

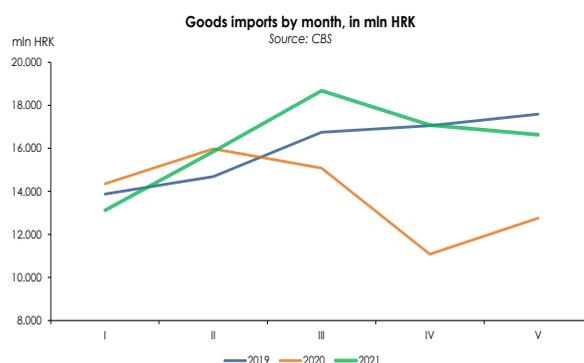
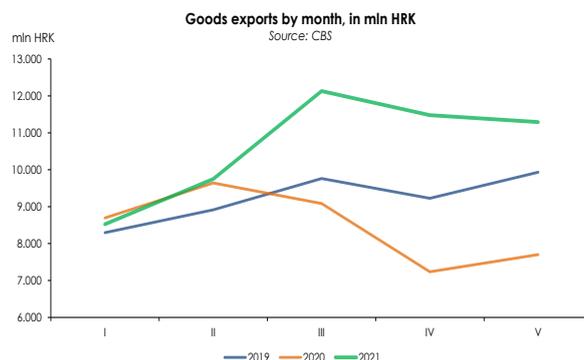
# WEEKLY ANALYSIS

## Number 741, July 19, 2021

Trade in goods exceeds 2019.....	1
Weekly overview .....	2
Statistics.....	3

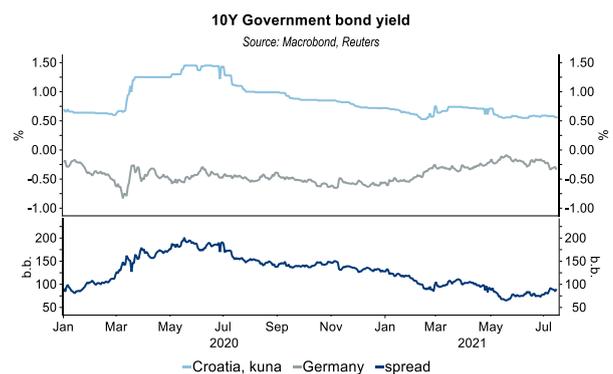
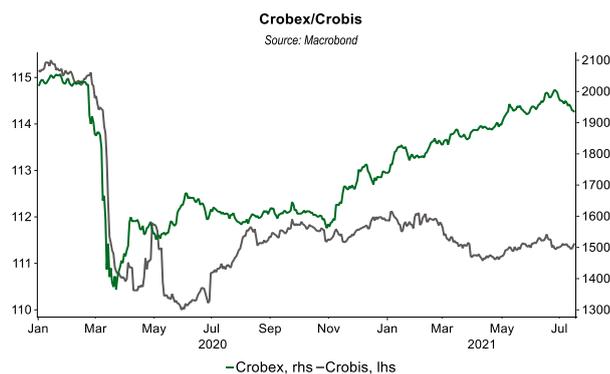
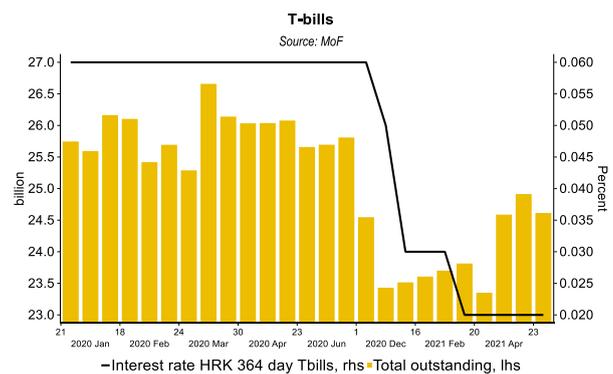
## Trade in goods exceeds 2019

