

# NBS Monthly Bulletin

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## Abbreviations

|               |  |
|---------------|--|
| CPI           | Consumer Price Index   |
| EA            | euro area  |
| ECB           | European Central Bank  |
| EC            | European Commission  |
| EMEs          | emerging market economies  |
| EONIA         | euro overnight index average   |
| ESA 2010      | European System of Accounts 2010   |
| ESI           | Economic Sentiment Indicator (European Commission)   |
| EU            | European Union   |
| EUR           | euro   |
| EURIBOR       | euro interbank offered rate  |
| Eurostat      | statistical office of the European Union   |
| FDI           | foreign direct investment  |
| GDP           | gross domestic product   |
| GNDI          | gross national disposable income   |
| GNI           | gross national income  |
| HICP          | Harmonised Index of Consumer Prices  |
| Ifo Institute | Leibniz Institute for Economic Research at the University of Munich                              |
| IMF           | International Monetary Fund  |
| IPI           | industrial production index  |
| MFI           | monetary financial institutions  |
| MF SR         | Ministry of Finance of the Slovak Republic   |
| MMF           | money market fund  |
| MTF           | NBS's Medium-Term Forecast (published on a quarterly basis)                                      |
| NACE          | Statistical Classification of Economic Activities in the European Community (Rev. 2)             |
| NARKS         | National Association of Real Estate Offices of Slovakia  |
| NBS           | Národná banka Slovenska  |
| NEER          | nominal effective exchange rate  |
| NFC           | non-financial corporation  |
| NPISHs        | Non-profit institutions serving households   |
| OECD          | Organisation for Economic Co-operation and Development   |
| p.a.          | per annum  |
| p.p.          | percentage point   |
| PMI           | Purchasing Managers' Index   |
| REER          | real effective exchange rate   |
| SASS          | Slovenská asociácia správcovských spoločností – Slovak Association of Asset Management Companies |

|       |  |
|-------|--|
| SME   | small and medium-sized enterprise  |
| SO SR | Statistical Office of the Slovak Republic  |
| ULC   | unit labour costs  |
| ÚPSVR | Ústredie práce, sociálnych vecí a rodiny – Central Office of Labour, Social Affairs and Family |
| ÚRSO  | Úrad pre reguláciu sieťových odvetví – Regulatory Office for Network Industries                |
| USD   | US dollar  |
| VAT   | value-added tax  |
| ZEW   | Das Zentrum für Europäische Wirtschaftsforschung – The Centre for European Economic Research   |

Symbols used in the tables

- . – Data are not yet available.
- – Data do not exist / data are not applicable.
- (p) – Preliminary data

# 1 Summary

According to leading indicator trends for the euro area, risks associated with the cooling of economic activity started to materialise at the start of the second quarter of 2019. A deterioration in sentiment is already evident from short-term indicators of economic activity. Euro area industrial production declined in April in month-on-month terms. Trends remain particularly negative in Germany and in the manufacture of transport equipment. Retail sales also dropped month on month, implying slower momentum in domestic demand. The most recent leading indicators point to a stabilisation of economic development in the last two months of the second quarter.

Following the softening of euro area economic activity, economic indicators for Slovakia showed a more moderate rate of increase in April. The drop in external demand growth resulted in weaker manufacturing growth and ultimately in the stagnation of export performance. In industry, however, expectations improved in May, possibly stalling the adverse trend of recent months. Year-on-year sales growth decelerated significantly in April. The least favourable signals are from retail trade, where sales are now lower than they were at the end of last year. The weakening of aggregate sales for the whole economy is expected to dent sentiment in the services sector.

