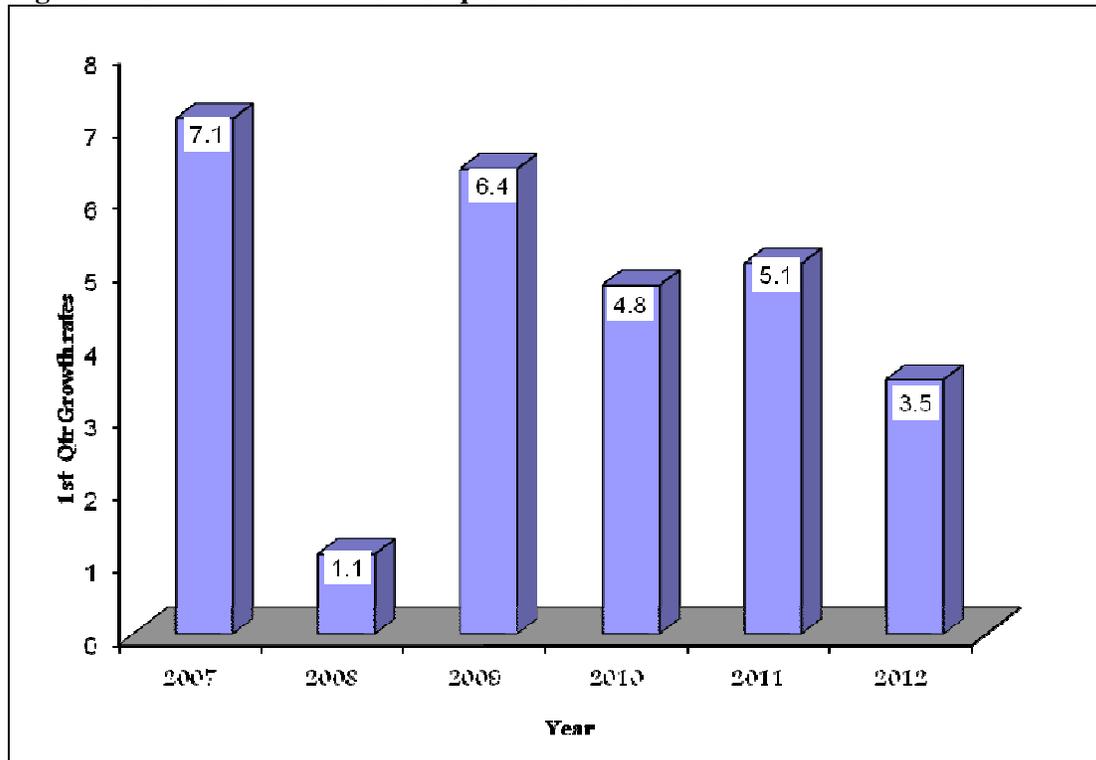
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## 1.0 Economic performance

Provisional estimates for the first quarter of 2012 show that the economy expanded by 3.5 per cent over a similar quarter of 2011. The sluggish growth was largely on account of slowdown in activities of most sectors of the economy. This was the slowest first quarter growth since 2008 as shown in Figure 1. Transport and Communication and Wholesale and Retail Trade are the only sectors that contributed significantly to the overall growth.

The first quarter of 2012 was characterized by high inflation rates, high interest rates and delays in the onset of the long rains. Inflationary pressure was primarily due to high oil prices, while the high interest rates were mainly due to the tightening of the monetary policy by the Central Bank. In addition to delay in rains, agriculture sector suffered severe frost in January, which mainly affected tea and horticulture sub-sectors.

**Figure 1: GDP Growth in the first quarter Series**



Though growth of most sectors slowed substantially, a few sectors recorded notable improvements. The most remarkable improvements were realized in the Electricity and Water, Transport and Communication and Agriculture and Forestry sectors, which

respectively grew by 10.8, 5.9 and 2.3 per cent in the first quarter of 2012 compared to 4.8, 4.8 and 0.2 per cent, during a similar period in 2011. On the other hand, Financial Intermediation and Construction sectors registered the highest growth differentials as they slowed to growths of 3.8 and 3.2 per cent, compared to expansions of 12.6 and 7.0 per cent over this period respectively.

## **2.0 Sectoral analysis**

### **2.1 Agriculture**

The sector recorded mixed performance in the first quarter of 2012 registering positive growth in farming of food crops and a decline in production of industrial crops. Overall the sector expanded by 2.3 per cent. The performance is an improvement compared to 0.2 per cent growth in the same period of 2011. Unpredictable rainfall pattern, in terms of timing, with varied intensity, partly contributed to the observed outcomes.

Industrial crops, which mainly include sugarcane, tea and coffee, recorded a decline of 5.3 per cent. The decrease in tea production from 85,169 tonnes in first quarter of 2011 to 72,476 tonnes in the same period of 2012, accounted for the entire decline in the sub-sector. Positive performance in coffee and sugar industries mitigated the decline, though the effect on the overall growth was negligible due to their low weights in the sub-sector. Quantity of coffee and sugarcane delivered by farmers for processing increased by 30.0 and 13.2 per cent, respectively.