Total goods exports in the first four months this year reached 41.9 billion kuna, that is, increased by one fifth (20.8%) compared to the same period last year and 15.7% higher compared to first four months of the pre-pandemic 2019. Goods imports simultaneously reached 64.7% billion kuna or 14.6% higher yoy, i.e., 3.8% higher compared to first four months of 2019. This year's favourable movements in trade of goods are primarily the result of low last year's base, when the pandemic strongly influenced the decrease in economic activity (especially in April that was characterised by lockdown), but also of gradual recovery of foreign and domestic demand. Regarding goods exports, the biggest increase (given the share) in export was in Manufacturing (+17.0%), that is, of its components: manufacture of electrical equipment (+23.7%), manufacture of basic metals (+35.8%), manufacture of wood and of products of wood and cork, except furniture (+25.6%), manufacture of basic pharmaceutical products and pharmaceutical preparations (+18.4%), manufacture of fabricated metal products, except machinery and equipment (+16.9%) and manufacture of other transport equipment, including manufacture of ships (+29.8%). Significant contribution to the overall export growth also came from the second largest component of Manufacturing - manufacture of food products, recording an export increase of 13.2% yoy. On the other hand, the biggest increase in goods imports was also recorded in Manufacturing (+12.9%), mostly in manufacture of electrical equipment (+36.3%), basic metals and fabricated metal products (+29.1 and +24.8%, probably, in part, a consequence of growth of raw material prices on world markets), motor vehicles, trailers and semi-trailers (+23.4%) and chemicals and chemical products (+14.7%). Total foreign trade goods deficit thus reached 22.8 billion kuna, a 4.6% increase compared to first four months in 2020 and a reduction of 12.7% compared to the same period in 2019. Coverage rate of goods imports by exports was 64.7% this year (+3.4 p.p. yoy) – the highest compared to the same period of previous years since the data became available. Positive trends continued in May, according to preliminary data, considering the increase of goods exports by 46.6% and import by 30.4% yoy (export growth in the first five months in 2021 is +15.3% compared to the same period in 2019, of import +1.8%), which is still, in part, a reflection of low last year's base when a decrease in both exports and imports was recorded by 22.5%, that is, 27.5%. Continuation of positive trends in trade in goods is expected in the upcoming months, although at a somewhat slower pace, where exports will follow the expected recovery of main trade partners, while import growth will reflect the recovery of domestic demand.