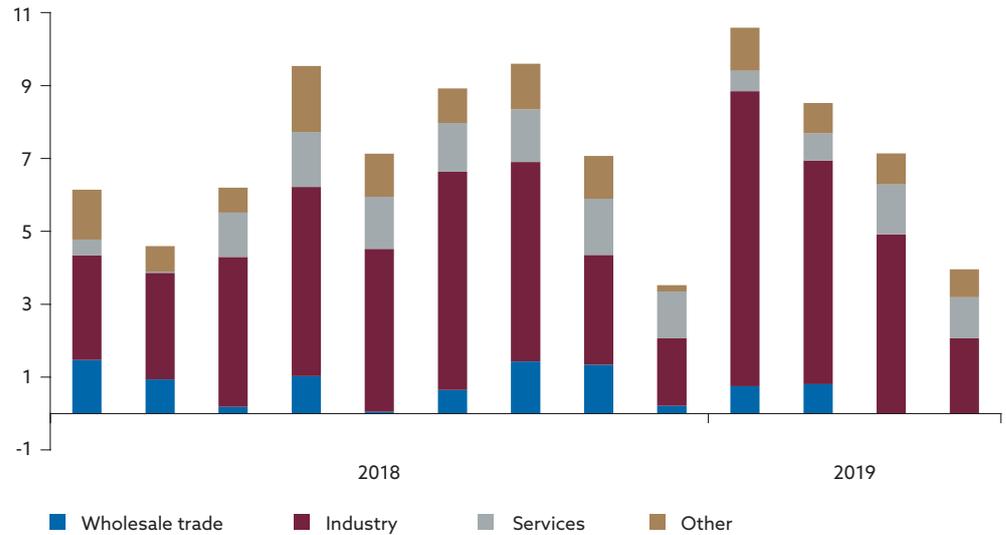
Labour market dynamics remain strong. Employment growth was stable in April, supported mainly by recruitment in the services and construction sectors. A weakening of expectations for job creation was most apparent in industry. The unemployment rate remained flat. Wage growth was relatively robust and this trend was broad-based across all sectors. Wage growth was stronger in those sectors where employment is increasing more slowly or stagnating.

The annual inflation rate accelerated to 2.7% in May, largely because food prices rebounded in line with projections. There were also increases in air fares, which had fallen in the previous month, and accommodation prices. These increases had an upward impact on demand-pull inflation. The recent decline in oil prices is expected to pass through to motor fuel prices.

Annual private sector credit growth decelerated notably in April, to 8.0%, owing to lower growth in lending to non-financial corporations.

### Chart of the month

Sectoral contributions to overall sales (percentage point contributions to annual growth rate)



Source: SO SR.

Aggregate sales growth for the whole economy decreased, year on year, from 7.1% in March to 4.0% in April. This was caused largely by lower sales growth in industry, which reflected mainly weaker sales in the following segments of manufacturing industry: metals, electronics, textiles, and machinery.

**Table 1 Macroeconomic indicators released since the previous monthly bulletin**

| Indicator                              | Unit                                      | Period     | Current period | Previous period |
|--|---|------------|----------------|-----------------|
| <b>Euro area</b>                       |   |            |                |                 |
| <b>Confidence indicators</b>           |   |            |                |                 |
| PMI                                    | index                                     | June 2019  | 52.1           | 51.8            |
| Economic Sentiment Indicator           | long-run average = 100                    | May 2019   | 105.1          | 103.9           |
| <b>Economic indicators</b>             |   |            |                |                 |
| Gross domestic product                 | annual percentage change, constant prices | Q1 2019    | 1.2            | 1.2             |
| Industrial production index            | annual percentage change                  | April 2019 | -0.4           | -0.7            |
| Retail sales                           | annual percentage change, constant prices | April 2019 | 1.5            | 2.0             |
| Unemployment rate                      | percentage                                | April 2019 | 7.6            | 7.7             |
| HICP inflation                         | annual percentage change                  | May 2019   | 1.2            | 1.7             |
| Oil price in USD <sup>1)</sup>         | level                                     | June 2019  | 61.9           | 70.1            |
| EUR to USD exchange rate <sup>1)</sup> | level                                     | June 2019  | 1.126          | 1.119           |
| <b>Slovakia</b>                        |   |            |                |                 |
| <b>Confidence indicators</b>           |   |            |                |                 |
| Economic Sentiment Indicator           | long-run average = 100                    | May 2019   | 93.7           | 92.5            |
| Industrial confidence indicator        | percentage balance                        | May 2019   | -4.1           | -15.2           |
| Consumer confidence indicator          | percentage balance                        | May 2019   | -8.6           | -7.6            |
| <b>Economic indicators</b>             |   |            |                |                 |
| Gross domestic product                 | annual percentage change, constant prices | Q1 2019    | 3.7            | 3.6             |
| Aggregate sales                        | annual percentage change, constant prices | April 2019 | <b>4.0</b>     | 7.1             |
| Industrial production index            | annual percentage change                  | April 2019 | 6.4            | 7.7             |
| Private sector credit                  | annual percentage change                  | April 2019 | <b>8.0</b>     | 8.9             |
| Employment                             | annual percentage change                  | April 2019 | 2.9            | 2.9             |
| Unemployment rate                      | percentage                                | May 2019   | 6.1            | 6.1             |
| Nominal wages                          | annual percentage change                  | April 2019 | 7.2            | 6.0             |
| HICP inflation                         | annual percentage change                  | May 2019   | 2.7            | 2.4             |

Sources: SO SR, European Commission, Markit, Macrobond and NBS calculations.

