

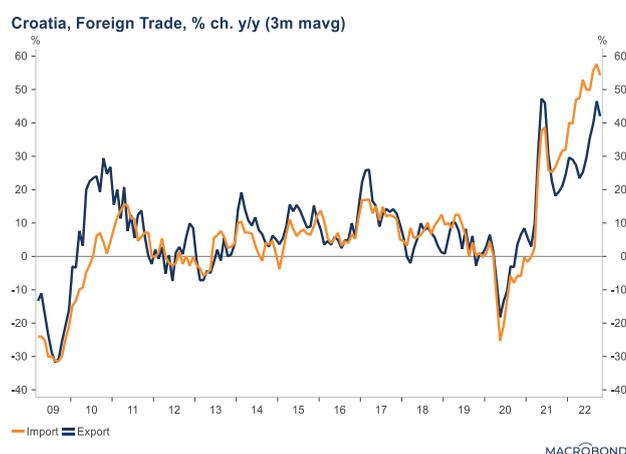
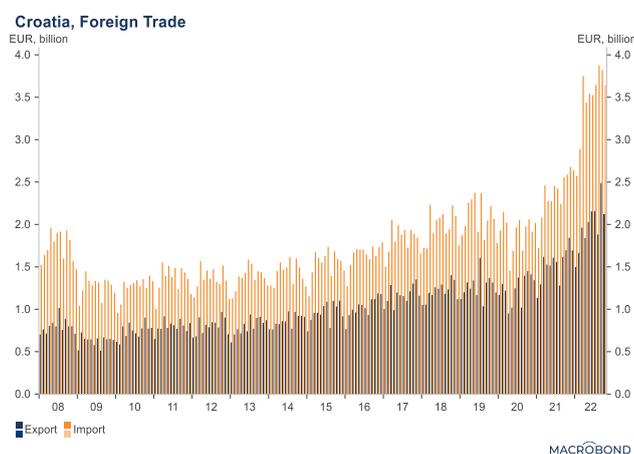
# WEEKLY ANALYSIS

## Number 802, December 12, 2022

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## In October the growth rate of exports of goods remains high

According to the CBS data published on Friday, in the period from January to October total goods exports amounted to EUR 19.8 billion, up by 33.4% y-o-y, while simultaneously imports of goods rose by 50.3% to EUR 34.7 billion. If we look only at the data for October, then there is a noticeable slowdown in the y-o-y growth rate of exports and imports (to 25 and 40%, respectively), compared to the rates achieved during the previous few months. Cumulatively, over the first ten months, total deficit of trade in goods amounted to EUR 14.9 billion, while in the same period last year the deficit amounted to EUR 8.2 billion. High y-o-y growth rates of exports (and imports) of goods have started from April 2021 and have continued at a strong double-digit pace until now. While the first few months were about the base effect of the pandemic spring 2020, i.e., recovered demand, since the autumn of last year, the high growth rates have also been due to rising export or import prices, especially in energy. If we deflate nominal growth rates of goods exports by the producer price index in the manufacturing industry, the growth rates are somewhat more moderate but still noticeably higher than in the previous ten-year period.



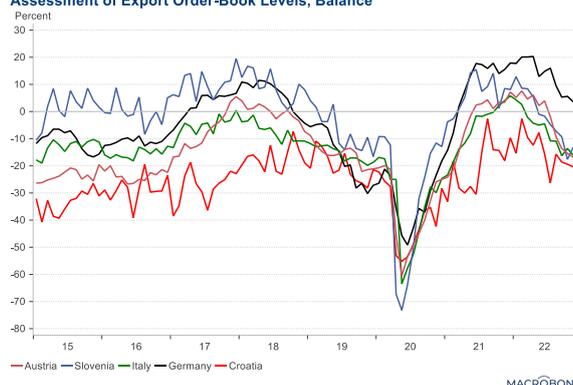
Although we expect certain positive effects of accession to the euro zone and the Schengen area, we can hardly expect such high export growth rates to continue in the coming year. Namely, the predicted slowdown in economic growth in our largest trading partners will also affect the slowdown in demand for our exports, as clearly indicated also by the latest available projections of the European Commission regarding the growth of imports of goods on Croatian export markets (the markets listed in the table refer to about 72% of Croatian goods exports). The slowdown in exports is also indicated by the movement of the assessment of the export order-book levels, which has been in a more or less constant decline since February.

