



**PRESS RELEASE**

**QUARTERLY GROSS DOMESTIC PRODUCT, 2<sup>ND</sup> QUARTER 2023/2024**

**HIGHLIGHTS**

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

Year on Year Quarterly Gross Domestic Product (QGDP) for the second quarter (Q2) of 2023/24 grew by 5.5 percent compared to the growth of 4.5 percent registered in Q2 of the previous year.

**Sectoral Performance**

Year on Year gross value added for the Agriculture sector grew by 1.6 percent in Q2 of 2023/24 compared to a growth of 12.5 percent in Q2 of the previous year. This growth was due to cash crop growing activities which registered a 7.5 percent growth in Q2 2023/24 compared to a decline of 7.5 percent in Q2 2022/23.

Year on Year gross value added for the industry sector grew by 6.8 percent in Q2 of 2023/24 compared to a decline of 3.0 percent in Q2 of the previous year. This growth was due to increase in construction activities which grew by 3.3 percent in Q2 2023/24 compared to a slow growth of 0.6 percent recorded in Q2 2022/23. On the other hand, Manufacturing activities declined by 1.0 percent in Q2 2023/24 compared to a growth of 1.2 percent in Q2 2022/23.

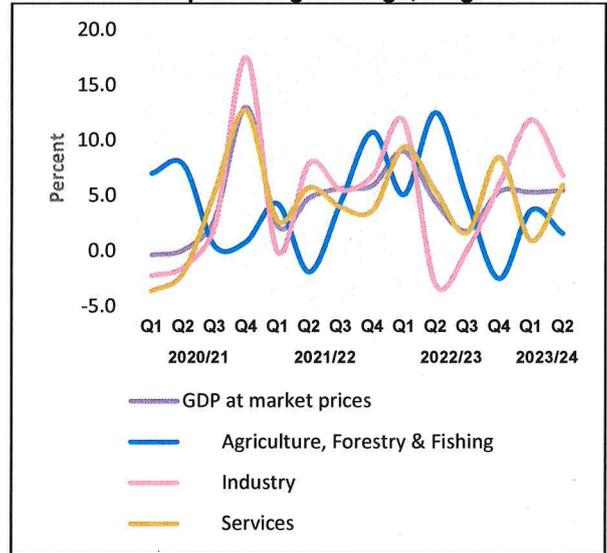
The services sector Year on Year gross value added grew by 6.0 percent in Q2 of 2023/24 compared to a growth of 5.5 percent in Q2 of the previous year. This growth was mainly driven by increase in Trade & Repairs activities and Real Estate activities which grew by 5.5 percent and 3.9 percent respectively in Q2 of 2023/24. The QGDP growth for Q2 2023/24 and previous quarters is shown in Graph 1 and in the Appendix Tables.

**SEASONALLY ADJUSTED ESTIMATES  
CONSTANT PRICES (2016/17)**

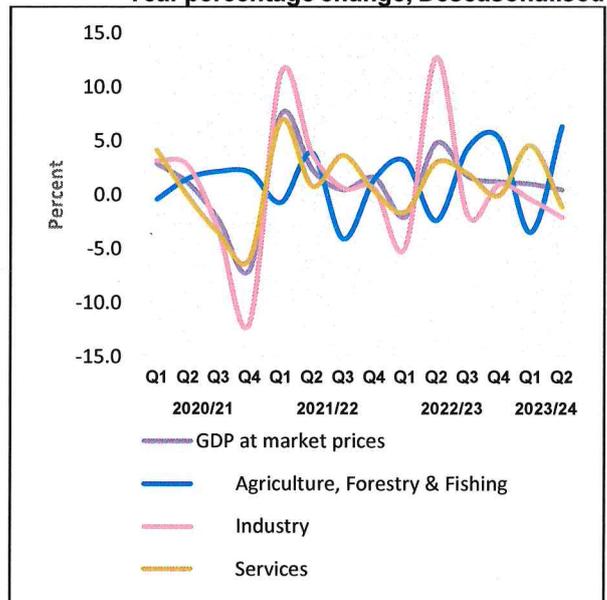
Quarter on Quarter GDP grew by 0.5 percent in Q2 2023/24 compared to the 1.0 percent growth in Q1 2023/24. In terms of sectors, agriculture grew by 6.4 percent in Q2 2023/24 compared to a 3.5 percent decline in Q1 2023/24. Industry declined by 2.1 percent in Q2 2023/24 compared to a decline of 0.4 percent in Q1 2023/24. Services declined by 1.1 percent in Q2 2023/24 compared to a 4.6 percent growth in Q1 2023/24.