Horticultural produce expanded by 1.5 per cent mainly as a result of increased production of cut-flowers which expanded by 6.8 per cent. However, the sector's performance was dampened by the decline in production of vegetables and fruits. Export of cut-flowers expanded from 27,731 tonnes to 29,610 tonnes, while export of vegetables and fruits declined by 12.7 and 3.7 per cent, respectively.

### **2.2 Manufacturing**

The sector grew by 3.8 per cent in the first quarter supported by strong expansion in the food manufacturing sub-sector, which grew by 14.4 per cent. Manufacture of beverages also accounted for a large proportion of the overall growth. Milk processing and sugar production

are the main activities in the food sub-sector that registered a decrease, which was largely occasioned by inadequate input supplies.

Output of “Non-food manufactures” contracted by 0.7 per cent, the lowest quarter-on-quarter growth since 2003. Reduced activity at the petroleum refinery significantly contributed to the contraction. Throughput of crude petroleum, an input into refinery, reduced by more than 50 per cent from 477,397 tonnes in first quarter of 2011 to 222,169 tonnes in the same period of 2012.

### **2.3 Electricity and water supply**

Electricity and Water supply sector includes Electricity supply and Water supply sub-sectors, out of which electricity supply component contributes about three quarters of the total value added in the sector. The sector in general recorded a growth of 10.8 per cent during the reference period compared to 4.8 per cent growth in the same period of 2011.

Electricity consumption increased from 1,525 million KWh to 1,599 million KWh in the respective first quarters of 2011 and 2012. The expansion translates to about 5 per cent growth in consumption. However, the production mix of electricity generated in the current period had an increased share of hydro generation and reduced share of thermal generation. The change in production mix implies that more output per unit cost was generated, resulting in creation of higher level of value added and consequently, the recorded high growth.

### **2.4 Transport and Communication**

The sector expanded by 5.9 per cent in the first quarter of 2012 compared to 4.8 per cent in 2011. The sector’s improved performance was mirrored by increased consumption of light diesel, which rose by 13.6 per cent during the quarter under review, over a similar period in 2011. Increase in cargo handled at the port and transit vehicle operators significantly boosted the sector’s performance. However, there was a marginal decline of 0.2 per cent in the international visitor arrivals which impacted negatively to the sector’s growth in the same period. The communication sub-sector remained vibrant on account of low call tariffs that have prevailed since the second half of 2011.

## **2.5 Construction**

The growth of the Building and construction sector activities slowed registering a growth of 3.2 per cent in the first quarter of 2012 compared to 7.0 per cent in the first quarter in 2011. The constrained growth was reflected in cement consumption which increased by 3.8 per cent in the first quarter of 2012, compared to 16.2 per cent in the first quarter of 2011. The lethargic performance was mainly attributed to high cost of borrowing from the financial institutions.

## **2.6 Hotels and Restaurants**

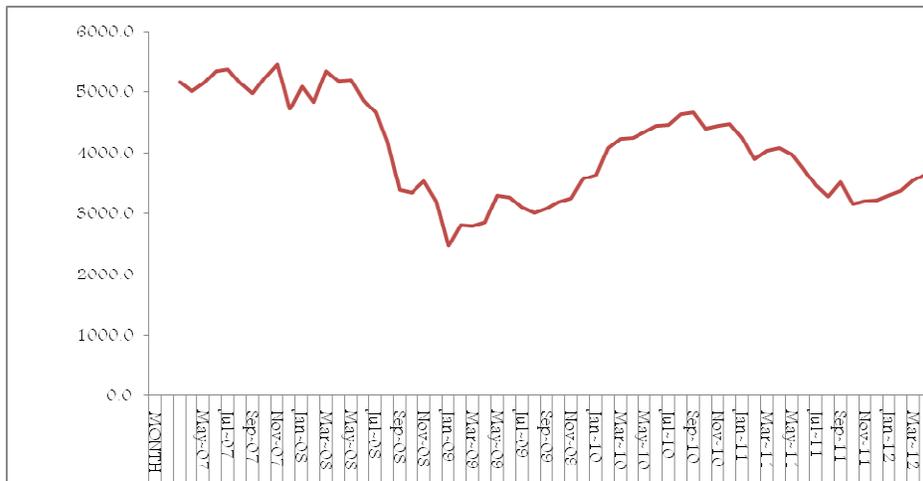
During the first quarter of 2012, the sector expanded by 2.3 per cent, which was a substantially slower growth compared to 6.2 per cent recorded during a similar quarter of 2011. The slowdown in the sector was mirrored in visitor arrivals and lower occupancy rates in hotels.