### Goods imports (real)

2022-24 EC estimates, BH GDP est. Oxford Economics

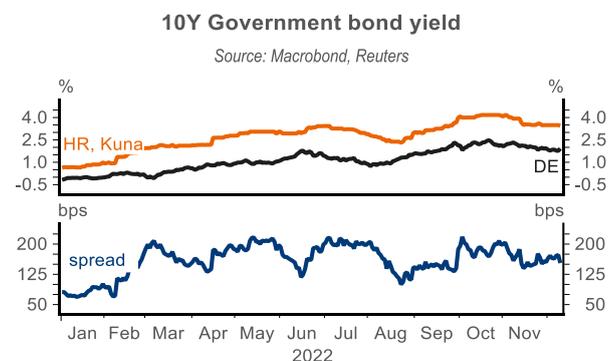
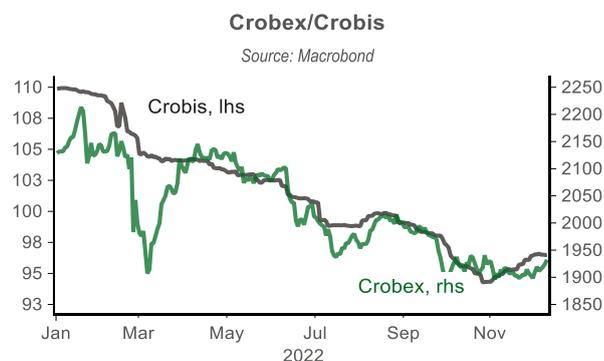
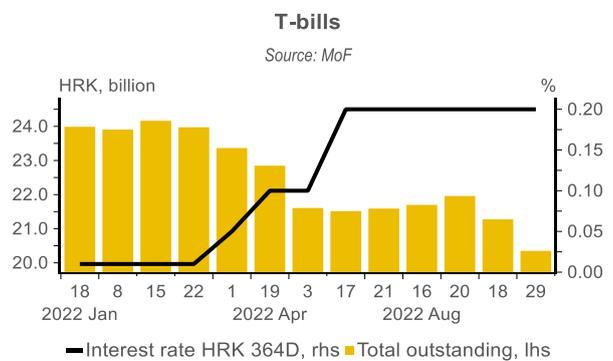
% y/y ch.	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
IT	2.6	1.8	12.0	13.8	-8.7	-0.8	3.3	5.6	3.9	8.0	3.3	-2.9
SI	2.6	0.9	6.4	17.2	-8.6	5.0	7.4	10.7	6.6	5.1	3.8	2.9
DE	3.3	0.4	2.1	8.1	-	2.5	4.7	4.9	4.3	5.8	4.6	2.3
HU	3.9	1.5	5.8	9.4	-1.7	6.8	7.5	9.1	3.4	5.0	11.2	3.0
AT	1.1	1.2	5.4	14.2	-8.5	0.3	4.2	4.3	3.6	4.2	2.1	-2.0
BH	4.7	1.4	2.3	7.6	-3.2	2.8	3.3	3.8	3.7	4.1	1.1	1.8
RS	5.0	4.5	8.5	16.2	-1.3	9.7	9.2	10.3	7.5	3.6	4.2	7.1
FR	4.8	2.4	7.1	8.5	-10.5	2.1	2.5	5.5	3.2	5.4	2.8	0.4
PL	3.9	1.1	5.5	16.1	-1.2	2.9	7.4	10.7	7.3	4.8	9.7	1.8