In volume terms, agriculture increased from 8,254 billion shillings in Q1 2023/24 to 8,779 billion shillings in Q2 2023/24. Industry declined from 9,291 billion shillings in Q1 2023/24 to 9,100 billion shillings in Q2 2023/24 and Services decreased from 15,781 billion shillings in Q1 2023/24 to 15,606 billion shillings in Q2 2023/24 as shown in Graph 2 and in the Appendix Tables.

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



**Graph 2: GDP and Sectoral Value Added Year on Year percentage change, Deseasonalised**



**ORIGINAL UNADJUSTED ESTIMATES**

**CURRENT PRICES**

QGDP in current prices for the second quarter (Q2) of 2023/24 is estimated to have grown to 48,846 billion shillings from 45,163 billion shillings in Q2 of 2022/23.

**Sectoral Contribution**

In terms of sector contribution to overall QGDP, agriculture sector contributed 22.9 percent of GDP in Q2 of 2023/24 compared to 24.4 percent contribution registered in Q2 of 2022/23, which is a 1.4 percentage point decline in the share to QGDP.

The contribution of the industry sector was 26.5 percent in Q2 of 2023/24 compared to a 25.3 percent contribution in Q2 of 2022/23.

The services sector continued to be the biggest contributor to QGDP, 43.1 percent in Q2 of 2023/24 as compared to 42.9 percent in Q2 of 2022/23.

**SEASONALLY ADJUSTED ESTIMATES**

**CURRENT PRICES**

In nominal terms, seasonally adjusted QGDP was estimated at 49,517 billion shillings in quarter two (Q2) of 2023/24 compared to 50,444 billion shillings in Q1 2023/24.

**Sectoral Contribution**

In terms of sector contribution to overall QGDP, agriculture sector contributed 23.7 percent of GDP in Q2 2023/24 compared to 22.5 percent contribution registered in Q1 2023/24, which is a 1.2 percentage point growth in the share to QGDP.

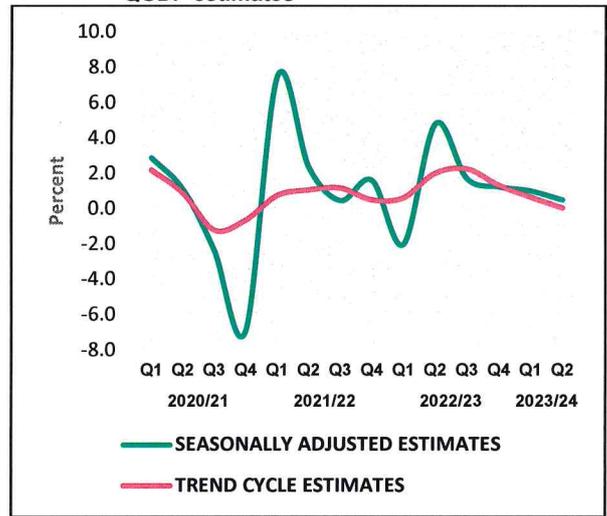
The contribution of the industry sector decreased to 26.8 percent in Q2 of 2023/24 from 27.9 percent registered in Q1 2023/24 while services sector continued to be the biggest contributor to QGDP, 42.2 percent in Q2 of 2023/24 compared to 42.0 percent in Q1 2023/24.

**ORIGINAL UNADJUSTED EXPENDITURE ESTIMATES**

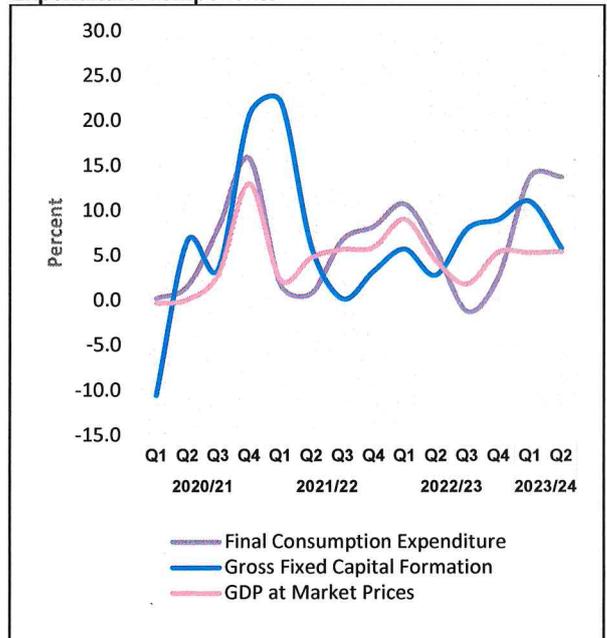
In real terms, Year on Year Quarterly Final Consumption expenditure grew by 13.8 percent in Q2 2023/24 compared to a growth of 5.6 percent registered in Q2 2022/23. This is attributed to the Household Final Consumption Expenditure which grew by 17.6 percent in Q2 2023/24 compared to a growth of 4.0 percent registered in Q2 2022/23.