## **2.7 Financial Services**

The sector slowed significantly registering a growth of 3.8 per cent in the reference quarter compared to 12.8 per cent growth in the same quarter of 2011. Net foreign assets decreased from KSh 295.2 billion in December 2011 to KSh 276.2 billion in March 2012. Over the same period, extended broad money supply M3, increased marginally from KSh 1,514 billion to KSh 1,517.1 billion in March 2012. The marginal growth in money supply was on account of a 1.7 per cent increase in total domestic credit from KSh 1,505.1 billion in December 2011 to KSh 1,530.0 billion in March 2012. The Kenya Shilling exchange rate exhibited a relatively stable position during the quarter under review.

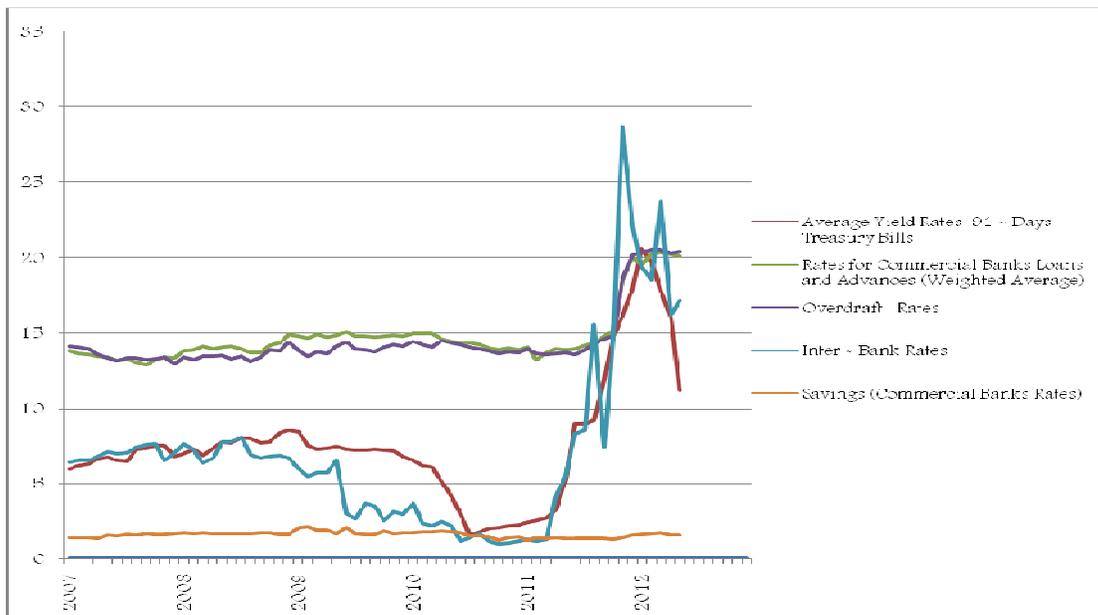
In the equity market, the number of transactions declined to 24,801 in March 2012 from 39,531 in March 2011. The NSE 20 Share Index continued with a downward trend declining from 3,881 points to 3,367 points over the same period. Trends in the NSE 20 Share Index up to the third quarter of 2011 are shown in Figure 2.

**Figure 2: Nairobi 20 Share Index (1966=100)**



Over the review period, the average interest rate on 91-day treasury bills declined marginally to 17.80 in March 2012 but remained high compared to March 2011, when it stood at 2.77 per cent. The average weighted interest on commercial banks' loans and advances rose to 20.34 per cent in March 2012, while interest rate on savings deposit rate remained low at 1.72 per cent, resulting in a wide spread of 18.62 per cent. Trends in interest rates are shown in Figure 3.

**Figure 3: Interest Rates trends**



### **3.0 Balance of payments**

Kenya's external sector statistics flows are summarized in Tables 3 and 4. Overall balance of payments position improved by KSh 26.8 billion, from a surplus of KSh 11.2 billion in the first quarter of 2011, to a surplus of KSh 37.0 million in first quarter of 2012. The movement follows growth in the capital and financial account, from a surplus of KSh 57.8 billion in the first quarter of 2011, to a surplus of KSh 65.7 billion in the first quarter of 2012. The deficit in the current account widened from a deficit of KSh 76.4 billion in the first quarter of 2011 to a deficit KSh 81.1 billion in the first quarter of 2012. The deterioration in the current account was mainly as a result of a 20.8 per cent widening of the merchandise account deficit.

The Kenya Shilling appreciated against all major world currencies in March 2012. Against the US Dollar, the shilling appreciated by 1.5 per cent to exchange at an average of KSh 82.90 per US Dollar in March 2012, compared with an average of KSh 84.21 per US Dollar in March 2011, coming from an average high of KSh 99.83 per US Dollar in September 2011. The balance of trade deteriorated to a deficit of KSh 197.6 billion in the first quarter of 2012 compared to a deficit of KSh 167.7 billion recorded in the same period in 2011. In the first quarter of 2012, exports earnings grew by 10.7 per cent to stand at KSh 130.8 billion in the first quarter of 2012 from KSh 118.1 billion earned in the same period of 2011. Import bill grew by 14.9 per cent to KSh 328.3 billion in the first quarter of 2012, from KSh 285.8 billion recorded in the same period of 2011. During the first quarter of 2012, most of the imports originated from the Far East Asia, Middle East Asia and European Union countries, accounting for 35.5 per cent, 26.3 per cent and 13.9 per cent of the total import bill, respectively. Majority of Kenya's exports were destined for its traditional markets of COMESA, EAC and European Union countries, accounting for 33.2 per cent 27.3 per cent and 21.8 per cent of the total exports, during first quarter of 2012.

