



## PRESS RELEASE

### QUARTERLY GROSS DOMESTIC PRODUCT, 1<sup>ST</sup> QUARTER 2020/2021

#### HIGHLIGHTS

#### ORIGINAL UNADJUSTED ESTIMATES CONSTANT PRICES (2016/17)

Year on Year Quarterly Gross Domestic Product (QGDP) for the First Quarter (Q1) of 2020/2021 contracted by 2.2 percent compared to the growth of 8.7 percent (revised) registered in Q1 of the previous year.

#### Sectoral Performance

The Agriculture sector declined by 0.2 percent in Q1 of 2020/2021 compared to a growth of 9.1 percent (revised) in Q1 of the previous year. Food Crops and Fishing activities registered 0.1 and 3.8 percent decline in Q1 2020/2021 respectively.

Year on Year Value added in Industry sector grew by 4.3 percent in Q1 of 2020/2021 compared to a growth of 7.9 percent (revised) in Q1 of the previous year. The manufacturing sector registered a growth of 3.0 percent in Q1 2020/2021 compared to 7.4 percent (revised) in Q1 2019/2020.

The Services sector overall Value added declined by 6.2 percent in Q1 of 2020/2021 compared to a growth of 7.7 percent (revised) in Q1 of the previous year. This decline was mainly driven by decrease in Accommodation & Food Service and Education activities which registered declines of 24.2 and 20.4 percent in Q1 2020/2021 respectively. The GDP growth for Q1 2020/2021 and previous quarters is shown in Graph 1 and Tables in the Appendix.

#### ORIGINAL UNADJUSTED ESTIMATES

#### CURRENT PRICES

QGDP in current prices for the First Quarter (Q1) of 2020/2021 is estimated to have grown to 38,719 billion shillings from 37,633 billion shillings in Q1 of 2019/2020.

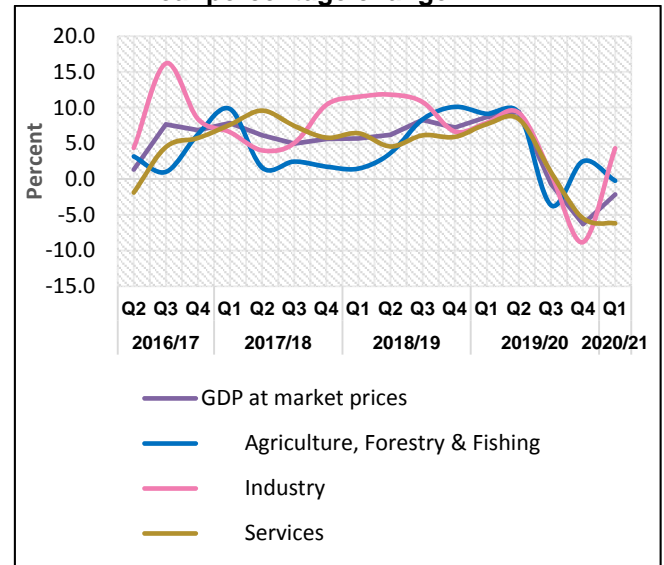
#### Sectoral Contribution

In terms of sector contribution to overall QGDP, the Agriculture sector contributed 28.0 percent in Q1 of 2020/2021 from the 27.8 percent registered in Q1 of 2019/2020, which is a 1.8 percentage point growth in the share to QGDP.

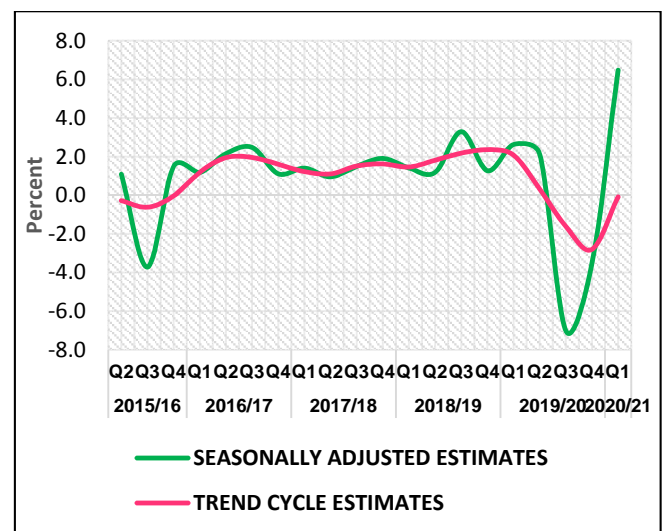
The contribution of the Industry sector was 25.6 percent in Q1 of 2020/2021 compared to a 24.0 percent contribution in Q1 of 2019/2020.