Gross Fixed Capital Formation grew by 5.9 percent in Q2 2023/24 compared to a growth of 2.8 percent registered in Q2 2022/23. In terms of contribution, Final Consumption Expenditure remains the leading contributor, contributing 77.8 percent to the QGDP Expenditure.

**Graph 3: Quarter to Quarter percentage change in QGDP estimates**



**Graph 4: Year on Year Percentage changes in QGDP Expenditure Components**



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**27<sup>th</sup> March 2024**

# QUARTERLY GROSS DOMESTIC PRODUCT (QGDP) Q2 2023/2024

## EXPLANATORY NOTES

### ORIGINAL UNADJUSTED ESTIMATES

Year on year real quarterly GDP grew by 5.5 percent in Q2 of 2023/24. In volume terms, the economy expanded from 35,653 billion shillings in Q2 2022/23 to 37,604 billion shillings in Q2 2023/24.

### Sectoral Performance

#### Agriculture

Year on year value added in the agriculture sector was recorded at 8,492 billion shillings in Q2 2023/24 compared to 8,361 billion shillings recorded in Q2 of 2022/23. This growth in value added was attributed to cash crop growing activities which grew by 7.5 percent from 927 billion shillings in Q2 of 2022/23 to 997 billion shillings in Q2 2023/24. However, food crop growing activities declined by 2.9 percent in Q2 2023/24 compared to a growth of 19.8 percent recorded in Q2 of 2022/23. In addition, fishing activities declined by 5.7 percent in Q2 2023/24 compared to a growth of 26.1 percent in Q2 of 2022/23.

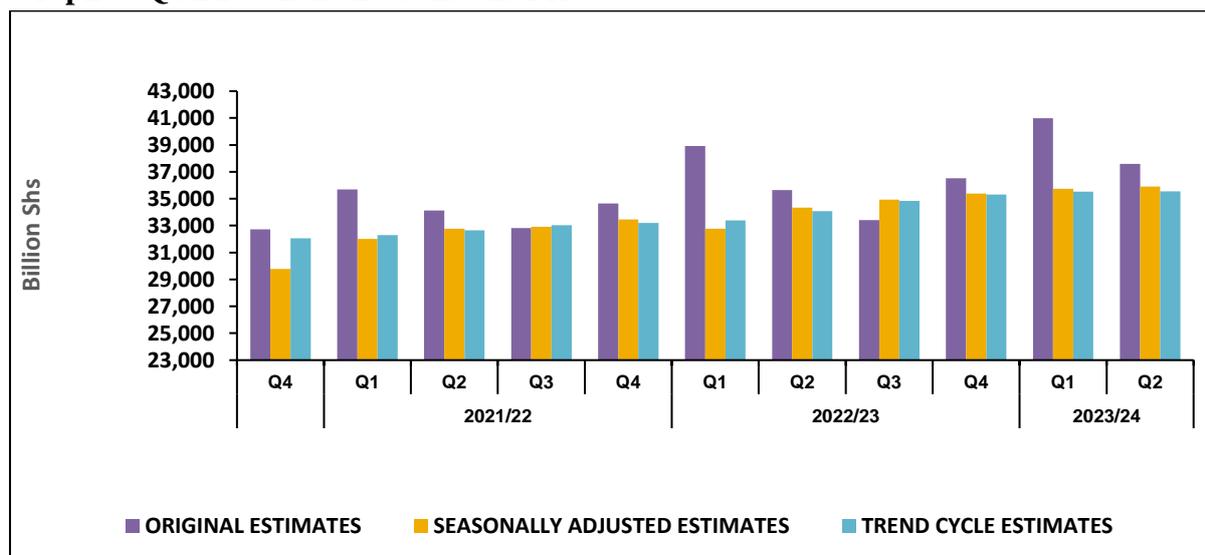
#### Industry

Year on year industry sector value added grew by 6.8 percent in Q2 2023/24 compared to a decline of 3.0 percent recorded in Q2 of the previous year. This was mainly due to Construction activities which grew by 3.3 percent in Q2 2023/24 compared to a growth of 0.6 percent registered in Q2 2022/2023. However, manufacturing activities declined by 1.0 percent in Q2 2023/24 compared to a growth of 1.2 percent recorded in Q2 of 2022/23.