**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
2005		299,798	5,751	5,335	115,698	27,751	35,401	106,095	15,572	122,317	45,030
2006		312,926	6,249	5,554	122,953	27,288	37,649	118,361	17,894	136,306	47,170
2007		320,423	6,181	6,272	130,673	29,769	40,405	131,754	20,814	156,845	50,306
2008		307,354	5,363	6,453	135,291	31,341	43,735	138,044	13,298	161,615	51,659
2010		299,431	5,565	6,163	137,060	30,397	49,270	143,460	18,993	171,994	55,375
2011		318,586	5,713	6,763	143,263	33,335	51,486	154,942	19,796	182,181	60,379
2005	1	69,697	1,613	1,284	28,093	6,935	8,282	24,024	5,113	28,630	11,043
	2	64,209	1,054	1,284	28,919	6,879	8,506	25,184	3,034	28,139	11,158
	3	80,727	1,429	1,433	28,539	6,964	9,600	27,502	3,850	32,590	11,316
	4	85,165	1,655	1,334	30,147	6,973	9,013	29,385	3,575	32,958	11,513
2006	1	69,627	1,669	1,287	30,026	6,754	9,042	27,249	5,207	33,993	11,553
	2	67,544	1,110	1,327	30,237	6,763	8,992	28,661	3,383	33,269	11,780
	3	85,982	1,515	1,441	31,027	6,805	9,746	32,711	4,802	35,541	11,785
	4	89,772	1,956	1,499	31,663	6,967	9,869	29,741	4,503	33,503	12,051
2007	1	75,894	1,640	1,392	31,736	7,118	8,671	29,935	5,510	36,942	12,317
	2	68,909	1,152	1,568	32,630	7,559	9,946	32,024	4,712	38,836	12,577
	3	85,878	1,552	1,614	33,060	7,525	11,181	35,733	5,475	40,969	12,653
	4	89,742	1,837	1,699	33,247	7,567	10,606	34,063	5,116	40,098	12,758
2008	1	72,097	1,413	1,466	31,963	7,737	9,125	33,361	2,784	36,948	12,699
	2	69,175	969	1,682	34,002	7,881	11,348	33,262	2,685	39,015	13,023
	3	81,492	1,364	1,754	34,813	7,765	12,456	37,744	4,026	42,869	12,705
	4	84,591	1,617	1,551	34,513	7,958	10,806	33,678	3,804	42,783	13,231
2009	1	70,991	1,405	1,291	33,461	7,929	11,359	33,214	7,195	45,307	13,410
	2	66,277	1,124	1,605	33,693	8,072	12,593	32,961	3,987	40,550	13,732
	3	78,761	1,372	1,645	34,380	7,440	12,585	39,056	4,091	51,403	13,984
	4	83,403	1,663	1,622	35,525	6,957	12,734	38,229	3,721	34,734	14,250
2010	1	75,213	1,454	1,558	35,670	7,688	11,495	34,338	7,102	48,897	14,178
	2	68,418	1,198	1,688	35,477	8,493	13,129	34,314	3,977	42,826	14,739
	3	85,645	1,401	1,743	36,359	8,692	13,297	40,956	4,511	52,985	15,434
	4	89,310	1,661	1,774	35,757	8,463	13,565	45,334	4,205	37,473	16,028
2011	1	75,331	1,492	1,663	37,107	8,057	12,300	37,327	7,543	51,242	15,970
	2	71,352	1,243	1,866	36,352	8,217	13,796	36,277	4,092	44,267	15,936
	3	85,848	1,469	1,872	37,209	7,724	13,777	44,212	4,604	55,064	16,612
	4	90,934	1,688	1,844	37,320	8,467	13,840	48,390	4,551	39,809	16,578
2012	1	77,087	1,528	1,762	38,526	8,928	12,688	39,227	7,716	54,260	16,572