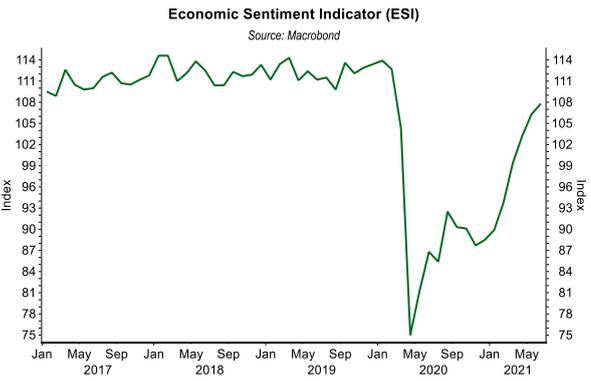
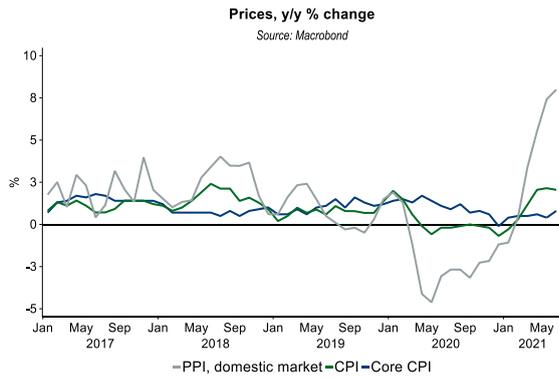
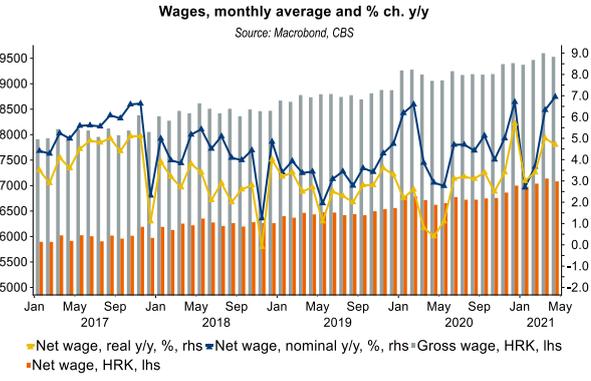
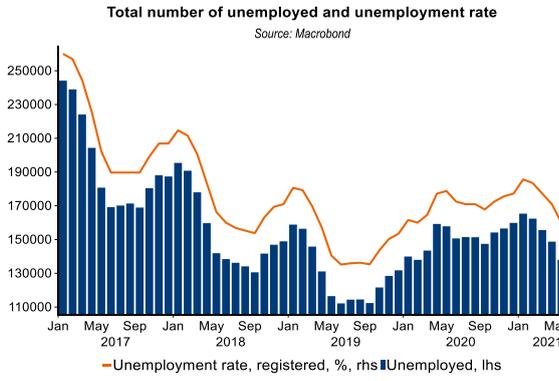
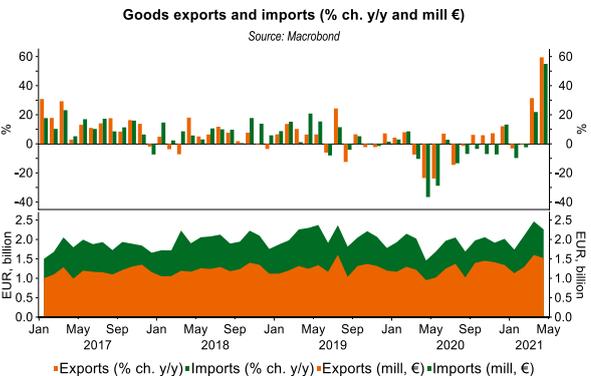
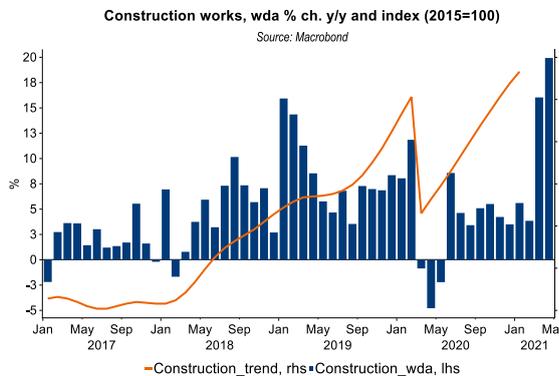
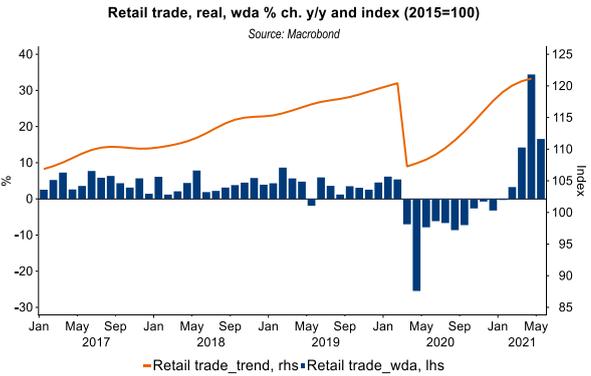
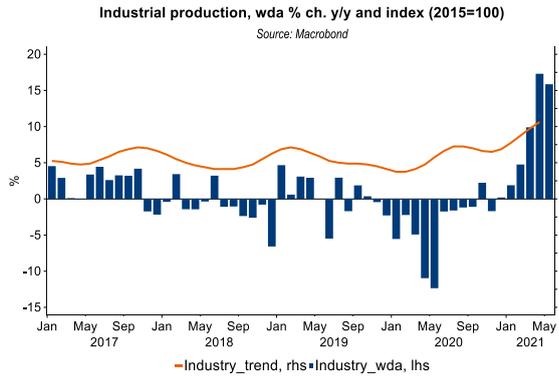


