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.
**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.

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**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.

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**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 17.8 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 2.6 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.

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[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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Chris N. Mukiza (PhD)

Executive Director/Chief Statistician

27th 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 compared to 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.
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 2023/24 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.


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