**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
2005		65,882	46,722	72,999	77,017	-11,261	1,030,106	730,308	145,143	1,175,248	
2006		68,447	45,974	73,188	79,980	-11,835	1,088,103	775,177	161,367	1,249,470	
2007		70,860	45,031	76,257	82,575	-12,174	1,155,991	835,568	180,855	1,336,846	
2008		73,503	45,317	80,771	85,120	-10,484	1,168,382	861,027	188,882	1,357,263	
2010		75,674	46,031	82,952	87,850	-11,945	1,198,270	898,839	196,117	1,394,387	
2011		78,089	47,085	86,651	89,772	-11,260	1,266,782	948,195	207,981	1,474,763	
2005	1	16,059	11,693	18,232	19,034	-2,773	246,958	177,262	34,377	281,335	284,508
	2	16,695	11,658	18,247	19,165	-2,785	241,346	177,137	36,511	277,857	292,150
	3	16,639	11,680	18,257	19,320	-2,821	267,024	186,297	36,028	303,053	295,632
	4	16,489	11,691	18,263	19,498	-2,881	274,777	189,612	38,227	313,004	302,156
2006	1	16,888	11,682	18,290	19,729	-2,894	260,101	190,474	38,052	298,153	302,795
	2	16,889	11,605	18,232	19,915	-2,961	256,745	189,201	38,365	295,111	309,612
	3	16,744	11,455	18,270	20,088	-2,956	284,956	198,974	42,912	327,868	318,051
	4	17,925	11,232	18,396	20,247	-3,024	286,301	196,528	42,038	328,338	318,676
2007	1	17,092	11,266	19,187	20,421	-3,094	276,026	200,132	43,263	319,289	324,687
	2	17,783	11,447	18,984	20,569	-3,118	275,578	206,669	44,118	319,696	334,765
	3	18,296	11,321	18,963	20,718	-3,041	301,898	216,020	46,774	348,672	336,725
	4	17,689	10,996	19,123	20,867	-2,920	302,489	212,747	46,700	349,189	341,098
2008	1	17,439	11,161	20,133	21,039	-2,685	276,680	204,583	46,077	322,757	327,656
	2	19,960	11,420	20,211	21,193	-2,627	283,197	214,023	43,402	326,599	341,723
	3	19,436	11,385	20,232	21,357	-2,503	306,895	225,403	50,754	357,649	344,414
	4	16,668	11,352	20,195	21,532	-2,669	301,609	217,019	48,649	350,258	344,118
2009	1	18,875	11,281	20,873	21,757	-2,853	295,493	224,503	47,924	343,418	347,387
	2	22,318	11,494	20,646	21,916	-3,004	287,963	221,686	45,339	333,301	348,905
	3	18,178	11,585	20,627	22,042	-3,059	314,088	235,327	50,346	364,434	350,457
	4	16,304	11,671	20,807	22,134	-3,029	300,725	217,322	52,508	353,234	348,434
2010	1	19,601	11,465	21,825	22,193	-2,811	309,864	234,651	50,125	359,989	362,850
	2	22,529	11,745	21,628	22,317	-2,773	299,704	231,286	49,718	349,422	366,074
	3	18,898	11,882	21,564	22,505	-2,804	333,069	247,424	53,137	386,207	371,337
	4	17,062	11,994	21,634	22,757	-2,872	324,144	234,834	55,001	379,145	374,731
2011	1	20,695	11,784	22,626	23,073	-2,879	323,331	248,000	55,045	378,376	380,453
	2	22,942	12,060	22,680	23,311	-2,886	311,505	240,153	50,344	361,849	379,401
	3	19,733	12,176	22,745	23,469	-3,040	343,476	257,628	58,193	401,669	386,131
	4	17,517	12,250	22,822	23,548	-3,037	336,520	245,586	60,892	397,412	393,200
2012	1	21,236	12,077	23,489	23,743	-3,023	335,814	258,727	55,655	391,469	393,014

