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**Statistical Release**

# **Quarterly Gross Domestic Product and Balance of Payments Report**

## **Second Quarter 2016**

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**30<sup>th</sup> September 2016**

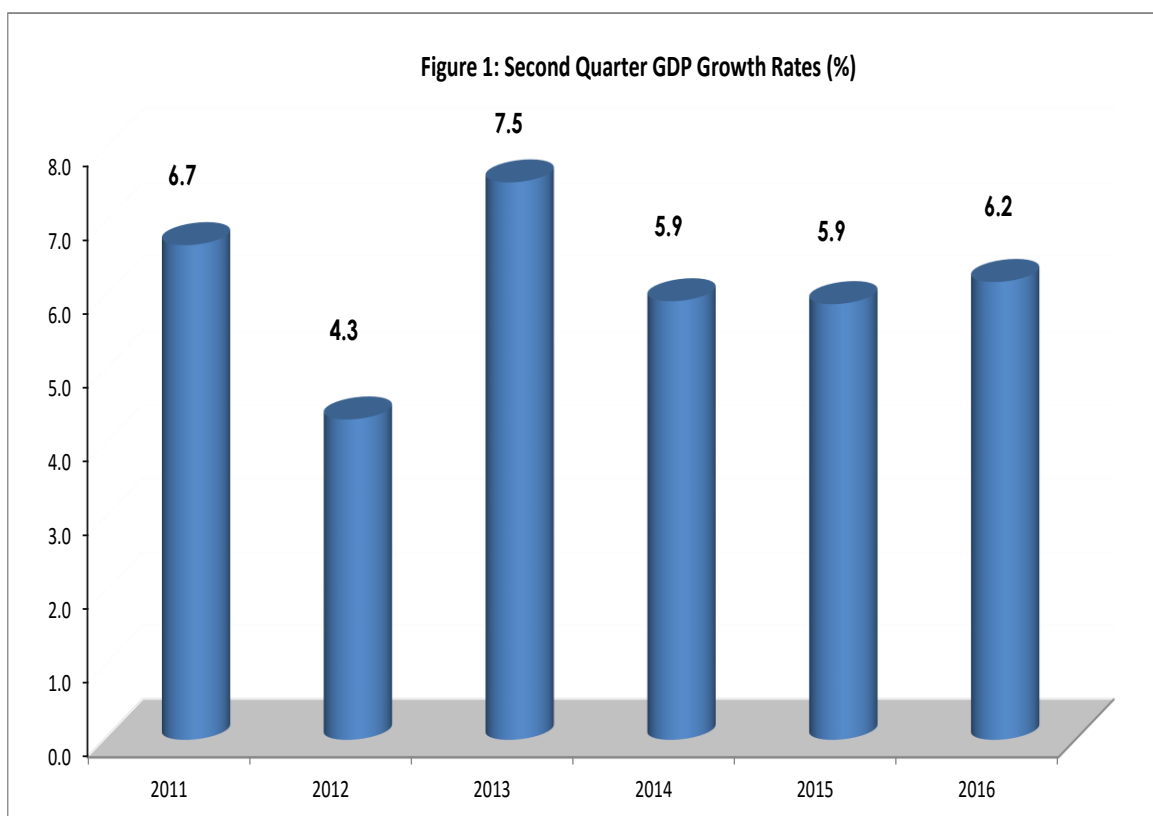
## **1.0 Economic performance**

The economy experienced a relatively conducive environment for growth during the second quarter of 2016. Consequently, all the economic sectors recorded positive growths, though at significantly varied magnitudes. Overall, the economy is estimated to have expanded by 6.2 per cent during the second quarter of 2016 compared to 5.9 per cent during the same quarter of 2015. This growth was mainly supported by better performances in the activities of; agriculture, forestry and fishing; transportation and storage; real estate; and wholesale and retail trade.

Manufacturing experienced the slowest growth at 3.2 per cent during the review quarter while accommodation and food services continued with the recovery that started in the fourth quarter of 2015 to expand by 15.3 per cent over the same period. Mining and quarrying; electricity and water supply; and information and communication sectors recorded notable improvements in their growths during the review quarter. Activities of the construction and financial and insurance sectors slowed down but maintained robust growths during the review period.

The review quarter experienced a relatively stable macroeconomic environment despite a remarkable rise in interest rates. Inflation edged downwards significantly to average at 5.6 per cent during the review period compared to 7.0 per cent in the same quarter of 2015. The slowdown in inflation was mainly due to the near stagnation of costs of transportation during the review quarter. Slowdowns in the rise of consumer prices for housing, water, energy and communication services also contributed to the deceleration in inflation.

Interest on commercial bank loans rose significantly to an average of 18.15 per cent during the second quarter of 2016 compared to 15.57 per cent in the same quarter of 2015. This rise was despite the downward revision of Central Bank Rate (CBR) from 11.5 per cent that was in place since June 2015, to 10.5 per cent towards the end of May 2016. Generally, the Kenyan Shilling strengthened against the main trading regional currencies (South Africa Rand, Ugandan Shilling and Tanzanian Shilling) but depreciated against the major world currencies (US dollar, the Euro and Japanese Yen) in the review quarter. Measured against the same quarter of 2015, the current account deficit recorded an improvement of 6.1 per cent to stand at KSh 141.9 billion in the quarter under review. This was mainly due to a rise in exports against a contraction of imports.