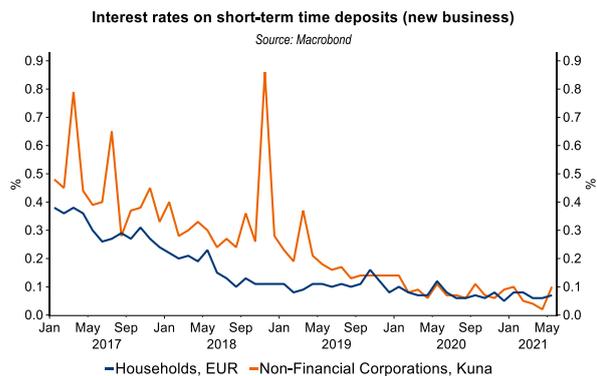
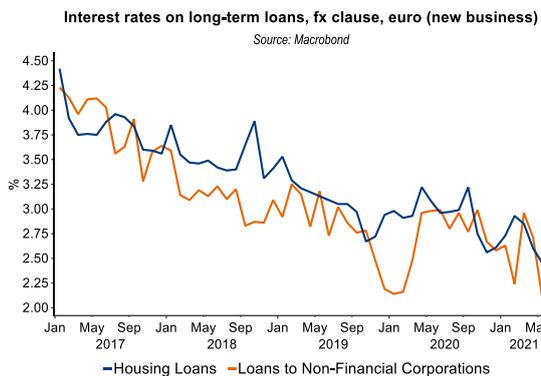
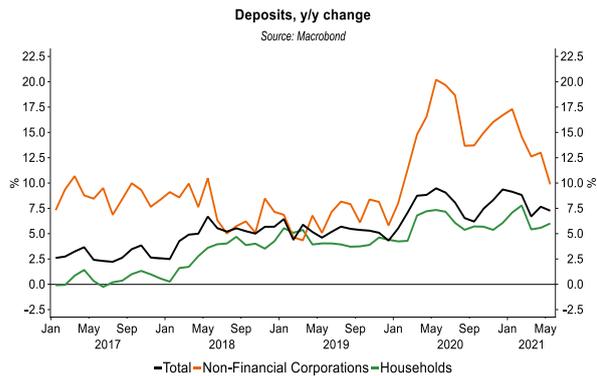
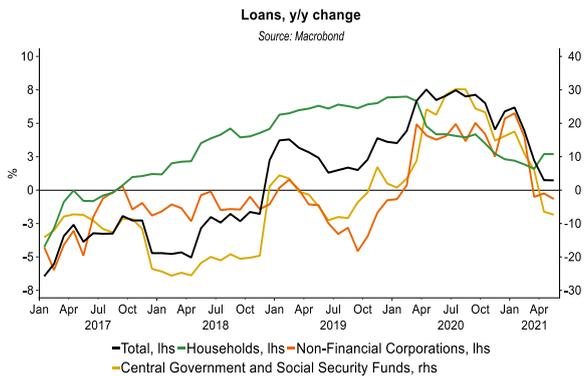
## Weekly overview

- Annual growth rate of consumer prices mildly decelerated in June to 2.0%, while in the first half of 2021 it amounted to 1.2%, mostly due to an increase in energy prices. Consumer prices stagnated in June compared to May.
- Last week the exchange rate held below 7.5 and amounted to 7.4863 kuna to the euro on Friday, which is almost the same wow. HRK/USD exchange rate rose by 0.3% wow to 6.3341 kuna to the dollar.
- Last week, liquidity was in the range of 65-66 billion kuna. At the CNB's repo auction there were no placements, and interest rates continued to stagnate.
- The Crobex Index last Friday closed at 1,934.31 points, down by 1.0% wow, while Crobis simultaneously rose by 0.1% (to 111.86 points). As for sector indices, CROBEXindustry recorded a weekly increase of 4.6% on Friday (to 1,067.83 points), while CROBEXtourist and CROBEXconstruct decreased by 3.8% i.e. 5.8% (3,394.45 and 415.11 points). Total ZSE turnover last week reached 238.1 million kuna, up by 17.2% wow, owing to 24.9% higher turnover in shares (reaching 30.1 million kuna) and 16.1% higher turnover in bonds (208.0 million kuna).



# Statistics





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