#### Services

The value added for the services sector grew by 6.0 percent in Q2 2023/24 compared to a growth of 5.5 percent in Q2 of the previous year. This was mainly due to Trade and repair services which grew by 5.5 percent in Q2 of 2023/24 from 2,930 billion shillings in Q2 2022/2023 to 3,092 billion shillings in Q2 2023/24. Real Estate Activities also grew from 2,553 billion shillings in Q2 2022/2023 to 2,653 billion shillings in Q2 2023/24.

**Graph 5: QGDP at 2016/17 Constant Prices**



#### Taxes on Products and Subsidies

Taxes on products and subsidies grew by 10.6 percent from 2,418 billion shillings in Q2 2022/2023 to 2,674 billion shillings in Q2 2023/24. This was due to an increase in excise duty.

## SEASONALLY ADJUSTED ESTIMATES

Quarter on quarter real QGDP grew by 0.5 percent in Q2 of 2023/2024 compared to a growth of 1.0 percent in Q1 2023/24. In volume terms, the economy grew from 35,734 billion shillings in Q1 2023/24 to 35,913 billion shillings in Q2 2023/24.

### Agriculture

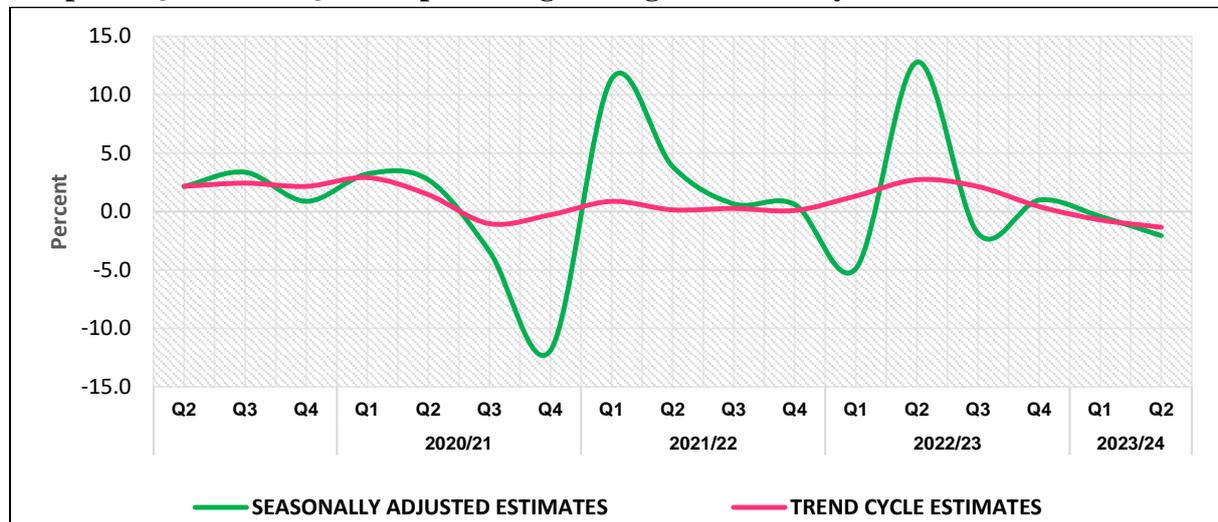
The agriculture sector value added grew by 6.4 percent in Q2 2023/24 compared to a decline of 3.5 percent in Q1 2023/2024. The valued added for the sector recorded an increase from 8,254 billion shillings in Q1 2023/2024 to 8,779 billion shillings in Q2 2023/2024. This was mainly due to a growth in food crop growing activities.

**Graph 6: Quarter to Quarter percentage changes in Agriculture sector Value Added**

### Industry

Valued added for the industry sector declined by 2.1 percent in Q2 2023/2024 compared to a decline of 0.4 percent registered in Q1 2023/2024. Industry sector value added decreased from 9,291 billion shillings in Q1 2023/2024 to 9,100 billion shillings in Q2 2023/2024. This was due to a decrease in Construction and Manufacturing activities.