## 2.0 Sectoral Analysis

### Agriculture, Forestry and Fishing

The sector posted a growth of 5.5 per cent in the second quarter of 2016 compared to a revised growth of 4.0 per cent realised in a similar period in 2015. The period under review was characterized by adequate and well distributed rainfall that greatly enhanced agricultural production. Notably, the quantity of coffee and tea grew by 16.3 and 49.6 per cent, respectively, in the second quarter of 2016. Similarly, the value of exports of horticultural crops grew significantly (47.1 per cent) in the quarter under review from KSh 17.7 billion in the second quarter of 2015 to KSh 26.0 billion in the quarter under review. This growth was on account of considerable increases in the value of exported cut flowers and vegetables especially in the month of June where the revenue earned more than doubled. The quantity of cane delivered to millers rallied from a decline of 1.6 per cent in the second quarter of 2015 to grow by 4.4 per cent in the quarter under review. The quantity of milk intake in the formal sector recorded a growth of 9.2 per cent, from 139.6 Million litres in the second quarter of 2015 to 152.4 Million litres in the quarter under review.

## **Manufacturing**

The level of activity in the sector has remained largely subdued and is estimated to have expanded by 3.2 per cent in the second quarter of 2016 compared to 5.1 per cent in a similar period in 2015. The slow growth in the sector is mainly attributable to low level of activity in key sub-sectors. Specifically, the growth was supported by manufacture of beer and stout, manufacture of sugar. The performance was however dampened by a contraction in processing and preservation of fish, manufacture of edible fats and margarine, production of soft drinks, processing of maize meal, manufacture of bread and processing of wheat flour. Despite growths in cement production and manufacture of galvanized sheets, the sector's performance was also curtailed by a decline in the assembly of motor vehicles during the review period.

## **Construction**

During the second quarter of 2016, the construction sector recorded a slowed growth of 8.2 per cent in the period under review compared to 11.2 per cent growth rate realized in the second quarter of 2015. The slower growth is also explained by a reduction in the consumption of cement from 8.0 per cent in the second quarter of 2015 to 5.4 per cent in the quarter under review. The decelerated growth is partly attributable to reduced activities in the construction of the Standard Gauge Railway (SGR) as its completion draws nearer.

## **Electricity and Water**

Performance of electricity and water supply remained strong during the period under review mainly owing to the continued substitution of the thermal electricity generation with the relatively cheaper sources such as hydro and geothermal sources coupled with favourable weather conditions experienced in the quarter under review. Electricity generation from hydro and geothermal sources grew by 14.3 and 3.5, per cent, respectively, while that of thermal declined by 7.7 per cent. Overall, the sector recorded a growth of 10.8 per cent in the second quarter of 2016 compared to 9.2 per cent growth in the same quarter of 2015.

### **Accommodation and Food Service Activities**

The sector has demonstrated significant signs of recovery as evidenced by notable growths in the last three quarters. During the period under review, the sector grew by 15.3 per cent compared to a decline of 5.0 per cent in the same quarter of 2015. The remarkable growth was on account of a considerable boost from conference tourism as well as improved security situation. The recovery has also been enhanced by rigorous marketing initiatives that have been implemented over time. Tourist arrivals through the two main airports increased by 9.6 per cent from 170,374 in the second quarter of 2015 to 186,685 tourists during the quarter in review.

### **Transport and Storage**

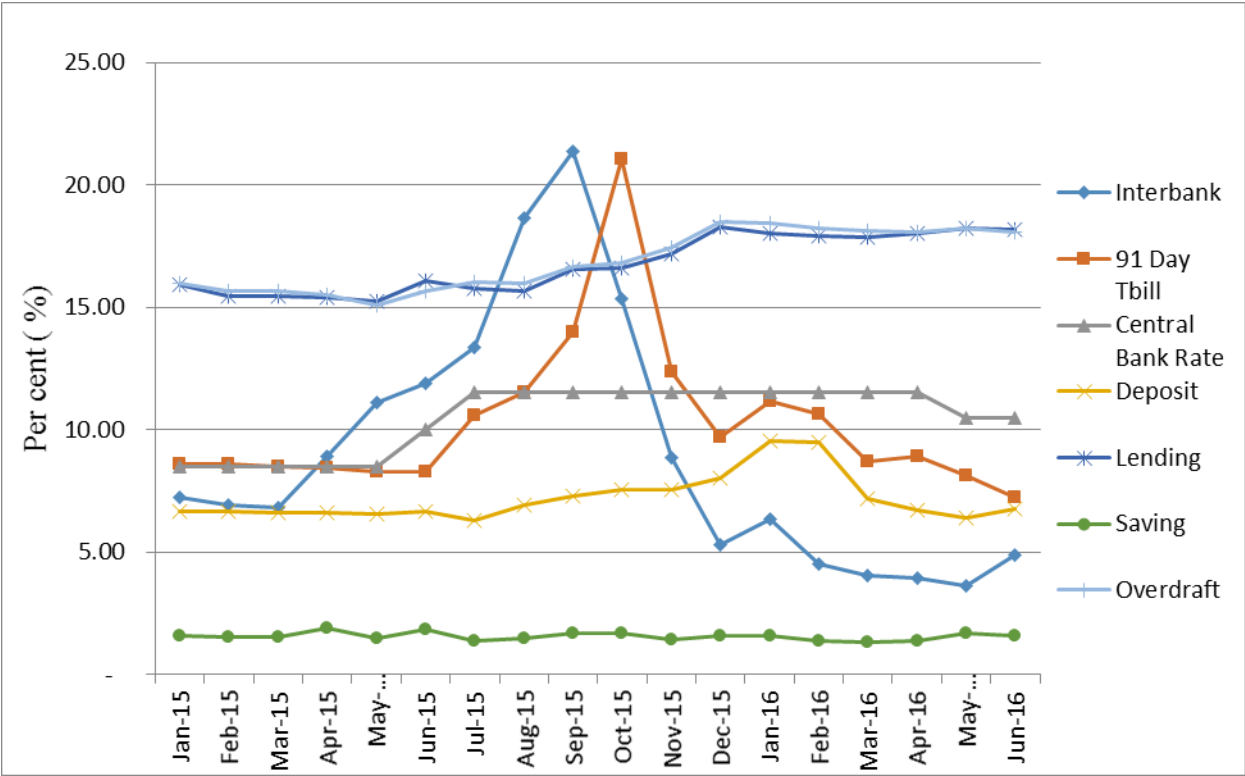
The sector remained vibrant in the second quarter of 2016 mainly attributable to low oil prices especially those of light diesel that is a key indicator in the sector. During the quarter, retail price of diesel fell by 12.4 per cent to an average of KSh 70.1 per litre from KSh 80.0 per litre in the second quarter of 2015. The noteworthy performance is also evidenced by a significant growth (18.4 per cent) in the consumption of light diesel in the review quarter. The favourable prices of fuel coupled with the continued improvement in the road network supported the sector's accelerated growth rate of 8.8 per cent in the quarter under review compared to a 6.8 per cent growth in the same quarter of 2015. Air transport activities remained curtailed in the quarter under review partly due to a significant decline in the volume of cargo handled.