**Table 2 Gross domestic product by activity**  
**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
2005		6.9	9.6	2.7	4.7	-0.5	7.5	5.6	13.3	9.0	5.6
2006		4.4	8.7	4.1	6.3	-1.7	6.3	11.6	14.9	11.4	4.8
2007		2.4	-1.1	12.9	6.3	9.1	7.3	11.3	16.3	15.1	6.6
2008		-4.1	-13.2	2.9	3.5	5.3	8.2	4.8	-36.1	3.0	2.7
2009		-2.6	3.8	-4.5	1.3	-3.0	12.7	3.9	42.8	6.4	7.2
2010		6.4	2.7	9.7	4.5	9.7	4.5	8.0	4.2	5.9	9.0
2011		1.5	3.1	7.1	3.3	-2.6	4.3	7.3	5.0	4.5	7.8
2005	1	-0.8	20.7	2.9	2.3	-3.7	6.4	-5.6	45.3	3.2	4.7
	2	8.8	-11.1	-3.6	7.5	-2.6	-0.1	11.3	12.6	10.0	5.7
	3	12.0	13.0	4.4	5.7	5.3	7.3	11.1	3.7	11.1	5.8
	4	7.6	13.5	7.4	3.4	-0.4	17.3	6.3	-6.3	11.4	6.1
2006	1	-0.1	3.5	0.2	6.9	-2.6	9.2	13.4	1.8	18.7	4.6
	2	5.2	5.2	3.3	4.6	-1.7	5.7	13.8	11.5	18.2	5.6
	3	6.5	6.0	0.6	8.7	-2.3	1.5	18.9	24.7	9.1	4.1
	4	5.4	18.2	12.4	5.0	-0.1	9.5	1.2	25.9	1.7	4.7
2007	1	9.0	-1.7	8.2	5.7	5.4	-4.1	9.9	5.8	8.7	6.6
	2	2.0	3.8	18.2	7.9	11.8	10.6	11.7	39.3	16.7	6.8
	3	-0.1	2.4	12.0	6.6	10.6	14.7	9.2	14.0	15.3	7.4
	4	0.0	-6.1	13.3	5.0	8.6	7.5	14.5	13.6	19.7	5.9
2008	1	-5.0	-13.8	5.3	0.7	8.7	5.2	11.4	-49.5	0.0	3.1
	2	0.4	-15.8	7.3	4.2	4.3	14.1	3.9	-43.0	0.5	3.5
	3	-5.1	-12.1	8.7	5.3	3.2	11.4	5.6	-26.5	4.6	0.4
	4	-5.7	-12.0	-8.7	3.8	5.2	1.9	-1.1	-25.7	6.7	3.7
2009	1	-1.5	-0.6	-11.9	4.7	2.5	24.5	-0.4	158.5	22.6	5.6
	2	-4.2	15.9	-4.6	-0.9	2.4	11.0	-0.9	48.5	3.9	5.4
	3	-3.4	0.6	-6.2	-1.2	-4.2	1.0	3.5	1.6	19.9	10.1
	4	-1.4	2.9	4.6	2.9	-12.6	17.8	13.5	-2.2	-18.8	7.7
2010	1	5.9	3.4	20.7	6.6	-3.0	1.2	3.4	-1.3	7.9	5.7
	2	3.2	6.6	5.2	5.3	5.2	4.3	4.1	-0.2	5.6	7.3
	3	8.7	2.1	5.9	5.8	16.8	5.7	4.9	10.3	3.1	10.4
	4	7.1	-0.2	9.4	0.7	21.6	6.5	18.6	13.0	7.9	12.5
2011	1	0.2	2.6	6.7	4.0	4.8	7.0	8.7	6.2	4.8	12.6
	2	4.3	3.7	10.6	2.5	-3.2	5.1	5.7	2.9	3.4	8.1
	3	0.2	4.9	7.4	2.3	-11.1	3.6	7.9	2.1	3.9	7.6
	4	1.8	1.6	4.0	4.4	0.0	2.0	6.7	8.2	6.2	3.4
2012	1	2.3	2.4	5.9	3.8	10.8	3.2	5.1	2.3	5.9	3.8

**Table 2 Gross domestic product by activity**  
**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
2005		3.4	-1.3	0.7	3.0	4.3	5.2	4.6	11.0	5.9	
2006		3.9	-1.6	0.3	3.8	5.1	5.6	6.1	11.2	6.3	
2007		3.5	-2.1	4.2	3.2	2.9	6.2	7.8	12.1	7.0	
2008		3.7	0.6	5.9	3.1	-13.9	1.1	3.0	4.4	1.5	
2009		3.0	1.6	2.7	3.2	13.9	2.6	4.4	3.8	2.7	
2010		3.2	2.3	4.5	2.2	-5.7	5.7	5.5	6.0	5.8	
2011		3.6	2.5	4.9	4.0	5.2	3.8	4.6	7.9	4.4	
2005	1	2.3	-1.0	0.6	3.2	5.0	1.2	2.0	8.0	2.0	0.0
	2	1.8	-1.5	1.0	2.9	4.1	6.0	5.0	17.4	7.3	2.7
	3	6.9	-1.4	0.9	2.8	3.5	8.0	6.3	11.5	8.4	1.2
	4	2.6	-1.3	0.3	3.1	4.4	5.7	4.9	7.6	5.9	2.2
2006	1	5.2	-0.1	0.3	3.7	4.3	5.3	7.5	10.7	6.0	0.2
	2	1.2	-0.5	-0.1	3.9	6.3	6.4	6.8	5.1	6.2	2.3
	3	0.6	-1.9	0.1	4.0	4.8	6.7	6.8	19.1	8.2	2.7
	4	8.7	-3.9	0.7	3.8	5.0	4.2	3.6	10.0	4.9	0.2
2007	1	1.2	-3.6	4.9	3.5	6.9	6.1	5.1	13.7	7.1	1.9
	2	5.3	-1.4	4.1	3.3	5.3	7.3	9.2	15.0	8.3	3.1
	3	9.3	-1.2	3.8	3.1	2.9	5.9	8.6	9.0	6.3	0.6
	4	-1.3	-2.1	4.0	3.1	-3.4	5.7	8.3	11.1	6.4	1.3
2008	1	2.0	-0.9	4.9	3.0	-13.2	0.2	2.2	6.5	1.1	-3.9
	2	12.2	-0.2	6.5	3.0	-15.8	2.8	3.6	-1.6	2.2	4.3
	3	6.2	0.6	6.7	3.1	-17.7	1.7	4.3	8.5	2.6	0.8
	4	-5.8	3.2	5.6	3.2	-8.6	-0.3	2.0	4.2	0.3	-0.1
2009	1	8.2	1.1	3.7	3.4	6.3	6.8	9.7	4.0	6.4	1.0
	2	11.8	0.6	2.2	3.4	14.3	1.7	3.6	4.5	2.1	0.4
	3	-6.5	1.8	2.0	3.2	22.2	2.3	4.4	-0.8	1.9	0.4
	4	-2.2	2.8	3.0	2.8	13.5	-0.3	0.1	7.9	0.8	-0.6
2010	1	3.8	1.6	4.6	2.0	-1.5	4.9	4.5	4.6	4.8	4.1
	2	0.9	2.2	4.8	1.8	-7.7	4.1	4.3	9.7	4.8	0.9
	3	4.0	2.6	4.5	2.1	-8.3	6.0	5.1	5.5	6.0	1.4
	4	4.6	2.8	4.0	2.8	-5.2	7.8	8.1	4.7	7.3	0.9
2011	1	5.6	2.8	3.7	4.0	2.4	4.3	5.7	9.8	5.1	1.5
	2	1.8	2.7	4.9	4.5	4.1	3.9	3.8	1.3	3.6	-0.3
	3	4.4	2.5	5.5	4.3	8.4	3.1	4.1	9.5	4.0	1.8
	4	2.7	2.1	5.5	3.5	5.8	3.8	4.6	10.7	4.8	1.8
2012	1	2.6	2.5	3.8	2.9	5.0	3.9	4.3	1.1	3.5	0.0