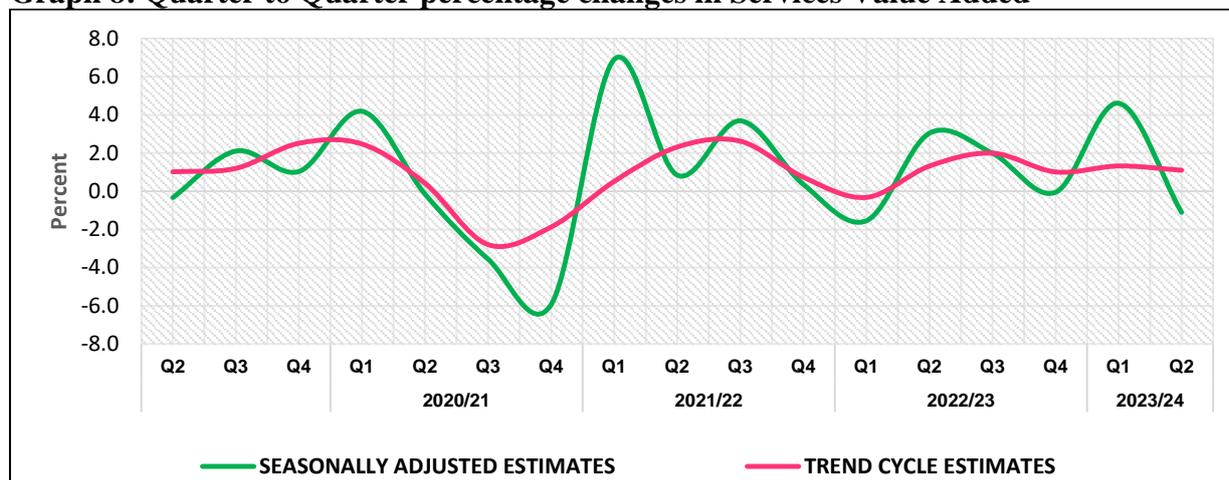
**Graph 7: Quarter to Quarter percentage changes in Industry sector Value Added**



### Services

Valued added for the service sector declined by 1.1 percent in Q2 2023/2024 compared to a growth of 4.6 percent registered in Q1 2023/2024. The services sector value added declined from 15,781 billion shillings in Q1 2023/2024 to 15,606 billion shillings in Q2 2023/2024. This was due to decline in Professional, Scientific & Technical services and Education services.

**Graph 8: Quarter to Quarter percentage changes in Services Value Added**



### **Taxes on Products and Subsidies**

Valued added for taxes on products and subsidies grew by 0.8 percent in Q2 2023/2024 compared to a decline of 0.1 percent registered in Q1 2023/2024. Taxes on products and subsidies grew from 2,409 billion shillings in Q1 2023/2024 to 2,428 billion shillings in Q2 2023/2024.

### **ORIGINAL UNADJUSTED EXPENDITURE ESTIMATES**

#### **Final Consumption Expenditure**

In real terms, Year on Year Final Consumption Expenditure recorded a growth of 13.8 percent in Q2 2023/2024 compared to a growth of 5.6 percent registered in Q2 2022/2023. This is attributed to Household Final Consumption Expenditure which grew by 17.6 percent in Q2 2023/2024 compared to a growth of 4.0 percent registered in Q2 2022/23.

In Nominal terms Final Consumption Expenditure was estimated at 38,000 billion shillings in Q2 2023/24 compared to 37,552 billion shillings in Q2 2022/23, representing 77.8 percent contribution to QGDP Expenditure.

#### **Gross Capital Formation**

Gross Fixed Capital Formation grew by 5.9 percent in Q2 2023/2024 compared to a growth of 2.8 percent registered in Q2 2022/23. This is attributed to the growth in Dwellings and Construction Structures which grew by 1.6 percent and 5.0 percent respectively in Q2 2023/24.

### **SEASONALLY ADJUSTED EXPENDITURE ESTIMATES**

#### **Final Consumption Expenditure**

In real terms, Quarter on Quarter Final Consumption Expenditure recorded a decline of 2.3 percent in Q2 2023/2024 compared to a growth of 10.4 percent registered in Q1 2023/24. This is attributed to Household Final Consumption Expenditure which declined by 1.8 percent in Q2 2023/24 compared to a growth of 11.1 percent registered in Q1 2023/24.

In real terms, Final Consumption Expenditure was estimated at 33,533 billion shillings in Q2 2023/2024 compared to 34,334 billion shillings in Q1 2023/24.

#### **Gross Capital Formation**

Gross Fixed Capital Formation declined by 2.0 percent in Q2 2023/2024 compared to a growth of 3.4 percent registered in Q1 2023/24. This is attributed to the growth in Other Machinery and Equipment which declined by 9.3 percent in Q2 2023/2024 from a growth of 13.4 percent recorded in Q1 2023/24.

**Notes:**

All these estimates have been benchmarked to the 2022/23 AGDP Estimates October Release.

**Data Updates;** Government Finance Statistics, Annual Trade Statistics, Construction Input Price Index, Balance of Payments.

**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 will be by June 2024**