1) The average for the current period is for the period from the start of the month.

**Table 2 Qualitative impact of indicators on projections for key macroeconomic indicators**

| Indicator                          | Unit   | Period  | Current projection | Qualitative shift |
|------------------------------------|--|---------|--------------------|-------------------|
| Gross domestic product - Slovakia  | quarterly percentage change, constant prices | Q2 2019 | 0.6                | ↑                 |
| Gross domestic product - euro area | quarterly percentage change, constant prices | Q2 2019 | 0.2                | ↑                 |
| Employment (ESA) - Slovakia        | quarterly percentage change                  | Q2 2019 | 0.2                | =                 |
| Nominal wages - Slovakia           | annual percentage change                     | Q2 2019 | 6.7                | =                 |
| HICP inflation - Slovakia          | annual percentage change                     | Q2 2019 | 2.6                | =                 |

Source: NBS calculations.

**Notes:** Values in bold show a significant deviation. In the case of macroeconomic indicator values for the euro area, deviations are calculated/determined by comparing the values with market expectations, and in the case of macroeconomic indicator values for Slovakia, including the oil price and exchange rate, by comparing them with their three-month averages. The qualitative impact of indicators on projections for key macroeconomic indicators is determined on the basis of the difference between the current nowcast and the most recent published forecast for the given variable. Deviations from the forecast are indicated by arrows. The method of constructing threshold intervals for the values in bold or which deviate from the forecast are described in NBS's August 2018 Monthly Bulletin.

## 2 The real economy<sup>1</sup>

### 2.1 External environment

**At the start of the second quarter short-term indicators for the euro area were pointing to a slowdown in certain sectors.** Euro area industrial production fell in April by 0.5%, quarter on quarter, owing mainly to declines in the production of capital goods and the production of goods for intermediate consumption. After picking up moderately in February, the production of motor vehicles dropped back again (with its decline since the start of the year standing at around 8 %). Looking at the largest economies within the euro area, industrial production declined most strongly in Germany (by 2.3%) and also fell in the Netherlands (by 1.7%) and Italy (by 0.7%); it increased in Spain (1.7%) and France (0.4%). Retail trade and construction output in the euro area also declined in April (by 0.4% and 0.8% respectively). In year-on-year terms, industrial production fell by 0.4% in April and retail trade increased by 1.5%.

The European Commission's Economic Sentiment Indicator (ESI) for the euro area increased in May (by 1.2 points, to 105.1), after declining in the previous ten months. As regards the ESI's sectoral breakdown, industry confidence recorded the most substantial improvement, underpinned by the sharpest increase in managers' production expectations (for the next three months) in six and a half years, as well as by more favourable assessments of stocks of finished products. The current level of overall order books, on the other hand, was assessed more negatively. Among the largest euro area economies there were large increases in the ESIs for France, Italy and Spain, a more moderate increase in the ESI for Germany, and a decrease in the ESI for the Netherlands. The flash composite PMI for the euro area increased to 52.1 in June (from 51.8 in May), with the manufacturing sub-index remaining at almost the same level below the contraction-expansion threshold of 50 (edging down to 48.8 in June, from 48.9 in May) and the services sub-index increasing to 53.4 (from 52.9 in May).

