

## Slovakia | Instant Comment

# Foreign trade marks tepid development in May

Foreign trade balance (EUR mn)

Actual, May:	<b>133.1</b>	Previous:	<b>-60.4</b>	Erste:	<b>290</b>	Consensus:	<b>395</b>
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Foreign trade dynamics surprised on the downside in May, as exports fell by 0.2% y/y. Import growth eased to 3.8% y/y. **The foreign trade balance was thus curtailed to mere EUR 133.1mn, below both our and market expectations.** The trade balance for April was revised slightly upwards from a deficit of EUR 68mn to a shortfall of EUR 60mn.

**It cannot be ruled out that some weakness from German manufacturing filtered into the Slovak foreign trade print.** However, the weaker external environment is partially compensated by the boost to car production, courtesy of the fourth car plant.

**Overall, we expect economic growth to average 3.4% this year, driven mainly by domestic demand as the external environment is likely to remain overcast** (Germany, Euro Area and China slowing down, uncertainty stemming from Brexit and possible inconveniences arising from these issues for the local car sector).

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