**Table 3: Balance of Merchandise Trade****KSh Million**

Year	Period	Domestic Exports	Re-Exports	Total Exports	Imports	Balance of Trade	Volume of Trade
2005	Q1	51,942.78	16,087.16	68,029.93	100,387.16	(32,357.23)	168,417.09
	Q2	52,702.71	15,484.46	68,187.16	130,982.51	(62,795.35)	199,169.68
	Q3	53,440.29	10,684.78	64,125.07	106,230.35	(42,105.28)	170,355.42
	Q4	51,832.19	8,248.71	60,080.91	105,492.74	(45,411.84)	165,573.65
2006	Q1	52,772.47	6,628.32	59,400.79	113,489.65	(54,088.86)	172,890.43
	Q2	53,686.91	7,404.03	61,090.95	132,019.40	(70,928.45)	193,110.35
	Q3	62,286.78	5,766.38	68,053.16	133,920.39	(65,867.23)	201,973.55
	Q4	59,409.02	3,014.18	62,423.20	142,053.37	(79,630.17)	204,476.57
2007	Q1	64,586.99	4,030.73	68,617.72	151,038.60	(82,420.88)	219,656.32
	Q2	65,743.87	2,581.37	68,325.24	145,289.17	(76,963.93)	213,614.42
	Q3	65,863.27	2,966.68	68,829.95	154,102.96	(85,273.01)	222,932.91
	Q4	65,425.62	3,397.60	68,823.22	154,534.23	(85,711.01)	223,357.44
2008	Q1	78,312.03	4,873.21	83,185.24	175,601.15	(92,415.92)	258,786.39
	Q2	77,142.19	5,056.41	82,198.60	165,279.58	(83,080.98)	247,478.18
	Q3	82,760.69	5,806.29	88,566.99	217,989.58	(129,422.59)	306,556.56
	Q4	84,426.54	6,546.91	90,973.45	211,780.87	(120,807.42)	302,754.32
2009	Q1	82,331.20	5,174.77	87,505.97	188,037.11	(100,531.13)	275,543.08
	Q2	76,603.11	3,689.66	80,292.77	187,409.61	(107,116.84)	267,702.38
	Q3	80,847.93	7,803.47	88,651.40	192,867.71	(104,216.31)	281,519.11
	Q4	83,782.96	4,710.53	88,493.49	219,782.32	(131,288.82)	308,275.81
2010	Q1	92,654.14	6,040.06	98,694.20	206,461.45	(107,767.24)	305,155.65
	Q2	91,786.48	5,763.95	97,550.43	231,632.31	(134,081.88)	329,182.74
	Q3	95,850.36	5,701.01	101,551.37	242,222.64	(140,671.27)	343,764.41
	Q4	105,369.48	6,623.01	111,992.49	267,065.28	(155,072.79)	379,057.77
2011	Q1	111,695.37	6,423.60	118,118.97	285,847.39	(167,728.41)	403,966.36
	Q2	117,744.88	6,261.21	124,006.09	308,124.64	(184,118.55)	432,130.73
	Q3	128,441.83	8,751.70	137,193.53	362,722.35	(225,528.82)	499,915.87
	Q4	125,059.80	6,657.36	131,717.16	358,976.91	(227,259.75)	490,694.06
2012	Q1	123,625.62	7,153.91	130,779.53	328,341.88	(197,562.35)	459,121.41