The Services sector continued to be the biggest contributor to QGDP, representing 39.3 percent in Q1 of 2020/2021 compared to 41.7 percent contribution in Q1 of 2019/2020

**Graph 1: GDP and Sectoral Value Added Year on Year percentage change**



**Graph 2: Quarter to Quarter percentage change in QGDP estimates**




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December 28<sup>th</sup>, 2020

# QUARTERLY GROSS DOMESTIC PRODUCT (QGDP) Q1 2020/2021

## EXPLANATORY NOTES

### ORIGINAL UNADJUSTED ESTIMATES

Year on Year real Quarterly GDP declined by 2.2 percent in Q1 of 2020/2021. In value terms, the economy contracted from 35,296 billion shillings in Q1 2019/2020 to 34,532 billion shillings in Q1 2020/2021.

### Sectoral Performance

#### Agriculture

Year on Year Value added in the Agriculture sector was recorded at 9,715 billion shillings in Q1 2020/2021 compared to 9,738 billion shillings recorded in Q1 of 2019/2020. This was a decline in the value added, mainly due to a decline in Food crop growing activities registered at 6,269 billion shillings in Q1 2019/2020 to 6,261 billion shillings in Q1 2020/2021. This was due to a decline in the major food crop growing activities like beans and maize. However, Cash crop growing activities grew from 760 billion shillings in Q1 2019/2020 to 780 billion shillings in Q1 2020/2021.

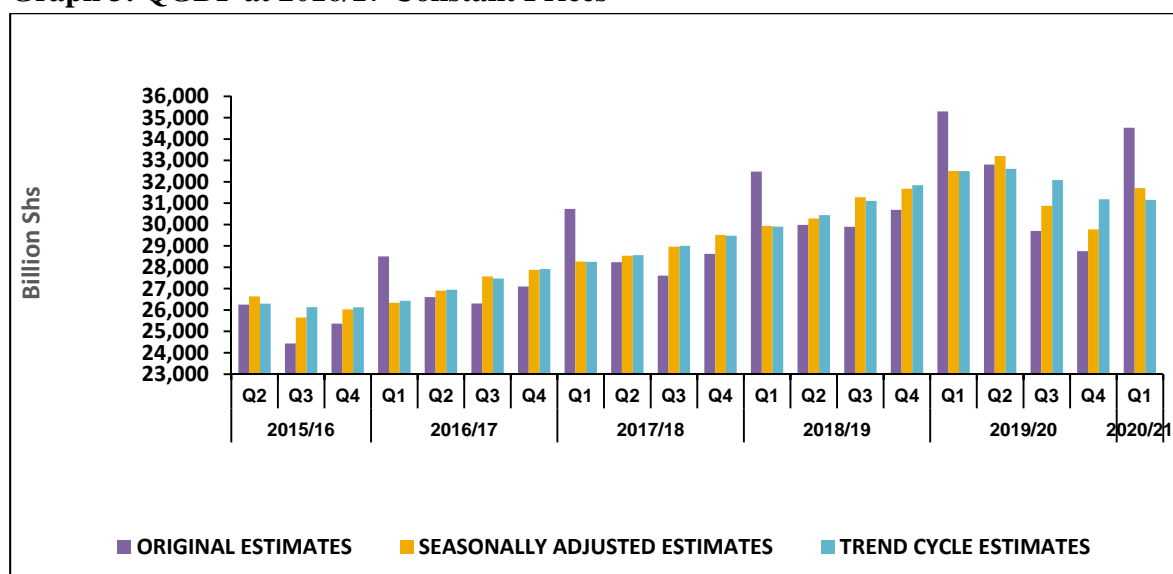
#### Industry

Year on Year Industry sector Value Added grew by 4.3 percent in Q1 2020/2021 compared to the growth of 7.9 percent recorded in Q1 of the previous year. The main drivers of this growth were Manufacturing and Mining & Quarrying activities which registered 5,191 billion shillings and 993 billion shillings in Q1 2020/2021 compared to 5,037 billion shillings and 640 billion shillings in Q1 2019/2020 respectively. Notably, there was an increase in the manufacturing of paint.

#### Services

The Value added for the Services sector declined by 6.2 percent in Q1 2020/2021 compared to the growth of 7.7 percent in Q1 of the previous year. This was mainly due to declines in Accommodation & Food Service and Education activities which registered declines of 24.2 and 20.4 percent in Q1 2020/2021 respectively. However, Information & Communication activities grew by 9.8 percent in Q1 2020/2021 compared to Q1 2019/2020.

