

# Instant Comment Slovakia

## Industrial production growth continues on a solid path in April

### Industrial Production (y/y)

Actual, Apr:	<b>6.3</b>	Previous:	<b>7.8</b>	Erste:	<b>3.5</b>	Consensus:	<b>5.5</b>
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**Industrial production rose by 6.3% y/y in April, exceeding both our and consensus expectations.** On a seasonally-adjusted monthly basis, IP inched down by 0.2%. The overwhelming driver of growth was car production (+12.2% y/y), followed by manufacture of machinery (+17.4% m/m). On the other hand, the largest drag on IP was manufacture of metals which marked a 12% y/y fall in April.

**Production in construction fell by 4.5% y/y in April (corresponding to a monthly decrease of 0.9% m/m).**

### Looking Forward:

Even though the start of the year brought some welcome news about net exports, the clouds over the external environment have not dissipated – some of them (esp. Brexit) have even become more prominent. **This year, we expect economic growth to average 3.4%, driven largely by domestic demand as the external environment is likely to remain cloudy** (Germany and China slowing down, uncertainty stemming from Brexit, unresolved protectionism in foreign trade and possible impact on local car makers). The slowdown is mostly attributable to external demand changes and should prove to be temporary. We stick to our 2020 GDP growth forecast of 3.6%.



Source: Stat. Office Of The Slovak Republic

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