

**Abstract:**

This paper examines the determinants of Kenya's exports to the EU since 1960 to 2010 . The study uses ordinary least squares and two stage least square regression using exports values as the dependent variable. The independent variables are foreign aid, real gross fixed capital formation, terms of trade and consumption which is used as an instrument for real gross domestic product in the two stage least square as well as a dummy variable capturing the effect of reciprocity as a proxy for assessing the effect of the trade relation. The results show that during periods when there was reciprocity, Kenyan export values were stagnant and low, unlike periods when ACP states were given preferential treatment i.e. when there was no reciprocity. It is therefore evident that the proposed EPAs may worsen the current situation for Kenya's exports.