**Graph 3: QGDP at 2016/17 Constant Prices**



#### Taxes on Products and Subsidies

Taxes on Products and Subsidies declined by 9.2 percent from 2,260 billion shillings in Q1 2019/2020 to 2,053 billion shillings in Q1 2020/2021. This was due to a decline in the customs duty mainly for petroleum products and value added tax on imported goods.

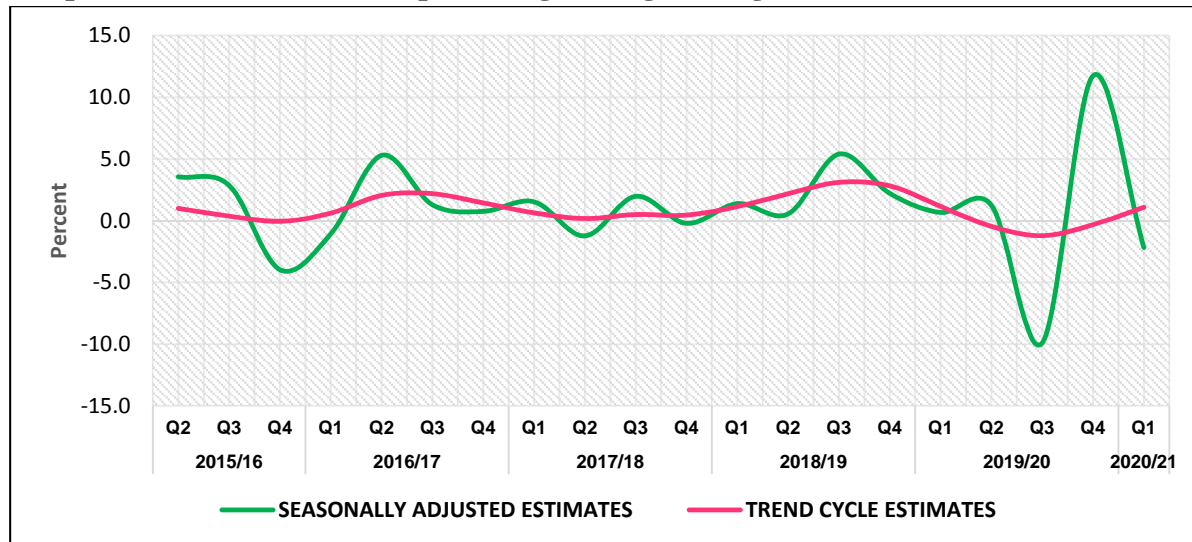
## SEASONALLY ADJUSTED ESTIMATES

Quarter on Quarter real QGDP grew by 6.5 percent in Q1 of 2020/2021 compared to a 3.5 percent decline in Q4 2019/2020. In value terms, the economy grew from 29,776 billion shillings in Q4 2019/2020 to 31,703 billion shillings in Q1 2020/2021.

### Agriculture

The Agriculture sector Value added declined by 2.2 percent in Q1 2020/2021 compared to 11.7 percent growth registered in Q4 2019/2020. The Valued Added for the sector declined from 7,531 billion shillings in Q4 2019/2020 to 7,367 billion shillings in Q1 2019/2020. Notable decline was observed in the food crop growing activities.

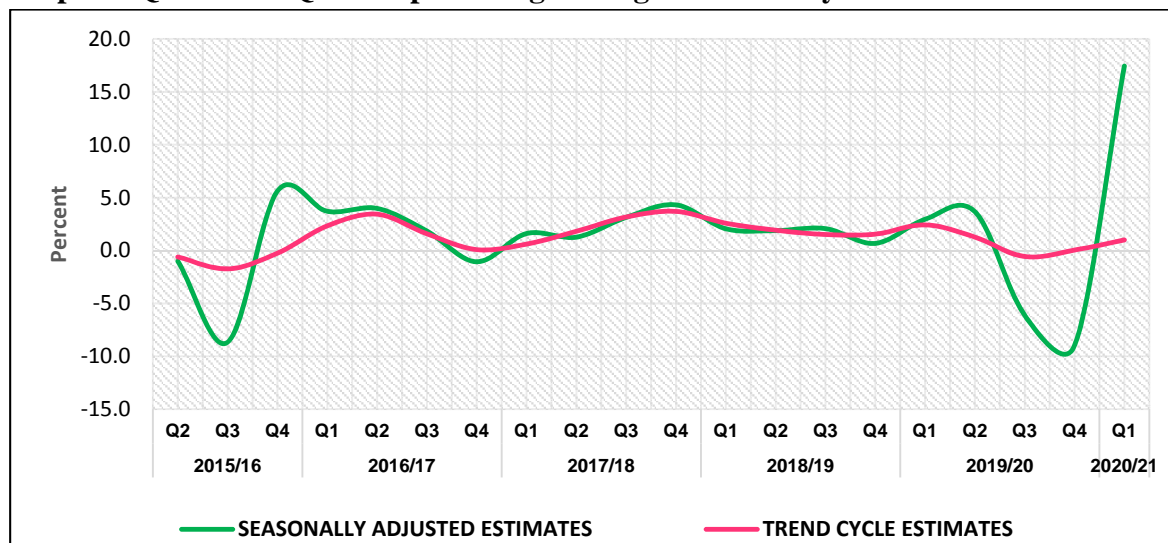
**Graph 4: Quarter to Quarter percentage changes in Agriculture sector Value Added**