### Assessment of Export Order-Book Levels, Balance



## Weekly overview

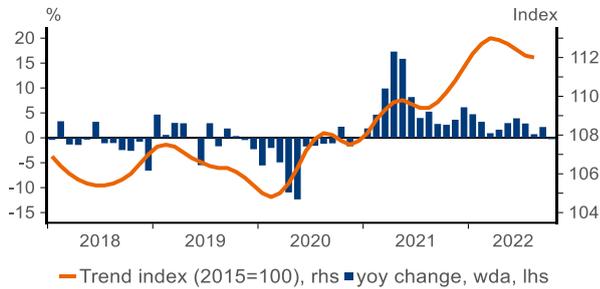
- Over the past week, the kuna has slightly depreciated against the euro and the mid-point exchange rate on Friday was 7.5505, up by 0.2% w-o-w. Against the dollar, it continued to strengthen, so the mid-point exchange rate fell by 0.1% to 7.1521 kuna for the dollar.
- Excess liquidity soared to HRK 94 billion in the week behind us, interest rates continued to stand still, and there were no placements at the CNB's repo auction.
- Last week, ZSE turnover was down by 58.0% w-o-w and amounted to only HRK 92 million, with share turnover increasing by 42.8% (to HRK 40 million), while turnover in bonds plunged by 73.3% (to HRK 51 million). Crobex maintained its upward trend by achieving an increase of 0.7% w-o-w of 1,932.3 points with the most important indices mostly on a positive note (CROBEXindustry -0.1% to 1,021.3, CROBEXnutris +0.7% to 727.5, CROBEXtourist +3.1% to 3,371.3). Crobis stagnated at 96.5 points.