Table 4: Balance of Payments

Ksh Million

ITEM	2010				2011				2012
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
<b>1. CURRENT ACCOUNT</b>	(29,794.26)	(43,838.39)	(44,612.27)	(60,926.28)	(76,440.18)	(97,928.60)	(133,512.19)	(117,841.52)	(81,116.80)
<b>1.1. GOODS</b>	(107,767.24)	(134,081.88)	(140,671.27)	(155,072.75)	(167,687.81)	(184,116.81)	(225,528.82)	(227,259.75)	(197,562.35)
<b>Exports (fob)</b>	98,694.20	97,550.43	101,551.37	111,992.53	118,113.41	124,006.09	137,193.53	131,717.16	130,779.53
Re-exports	6,040.06	5,763.95	5,701.01	6,623.05	6,423.60	6,261.21	8,751.70	6,657.36	7,153.91
Domestic exports	92,654.14	91,786.48	95,850.36	105,369.48	111,689.81	117,744.88	128,441.83	125,059.80	123,625.62
<b>Imports (cif)</b>	206,461.45	231,632.31	242,222.64	267,065.28	285,801.22	308,122.90	362,722.35	358,976.91	328,341.88
Government	2,721.46	1,702.77	4,289.31	37,396.94	2,721.46	3,265.75	3,265.75	3,265.75	3,265.75
Commercial	203,739.99	229,929.55	237,933.33	229,668.34	283,079.76	304,857.15	359,456.60	355,711.16	325,076.13
<b>1.2. SERVICES</b>	42,663.58	48,563.78	50,317.50	49,830.75	40,270.99	40,527.55	43,967.19	56,028.19	66,957.77
Credit	62,694.20	66,775.91	71,696.18	83,503.62	78,172.42	85,884.03	121,956.19	87,012.80	93,079.88
Debit	(20,030.63)	(18,212.13)	(21,378.69)	(33,672.87)	(37,901.42)	(45,356.49)	(77,989.00)	(30,984.61)	(26,122.10)
<i>of which</i>									
Travel account	6,474.80	12,037.51	11,323.36	10,560.85	13,707.65	15,646.77	16,572.06	20,961.92	12,213.05
Credit	11,809.62	15,467.46	14,168.77	15,738.04	18,039.29	17,653.77	21,841.67	24,695.27	15,129.40
Debit	(5,334.82)	(3,429.96)	(2,845.41)	(5,177.19)	(4,331.64)	(2,007.00)	(5,269.61)	(3,733.35)	(2,916.35)
<b>1.3. Income account</b>	1,570.83	1,786.02	6,405.43	(657.63)	6,475.02	(724.08)	(2,170.75)	1,618.86	(1,941.11)
Credit	4,441.07	5,131.09	9,155.77	1,785.65	8,843.47	1,486.72	4,525.53	7,164.70	2,615.91
Debit	(2,870.24)	(3,345.08)	(2,750.33)	(2,443.28)	(2,368.45)	(2,210.80)	(6,696.28)	(5,545.84)	(4,557.02)
<b>1.4. Current Transfers account</b>	33,738.58	39,893.70	39,336.07	44,973.35	44,501.62	46,384.74	50,220.19	51,771.18	51,428.89
Diaspora remittances	11,002.70	8,305.85	13,045.43	9,830.62	16,157.32	18,093.20	22,064.14	23,219.40	25,252.43
<b>2. CAPITAL &amp; FINANCIAL ACCOUNT</b>	4,747.79	40,255.78	23,204.54	63,415.53	57,821.93	87,141.38	107,095.61	30,975.28	65,667.06
2.1 Capital Account (capital transfers)	1,439.00	2,654.00	1,179.00	4,757.51	4,892.38	3,009.03	2,760.00	4,331.16	3,928.50
2.2 Financial Account net	3,308.79	37,601.78	22,025.54	58,658.02	52,929.55	84,132.35	104,335.61	26,644.11	61,738.57
2.2.1 Investments net	(4,641.44)	41,730.59	42,879.35	55,420.29	64,132.56	84,518.17	89,820.83	51,168.59	98,756.80
2.2.2 Change in official Reserves	7,950.24	(4,128.81)	(20,853.81)	3,237.74	(11,203.01)	(385.82)	14,514.78	(24,524.48)	(37,018.23)
<b>3. NET ERRORS AND OMISSIONS</b>	25,046.46	3,582.61	21,407.73	(2,489.25)	18,618.25	10,787.22	26,416.58	86,866.25	15,449.73
<i>Memorandum items</i>									
Gross Reserves	400,485.44	409,758.20	414,609.59	413,131.24	452,169.76	470,812.88	544,035.19	513,498.76	511,537.94
Official	289,084.33	310,723.89	327,662.19	322,735.49	343,032.74	371,572.38	397,238.78	360,621.35	388,833.00
Commercial Banks	111,401.11	99,034.30	86,947.39	90,395.75	109,137.02	99,240.49	146,796.41	152,877.41	122,704.94
End period exchange rate against US \$	77.20	81.80	80.65	80.65	82.90	89.70	99.65	84.90	82.95
Average exchange rate against US \$	76.49	78.94	80.93	80.58	82.24	86.12	93.01	93.87	84.14