### **Financial Intermediation**

The financial and insurance sector recorded a growth of 7.5 per cent during the quarter under review compared to a growth of 7.7 per cent registered in a similar period of 2015. During the review quarter, broad money supply (M3) expanded by 8.5 per cent from KSh 7,518.4 billion during the second quarter 2015 to reach KSh 8,155.2 billion. Total domestic credit increased by 14.7 per cent during the review period compared to an increase of 19.5 per cent in the same quarter of 2015. Credit to the private sector grew by 5.1 per cent from KSh 349.2 billion in the second quarter of 2015 to KSh 367.1 billion in the second quarter of 2016. Similarly, credit to the central government grew by 23.4 per cent to stand at KSh 722.1 billion in the quarter under review.

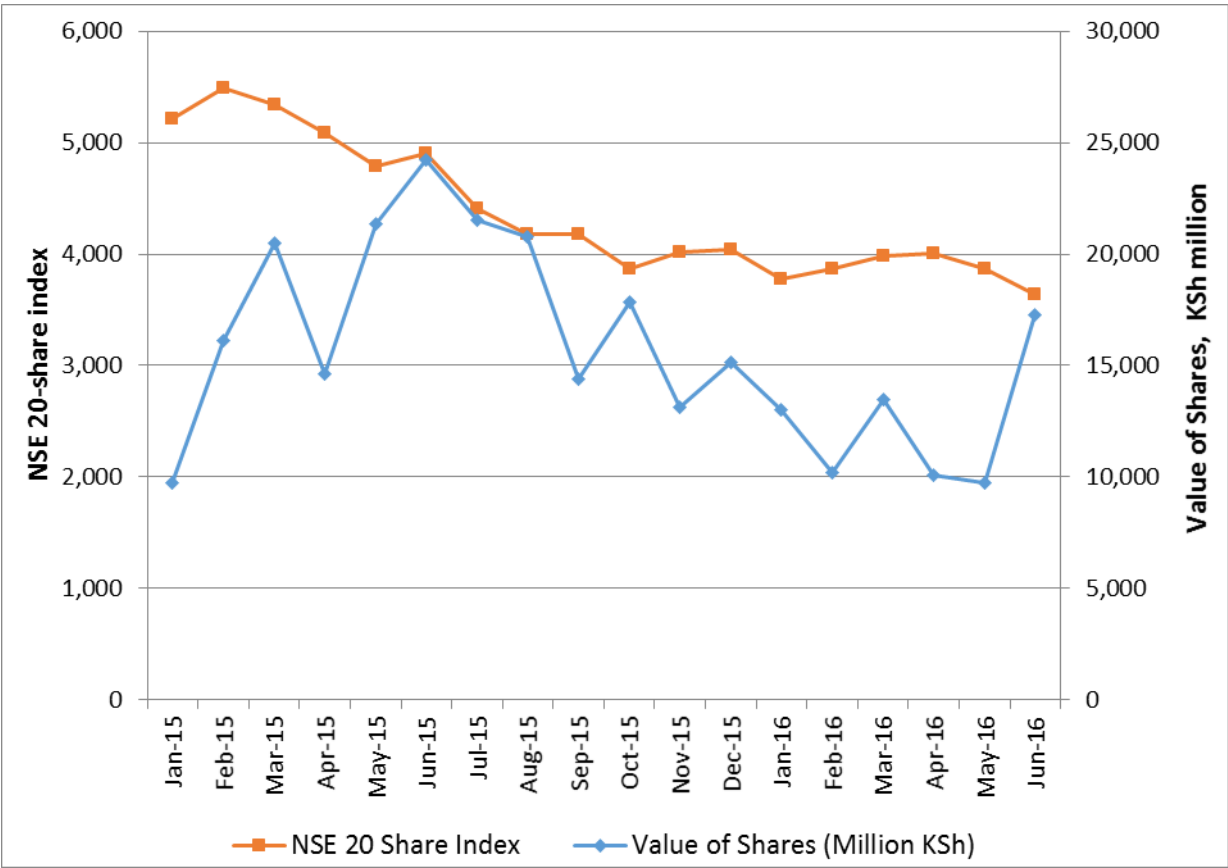
The trends of interest rates for the period January 2015 to June 2016 is shown in Figure 2. During the review period, the average 91 day T-bill interest rate was at 8.11 per cent from 8.31 per cent during the second quarter of 2015. Interest rate on lending increased significantly in the second quarter of 2016 to reach an average of 18.15 per cent compared to 15.57 per cent in the second quarter of 2015. However, an average of interest rates on savings declined by 0.19 points, and dropped from 1.85 per cent to 1.60 per cent in the review period.