# Statistics

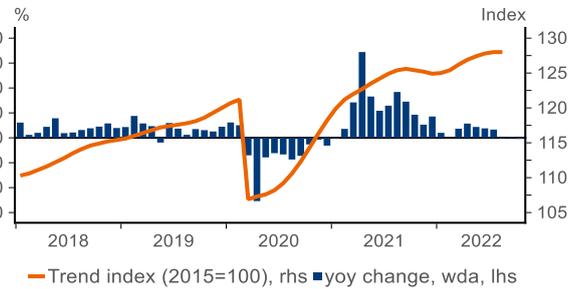
## Industrial production

Source: Macrobond



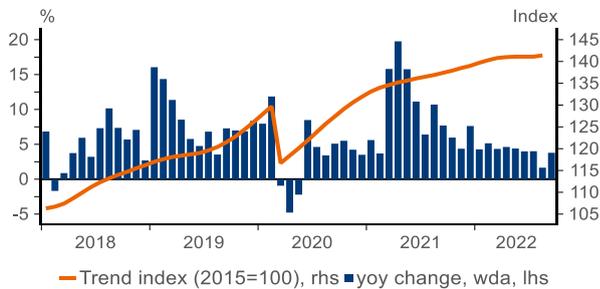
## Retail trade, real

Source: Macrobond



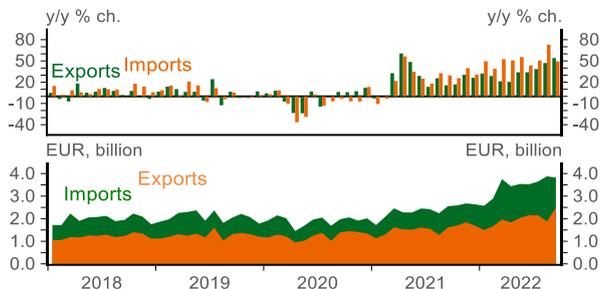
## Construction works

Source: Macrobond



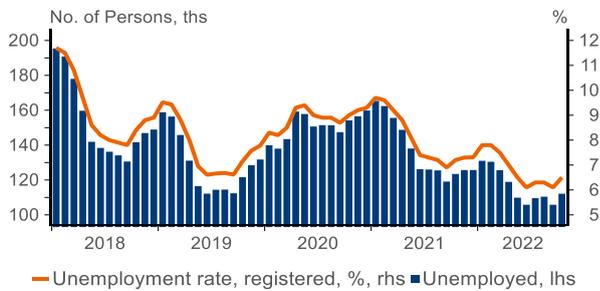
## Goods exports and imports

Source: Macrobond



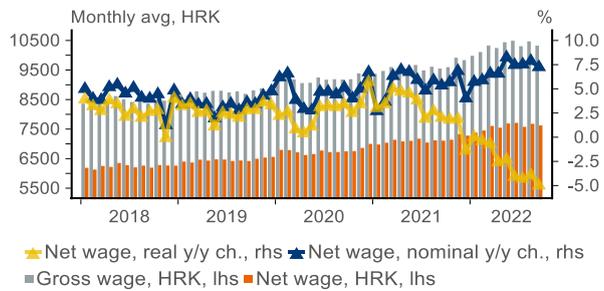
## Unemployment

Source: Macrobond



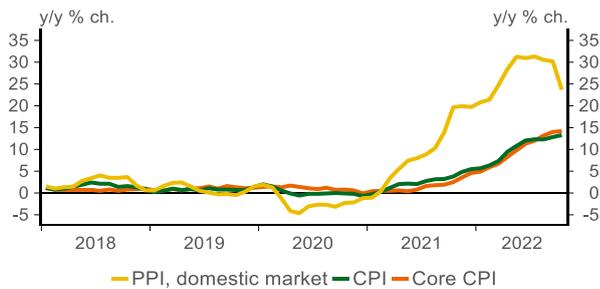
## Wages

Source: Macrobond, CBS



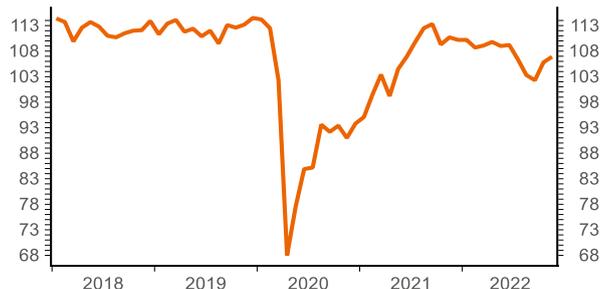
## Prices

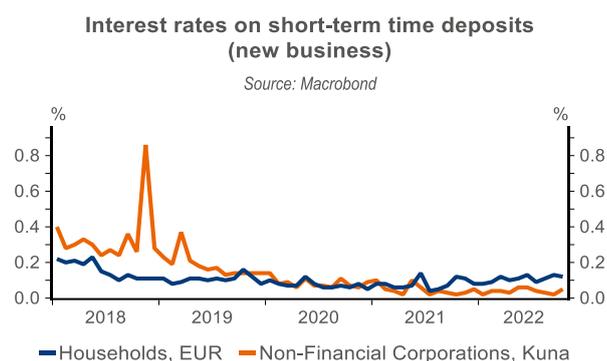
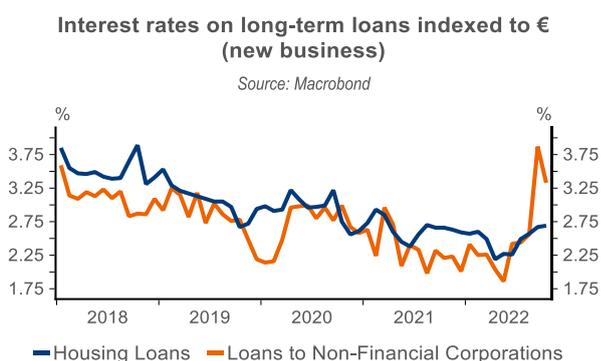
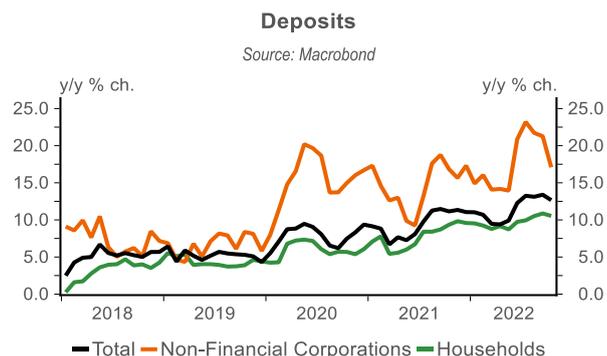
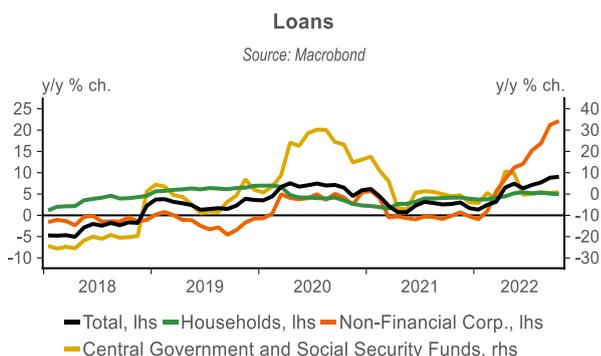
Source: Macrobond



## Economic Sentiment Indicator (ESI)

Source: Macrobond





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