### Industry

Valued Added for the Industry sector increased by 17.4 percent in Q1 2020/2021 compared to a decline of 9.0 percent registered in Q4 2019/2020. Industry activities value added grew from 7,701 billion shillings in Q4 2019/2020 to 9,044 billion shillings in Q1 2020/2021. This was due to a growth in manufacturing, and mining & quarrying activities.

**Graph 5: Quarter to Quarter percentage changes in Industry sector Value Added**

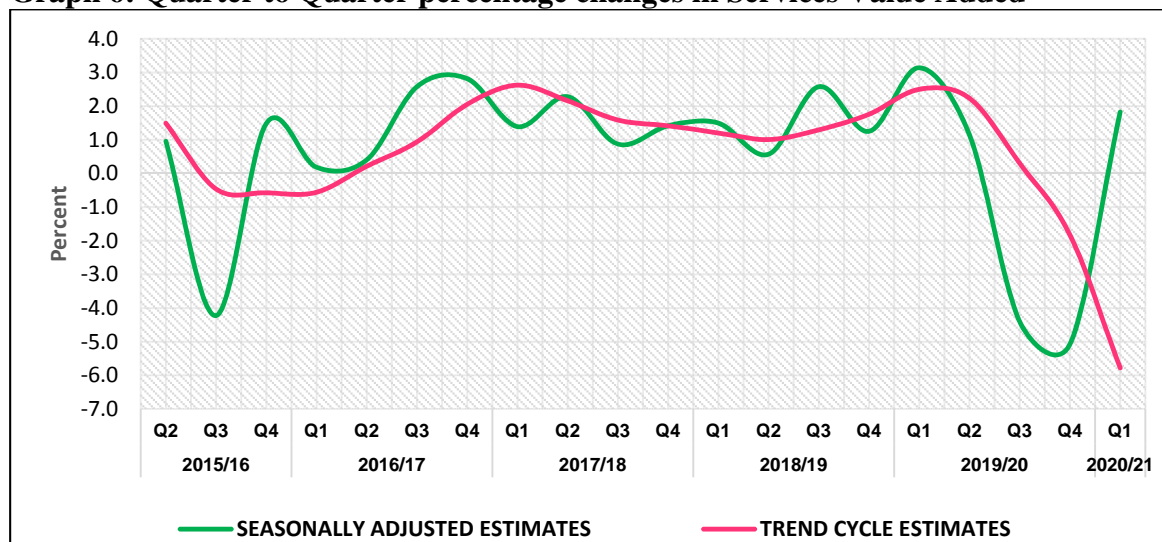


### Services

Valued Added for the Service sector grew by 1.8 percent in Q1 2020/2021 compared to a decline of 5.1 percent registered in Q4 2019/2020. The Services sector value added increased from 13,008 billion shillings in Q4 2019/2020 to 13,245 billion shillings in Q1 2020/2021. This was

due to a growth in Trade & Repairs, Accommodation & Food Service, and Information & Communication activities.

**Graph 6: Quarter to Quarter percentage changes in Services Value Added**



**Taxes on Products and Subsidies**

Valued Added for Taxes on Products and Subsidies grew by 33.3 percent in Q1 2020/2021 compared to a decline of 22.0 percent registered in Q4 2019/2020. Taxes on Products and Subsidies increased from 1,536 billion shillings in Q4 2019/2020 to 2,047 billion shillings in Q1 2020/2021. This was due to an increase in the customs duty mainly for petroleum products and value added tax on imported goods.

**Notes:**

All these estimates have been benchmarked to the 2019/2020 Preliminary AGDP Estimates.

**Benchmarking:** They are methods in national accounts used to derive quarterly series that are consistent with their corresponding annual benchmarks and at the same time preserve the short-term movements of quarterly economic indicators.

**Next Release:**

March 2021