**Figure 2: Trends in Interest Rates, January 2015 – June 2016**



As at the end of the review period, the Nairobi Stock Exchange (NSE) 20-Share index was at 3,641 points, compared to a high of 4,906 points in the same period of 2015. The decline in market activity is also reflected in lower value of shares traded, which similarly declined to a total of KSh 37.0 billion in the second quarter 2016 from KSh 60.2 billion during the second quarter of 2015. The total number of transactions in the stock exchange declined from a high of 105,297 during the second quarter 2015 to a low of 75,666 recorded during the second quarter 2016.

**Figure 3: NSE 20-Share Index and Value of Shares Traded, January 2015 - June 2016**



**3.0 International Trade and Balance of Payments**

During the second quarter of 2016, the current account deficit contracted by 6.1 per cent to KSh 141,915 million from KSh 151,209 million in the second quarter of 2015 as shown in Table 4. The decrease in imports on *f.o.b* basis by 8.3 per cent and an increase in exports by 8.4 per cent lead to the contraction of the current account balance. International trade in services registered a surplus of KSh 14,333 million in the quarter under review from a surplus of KSh 24,711 million in the corresponding quarter of 2015. International service receipts declined by 7.8 per cent whereas payments increased by 11.2 per cent during the quarter under review. Diaspora remittances remained resilient increasing by 18.3 per cent to KSh 45,315 million in the second quarter of 2016. Net financial inflows grew by 4.9 per cent from a surplus of KSh 165,377 million in the second quarter of 2015 to a surplus of KSh 173,413 million in the second quarter of 2016 owing to disbursement in form of external loans which were received during the quarter. Consequently, gross official reserves increased to a surplus of KSh 46,494 million in the second quarter of 2016 from a deficit of KSh 49,049 million in a similar period of 2015. These developments resulted into an improvement

in the overall balance of payments position from a deficit of KSh 47,889 million in the second quarter of 2015 to a surplus of KSh 50,087 million in the quarter under review.

Volume of trade declined by 4.2 per cent to KSh 513,059 million during the second quarter of 2016 as presented in Table 5. Merchandise trade deficit narrowed by 16.7 per cent to KSh 223,714 million in the second quarter of 2016 from KSh 268,426 million in the corresponding quarter of 2015. This was mainly supported by an increase of 15.3 per cent in domestic export earnings during the quarter under review riding on growth in earnings from tea and horticulture. The import bill declined by 8.4 per cent on account of low international oil prices and reduced importation of machinery and transport equipment.



**Table 1: Gross Domestic Product by Activity****Current Prices (KSh Million)**

Year	Quarter	Agriculture	Mining and quarrying	Manufacturing	Electricity and water supply	Construction	Wholesale and retail trade	Accommodation & restaurant	Transport and storage	Information and communication
2012		1,113,860	46,625	469,502	85,970	190,851	334,430	57,161	339,524	68,437
2013		1,253,477	40,635	498,357	94,315	213,582	380,327	57,628	377,210	68,299
2014		1,473,787	44,162	539,388	96,881	261,506	432,338	48,763	465,384	66,310
2015		1,867,034	53,784	644,057	108,990	299,851	467,707	49,689	521,698	58,721
2012	1	338,532	10,518	105,824	19,322	44,330	73,286	20,218	79,658	15,507
	2	304,868	11,284	106,639	21,482	45,298	82,329	11,383	81,381	14,657
	3	232,135	12,298	118,649	21,884	48,520	94,878	12,714	87,943	15,492
	4	238,326	12,525	138,390	23,282	52,703	83,937	12,845	90,542	22,781
2013	1	363,789	11,237	160,211	23,477	50,416	84,229	12,611	108,215	17,779
	2	329,702	8,675	139,682	24,326	52,134	94,637	13,844	81,626	15,234
	3	286,455	11,437	121,000	23,011	56,163	106,922	14,608	101,448	14,910
	4	273,532	9,286	77,464	23,501	54,869	94,538	16,564	85,920	20,375
2014	1	409,451	12,819	191,841	20,760	59,037	100,554	10,037	147,313	16,591
	2	359,600	9,625	134,754	24,941	66,370	105,301	11,843	107,750	14,791
	3	336,146	10,147	109,017	28,379	66,268	118,098	13,252	127,095	15,724
	4	368,590	11,570	103,776	22,800	69,831	108,384	13,632	83,226	19,205
2015	1	505,487	14,961	158,727	24,463	68,925	108,806	11,515	134,877	15,229
	2	476,472	12,060	160,823	26,400	75,226	113,431	12,619	106,664	13,853
	3	397,819	14,096	164,559	28,990	77,211	124,365	11,027	133,632	13,220
	4	487,257	12,667	159,947	29,138	78,489	121,105	14,527	146,525	16,418
2016	1	540,945	16,253	183,790	26,271	77,042	118,712	13,128	130,454	14,164
	2	596,721	16,187	183,499	34,770	81,522	125,410	14,636	132,468	14,491

**Table 1: Cont'd: Gross Domestic Product by Activity**

<b>Current Prices (KSh Million)</b>													
Year	Quar-ter	Financial & insurance	Public admin-istration	Professional, admin and support services	Real estate	Education	Health	Other services	FISIM	All indust. at basic prices	Taxes on products	GDP at market prices	GDP, seasonally adjusted
2012		251,621	185,665	97,986	343,007	229,150	70,449	56,430	-111,574	3,829,096	432,055	4,261,151	
2013		313,105	208,824	105,608	375,490	251,861	75,052	62,174	-124,136	4,251,806	493,633	4,745,439	
2014		366,921	240,179	112,960	416,099	280,647	92,102	69,722	-134,588	4,872,560	525,460	5,398,020	
2015		429,081	245,970	119,219	471,327	313,271	107,945	77,745	-167,909	5,668,180	556,189	6,224,369	
2012	1	60,254	41,840	23,426	83,271	56,327	17,962	13,594	-26,906	976,965	97,486	1,074,451	1,012,871
	2	61,698	44,705	22,755	84,769	56,237	17,775	13,625	-27,638	953,247	104,840	1,058,087	1,040,717
	3	55,126	43,890	25,424	87,013	59,078	17,501	14,457	-23,949	923,053	116,529	1,039,582	1,074,086
	4	74,544	55,230	26,382	87,955	57,508	17,210	14,753	-33,081	975,831	113,200	1,089,031	1,151,729
2013	1	68,018	51,533	25,396	90,618	62,789	17,213	14,833	-28,268	1,134,096	113,587	1,247,683	1,171,615
	2	79,855	54,839	24,691	92,219	62,294	18,615	15,107	-31,881	1,075,601	122,472	1,198,073	1,179,995
	3	79,944	51,491	27,277	94,833	62,823	18,713	15,758	-31,206	1,055,587	133,113	1,188,700	1,182,303
	4	85,287	50,961	28,243	97,819	63,956	20,512	16,476	-32,781	986,522	124,460	1,110,982	1,189,937
2014	1	85,491	52,148	27,298	100,839	69,971	20,452	16,939	-31,152	1,310,389	125,462	1,435,851	1,353,622
	2	91,407	68,067	26,436	104,420	69,691	23,433	16,946	-33,358	1,202,017	130,470	1,332,487	1,293,831
	3	85,432	57,171	28,991	106,254	68,441	23,451	17,074	-31,071	1,179,870	142,874	1,322,744	1,343,440
	4	104,591	62,793	30,234	104,585	72,544	24,766	18,763	-39,007	1,180,284	126,654	1,306,938	1,405,847
2015	1	100,105	59,024	29,186	110,887	79,011	24,320	19,531	-37,236	1,427,818	127,236	1,555,054	1,462,277
	2	123,731	68,563	28,411	121,782	78,563	27,490	19,391	-39,423	1,426,058	140,274	1,566,332	1,404,194
	3	123,363	57,278	30,534	126,359	77,759	25,901	18,991	-42,945	1,382,159	146,205	1,528,365	1,429,033
	4	81,882	61,105	31,088	112,299	77,938	30,233	19,832	-48,305	1,432,145	142,474	1,574,618	1,409,413
2016	1	104,315	56,390	31,184	118,716	87,106	25,798	21,489	-40,290	1,525,467	141,301	1,666,768	1,630,930
	2	132,522	66,844	30,648	138,127	87,455	29,380	20,177	-43,325	1,661,531	154,840	1,816,371	1,751,177

**Table 2: Gross Domestic Product by Activity**

<b>Constant (2009) Prices (KSh Million)</b>										
<b>Year</b>	<b>Quarter</b>	<b>Agriculture</b>	<b>Mining and quarrying</b>	<b>Manufacturing</b>	<b>Electricity &amp; water supply</b>	<b>Construction</b>	<b>Wholesale and retail trade</b>	<b>Accommodation &amp; restaurant</b>	<b>Transport and storage</b>	<b>Information and communication</b>
<b>2012</b>		775,798	33,838	381,750	81,545	154,816	254,222	54,972	237,495	108,186
<b>2013</b>		818,044	32,385	403,131	86,959	164,092	274,040	52,441	240,939	121,848
<b>2014</b>		846,568	37,097	416,029	92,334	185,514	294,690	43,657	252,118	139,603
<b>2015</b>		894,188	41,161	430,421	98,859	210,767	391,894	43,086	270,055	149,793
<b>2012</b>	1	236,265	7,978	94,355	19,982	36,422	54,913	20,292	58,605	25,615
	2	211,151	8,520	91,260	20,026	36,958	62,197	10,824	57,768	23,393
	3	163,125	8,714	94,522	20,276	39,245	72,574	11,957	59,571	23,823
	4	165,257	8,626	101,613	21,260	42,191	64,538	11,899	61,551	35,355
<b>2013</b>	1	251,545	9,353	103,149	21,104	39,821	63,128	16,102	53,495	29,450
	2	225,467	6,743	96,774	22,108	40,544	68,765	10,758	58,411	26,219
	3	173,923	8,684	100,614	21,693	42,840	76,265	13,553	61,301	26,928
	4	167,109	7,606	102,594	22,054	40,888	65,882	12,027	67,732	39,252
<b>2014</b>	1	257,060	10,368	109,526	22,021	42,829	69,685	13,919	55,324	33,422
	2	230,254	8,584	104,574	23,215	47,260	72,743	8,738	61,537	28,518
	3	185,767	8,837	101,939	23,341	46,610	80,780	10,841	65,841	31,457
	4	173,486	9,308	99,990	23,757	48,814	71,481	10,159	69,417	46,207
<b>2015</b>	1	264,620	10,962	113,994	23,654	48,237	74,178	12,334	59,040	36,309
	2	239,566	9,325	109,943	25,346	52,557	76,561	8,302	65,727	30,513
	3	196,026	10,047	105,339	25,676	53,896	85,789	10,141	72,046	34,041
	4	193,977	10,827	101,145	24,183	56,077	75,763	12,309	73,242	48,929
<b>2016</b>	1	278,027	11,713	117,724	25,665	53,033	79,445	13,833	63,980	39,817
	2	252,707	10,400	113,460	28,093	56,847	81,195	9,574	71,534	33,122

**Table 2 Cont'd: Gross Product by Activity**

**Constant (2009) Prices (KSh Million)**

Year	Quar-ter	Financial & insurance	Public administration	Professional, admin and support services	Real estate	Education	Health	Other services	FISIM	All indust. at basic prices	Taxes on products	GDP at market prices	GDP, seasonally adjusted
2012		196,220	137,872	84,274	283,061	234,345	59,023	45,800	(82,648)	3,040,567	403,499	3,444,066	
2013		212,241	141,719	87,321	294,747	249,371	63,581	47,891	(86,932)	3,203,818	436,339	3,640,157	
2014		229,819	149,269	89,918	311,148	265,072	68,711	49,911	(96,763)	3,374,695	459,549	3,834,244	
2015		249,884	157,342	92,254	330,494	277,414	73,228	51,811	(111,242)	3,571,804	479,044	4,050,848	
2012	1	46,664	34,745	20,476	69,820	56,725	15,124	11,295	(19,347)	789,929	95,440	885,368	843,933
	2	47,893	34,295	19,647	70,469	57,367	14,805	11,195	(20,071)	757,697	96,652	854,348	846,617
	3	50,016	34,249	21,725	71,090	60,162	14,698	11,595	(21,371)	735,972	105,843	841,814	863,924
	4	51,647	34,582	22,426	71,682	60,091	14,396	11,716	(21,859)	756,971	105,565	862,535	897,047
2013	1	51,595	33,121	21,320	72,735	61,499	14,624	11,782	(20,708)	833,115	103,631	936,746	892,137
	2	52,420	39,846	20,475	73,790	62,271	16,301	11,754	(21,337)	811,310	107,523	918,833	899,618
	3	52,922	33,134	22,347	74,497	62,657	16,039	12,049	(21,875)	777,570	117,592	895,161	920,000
	4	55,303	35,618	23,180	73,725	62,944	16,617	12,306	(23,012)	781,823	107,593	889,416	937,505
2014	1	55,836	31,444	22,018	77,288	64,906	15,497	12,423	(22,453)	871,113	109,888	981,002	932,363
	2	56,540	45,767	21,052	78,676	66,710	17,662	12,272	(23,737)	860,366	113,036	973,401	947,744
	3	56,639	32,966	22,841	79,065	66,675	17,414	12,542	(24,322)	819,232	122,156	941,389	960,310
	4	60,804	39,091	24,008	76,119	66,781	18,137	12,674	(26,251)	823,983	114,469	938,452	977,719
2015	1	61,740	34,196	22,854	83,329	67,665	16,395	12,989	(25,763)	916,732	113,073	1,029,805	982,717
	2	60,909	48,655	22,134	86,663	69,702	18,797	12,614	(26,016)	911,297	119,615	1,030,912	1,004,755
	3	62,457	33,964	23,285	88,103	70,481	17,967	13,013	(28,803)	873,470	124,476	997,946	1,019,196
	4	64,778	40,527	23,981	72,400	69,566	20,068	13,195	(30,660)	870,306	121,880	992,185	1,051,810
2016	1	66,688	36,149	23,645	88,912	71,360	17,085	13,569	(27,760)	972,884	118,107	1,090,991	1,053,493
	2	65,453	51,908	23,186	94,232	72,564	19,797	13,026	(28,249)	968,848	125,724	1,094,573	1,072,435

**Table 3: Gross Domestic Product by Activity, Growth Rates**

Year	Quarter	Agriculture	Mining and quarrying	Manufacturing	Electricity and water supply	Construction	Wholesale and retail trade	Accommodation & restaurant	Transport and storage	Information and communication
<b>2012</b>		2.9	19.0	-0.6	9.5	11.3	7.0	3.1	2.7	2.4
<b>2013</b>		5.4	-4.3	5.6	6.6	6.0	7.8	-4.6	1.5	12.6
<b>2014</b>		3.5	14.5	3.2	6.2	13.1	7.5	-16.7	4.6	14.6
<b>2015</b>		5.6	11.0	3.5	7.1	13.6	6.0	-1.3	7.1	7.3
<b>2012</b>	1	3.5	14.7	-0.5	11.5	19.8	-3.1	8.3	7.3	14.5
	2	2.1	20.8	-2.2	6.5	7.0	11.6	-2.1	8.3	-5.5
	3	2.0	18.3	-0.3	10.8	11.7	17.2	-3.2	-2.0	-12.7
	4	4.1	22.2	0.6	9.5	8.3	2.1	6.4	-1.6	13.4
<b>2013</b>	1	6.5	17.2	9.3	5.6	9.3	15.0	-20.6	-8.7	15.0
	2	6.8	-20.9	6.0	10.4	9.7	10.6	-0.6	1.1	12.1
	3	6.6	-0.4	6.4	7.0	9.2	5.1	13.4	2.9	13.0
	4	1.1	-11.8	1.0	3.7	-3.1	2.1	1.1	10.0	11.0
<b>2014</b>	1	2.2	10.9	6.2	4.3	7.6	10.4	-13.6	3.4	13.5
	2	2.1	27.3	8.1	5.0	16.6	5.8	-18.8	5.4	8.8
	3	6.8	1.8	1.3	7.6	8.8	5.9	-20.0	7.4	16.8
	4	3.8	22.4	-2.5	7.7	19.4	8.5	-15.5	2.5	17.7
<b>2015</b>	1	2.9	5.7	4.1	7.4	12.6	6.4	-11.4	6.7	8.6
	2	4.0	8.6	5.1	9.2	11.2	5.2	-5.0	6.8	7.0
	3	5.5	13.7	3.3	10.0	15.6	6.2	-6.5	9.4	8.2
	4	11.8	16.3	1.2	1.8	14.9	6.0	21.2	5.5	5.9
<b>2016</b>	1	5.1	6.9	3.3	8.5	9.9	7.1	12.1	8.4	9.7
	2	5.5	11.5	3.2	10.8	8.2	6.1	15.3	8.8	8.6

**Table 3: cont'd: Gross Domestic Product by Activity, Growth Rates**

Year	Quarter	Financial & insurance	Public administration	Professional, administrative and support	Real estate	Education	Health	Other services	FISIM	All indust. at basic prices	Taxes on products	GDP at market prices	GDP, seasonally adjusted
2012		6.0	4.0	4.0	4.0	11.1	-2.8	2.3	10.1	4.1	7.7	4.6	
2013		8.2	2.8	3.6	4.1	6.4	7.7	4.6	5.2	5.4	8.1	5.7	
2014		8.3	5.3	3.0	5.6	6.3	8.1	4.2	11.3	5.3	5.3	5.3	
2015		8.7	5.4	2.6	6.2	4.7	6.6	3.8	15.0	5.8	4.2	5.6	
2012	1	0.3	5.8	3.2	4.5	9.9	-1.5	1.7	5.5	4.4	6.7	4.7	-0.6
	2	5.2	2.9	3.6	4.2	10.8	-3.3	2.2	10.8	3.7	9.8	4.3	0.3
	3	7.2	2.5	4.2	3.9	12.6	-3.6	1.9	11.2	3.9	8.5	4.5	2.0
	4	11.2	4.7	4.8	3.7	11.0	-2.8	3.4	12.7	4.5	6.0	4.7	3.8
2013	1	10.6	-4.7	4.1	4.2	8.4	-3.3	4.3	7.0	5.5	8.6	5.8	-0.5
	2	9.5	16.2	4.2	4.7	8.5	10.1	5.0	6.3	7.1	11.2	7.5	0.8
	3	5.8	-3.3	2.9	4.8	4.1	9.1	3.9	2.4	5.7	11.1	6.3	2.3
	4	7.1	3.0	3.4	2.9	4.7	15.4	5.0	5.3	3.3	1.9	3.1	1.9
2014	1	8.2	-5.1	3.3	6.3	5.5	6.0	5.4	8.4	4.6	6.0	4.7	-0.5
	2	7.9	14.9	2.8	6.6	7.1	8.3	4.4	11.2	6.0	5.1	5.9	1.6
	3	7.0	-0.5	2.2	6.1	6.4	8.6	4.1	11.2	5.4	3.9	5.2	1.3
	4	9.9	9.8	3.6	3.2	6.1	9.2	3.0	14.1	5.4	6.4	5.5	1.8
2015	1	10.6	8.8	3.8	7.8	4.3	5.8	4.6	14.7	5.2	2.9	5.0	0.5
	2	7.7	6.3	5.1	10.2	4.5	6.4	2.8	9.6	5.9	5.8	5.9	2.2
	3	10.3	3.0	1.9	11.4	5.7	3.2	3.8	18.4	6.6	1.9	6.0	1.4
	4	6.5	3.7	-0.1	-4.9	4.2	10.6	4.1	16.8	5.6	6.5	5.7	3.2
2016	1	8.0	5.7	3.5	6.7	5.5	4.2	4.5	7.8	6.1	4.5	5.9	0.2
	2	7.5	6.7	4.8	8.7	4.1	5.3	3.3	8.6	6.3	5.1	6.2	1.8

**Table 4: Balance of Payments**

KSh Million

Item	2014				2015				2016	
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun
<b>A. Current Account, n.i.e.</b>	<b>-63,807.71</b>	<b>-93,456.94</b>	<b>-168,012.18</b>	<b>-134,072.28</b>	<b>-101,539.22</b>	<b>-151,209.46</b>	<b>-112,377.09</b>	<b>-128,326.72</b>	<b>-71,018.48</b>	<b>-141,914.73</b>
<b>Merchandise trade</b>	<b>-182,899.25</b>	<b>-230,571.57</b>	<b>-288,306.90</b>	<b>-260,178.72</b>	<b>-202,641.68</b>	<b>-246,369.33</b>	<b>-213,211.33</b>	<b>-164,227.12</b>	<b>-148,778.37</b>	<b>-203,550.44</b>
Exports f.o.b.	134,543.11	141,021.72	133,478.99	128,192.19	131,515.89	133,588.02	164,655.88	157,699.57	154,496.81	144,809.09
Imports f.o.b.	317,442.36	371,593.29	421,785.89	388,370.92	334,157.57	379,957.34	377,867.21	321,926.69	303,275.18	348,359.52
<b>Services Net</b>	<b>50,252.28</b>	<b>54,148.27</b>	<b>45,815.82</b>	<b>66,864.03</b>	<b>23,654.51</b>	<b>24,711.17</b>	<b>20,468.30</b>	<b>16,620.58</b>	<b>14,264.67</b>	<b>14,333.02</b>
Services: credit	66,964.32	74,008.46	73,068.38	106,854.66	71,617.86	69,190.77	67,356.86	103,921.38	66,554.29	63,802.89
Services: debit	16,712.04	19,860.19	27,252.56	39,990.63	47,963.35	44,479.61	46,888.57	87,300.80	52,289.61	49,469.87
<i>of which</i>										
Travel account	12,842.85	14,906.67	10,010.91	17,659.66	11,809.59	12,922.12	12,281.31	12,716.54	13,229.24	15,136.46
Credit	15,819.94	17,974.14	15,158.91	22,324.59	16,534.70	17,218.03	17,865.78	19,462.54	18,752.96	18,519.38
Debit	2,977.09	3,067.47	5,148.00	4,664.93	4,725.11	4,295.91	5,584.47	6,746.00	5,523.72	3,382.92
<b>Primary income, n. i. e.</b>	<b>-7,194.13</b>	<b>-13,243.04</b>	<b>-11,975.01</b>	<b>-14,161.20</b>	<b>-9,344.07</b>	<b>-17,480.55</b>	<b>-9,889.54</b>	<b>-12,820.09</b>	<b>-10,545.56</b>	<b>-17,701.42</b>
Credit	3,971.23	3,284.47	4,608.12	4,077.73	5,134.84	2,329.83	4,411.62	18,596.86	1,965.52	1,751.84
Debit	11,165.36	16,527.51	16,583.13	18,238.93	14,478.91	19,810.38	14,301.16	31,416.96	12,511.08	19,453.26
<b>Secondary income, n. i. e.</b>	<b>76,033.39</b>	<b>96,209.40</b>	<b>86,453.91</b>	<b>73,403.61</b>	<b>86,792.02</b>	<b>87,929.25</b>	<b>90,255.48</b>	<b>32,099.92</b>	<b>74,040.77</b>	<b>65,004.11</b>
<i>of which</i>										
Diaspora remittances	29,436.37	30,460.37	32,941.17	32,810.13	33,327.57	38,288.87	40,627.21	41,801.88	42,776.92	45,315.43
<b>B. Capital Account, n.i.e.</b>	<b>275.75</b>	<b>1,250.19</b>	<b>-</b>	<b>575.81</b>	<b>2,536.42</b>	<b>-</b>	<b>-</b>	<b>23,181.58</b>	<b>4,995.00</b>	<b>10,306.00</b>
<b>C. Financial Account, n.i.e.</b>	<b>-75,725.40</b>	<b>-148,962.28</b>	<b>-214,463.80</b>	<b>-161,595.55</b>	<b>-219,311.38</b>	<b>-165,377.14</b>	<b>157,615.12</b>	<b>199,552.68</b>	<b>159,449.82</b>	<b>173,412.92</b>
<b>D. Net Errors and Omissions</b>	<b>-4,762.50</b>	<b>108,055.02</b>	<b>-124,607.26</b>	<b>-9,961.31</b>	<b>-137,371.16</b>	<b>-62,057.10</b>	<b>-96,593.95</b>	<b>-5,961.28</b>	<b>-67,108.10</b>	<b>8,282.95</b>
<b>E. Overall Balance</b>	<b>-7,430.94</b>	<b>-164,810.55</b>	<b>78,155.63</b>	<b>-18,137.77</b>	<b>17,062.59</b>	<b>47,889.41</b>	<b>51,355.92</b>	<b>-88,446.27</b>	<b>-26,318.23</b>	<b>-50,087.14</b>
<b>F. Reserves and Related Items</b>	<b>7,430.94</b>	<b>164,810.55</b>	<b>-78,155.63</b>	<b>18,137.77</b>	<b>-17,062.59</b>	<b>-47,889.41</b>	<b>-51,355.92</b>	<b>88,446.27</b>	<b>26,318.23</b>	<b>50,087.14</b>
Change in Gross Official Reserves	8,093.15	165,821.57	-77,480.04	19,636.85	-15,705.66	-49,049.13	-51,527.88	84,293.82	27,753.12	46,494.33
Exceptional financing	662.21	1011.02	675.59	1,499.08	1,356.93	-1,159.71	-171.96	-4,152.45	1,434.89	-3,592.81

**Table 5: Balance of Merchandise Trade****KSh Million**

Year	Period	Domestic Exports	Re-Exports	Total Exports	Imports	Balance of Trade	Volume of Trade
2013	Q1	121,909.80	10,063.33	131,973.13	355,998.14	(224,025.01)	487,971.26
	Q2	114,470.22	10,362.90	124,833.13	329,426.46	(204,593.33)	454,259.59
	Q3	111,681.85	11,955.77	123,637.62	356,168.64	(232,531.02)	479,806.26
	Q4	109,640.46	14,215.69	123,856.15	367,213.82	(243,357.67)	491,069.97
2014	Q1	115,406.46	19,136.65	134,543.11	345,179.09	(210,635.98)	479,722.20
	Q2	115,472.61	25,549.11	141,021.72	403,452.50	(262,430.78)	544,474.22
	Q3	118,632.15	14,846.84	133,478.99	452,638.00	(319,159.01)	586,116.99
	Q4	111,060.55	17,131.64	128,192.19	417,054.59	(288,862.40)	545,246.78
2015	Q1	115,225.50	16,290.39	131,515.89	355,653.39	(224,137.50)	487,169.27
	Q2	114,074.54	19,513.48	133,588.02	402,014.40	(268,426.38)	535,602.42
	Q3	139,594.63	24,826.71	164,421.34	408,591.92	(244,170.57)	573,013.26
	Q4	137,287.69	20,282.54	157,570.23	414,156.25	(256,586.01)	571,726.48
2016	Q1	130,496.64	23,846.42	154,343.06	321,466.90	(167,123.84)	475,809.96
	Q2	131,572.95	13,099.25	144,672.20	368,386.46	(223,714.26)	513,058.66