**At its meeting in June, the Governing Council of the European Central Bank (ECB) decided to keep the key ECB interest rates unchanged.** According to the post-meeting statement, the Governing Council expects the rates to remain at their present levels at least through the first half of 2020. The statement also confirmed that the ECB will continue reinvesting, in full, the principal payments from maturing securities purchased under the asset purchase programme (APP) for an extended period of time past the

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<sup>1</sup> All month-on-month and quarter-on-quarter changes mentioned in the text have been seasonally adjusted using NBS internal models.

date when the Governing Council starts raising the key ECB interest rates. There was also information about the modalities of the new series of targeted longer-term refinancing operations (TLTRO III), including the fact that the interest rate in each operation will be set at a level that is 10 basis points above the average rate applied in the Eurosystem's main refinancing operations over the life of the respective TLTRO. For banks whose eligible net lending exceeds a benchmark, the rate applied in TLTRO III will be lower.<sup>2</sup>

**After its monetary policy assessment in June, the Swiss National Bank unveiled the SNB policy rate**, saying that, from then on, it would use this rate in taking and communicating its monetary policy decisions. The SNB policy rate replaces the target range for the three-month LIBOR and currently stands at -0.75%. The main reason for the new rate's introduction is that the future of the LIBOR is not guaranteed.

**On 14 June 2019 the Council of the European Union closed the excessive deficit procedure for Spain**, confirming that the country had reduced its deficit below the EU's 3% of GDP reference value. The Council thereby abrogated its decision of April 2009 on the existence of an excessive deficit in Spain. As a consequence, no Member State remains subject to an excessive deficit procedure. At the height of the euro crisis in 2010–2011, procedures were open for 24 Member States. Spain's general government deficit amounted to 2.5% of GDP in 2018, down from 3.1% of GDP in 2017. The ratio of gross government debt to GDP decreased to 97.1% in 2018 from 98.1% in 2017, mainly due to the debt-reducing impact of real growth and inflation, while the primary balance is close to zero.

## 2.2 The Slovak economy

### 2.2.1 Economic activity indicators

**Growth rates of economic indicators continued to moderate in April 2019.** Industrial production lost momentum, owing mainly to a drop in European demand for metals, and probably also for machinery and equipment (such as supplies for the automotive sector). An increase in electrical equipment production was not able to offset the impact of that decline. The slowdown in industrial output, together with lower growth in retail sales, was reflected in lower aggregate sales growth for the overall economy. Nor did goods exports have a positive impact on sales growth, as the build-up of several factors resulted in year-on-year export growth remaining unchanged. Besides the decline in demand for metals and machinery, there was the ongoing impact of the cessation of some production and re-export of electro-

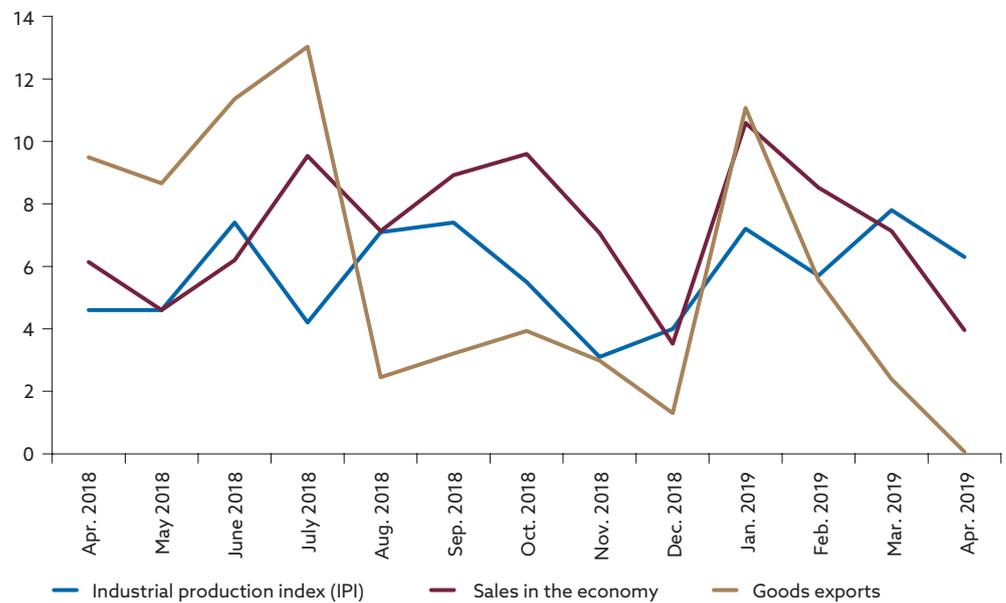
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<sup>2</sup> <https://www.ecb.europa.eu/press/pr/date/2019/html/ecb.pr190606-d1b6e3247d.en.html>

tics and the fact that the domestic automotive industry has exhausted its capacity to maintain its recent above-average output growth.

**Chart 1**

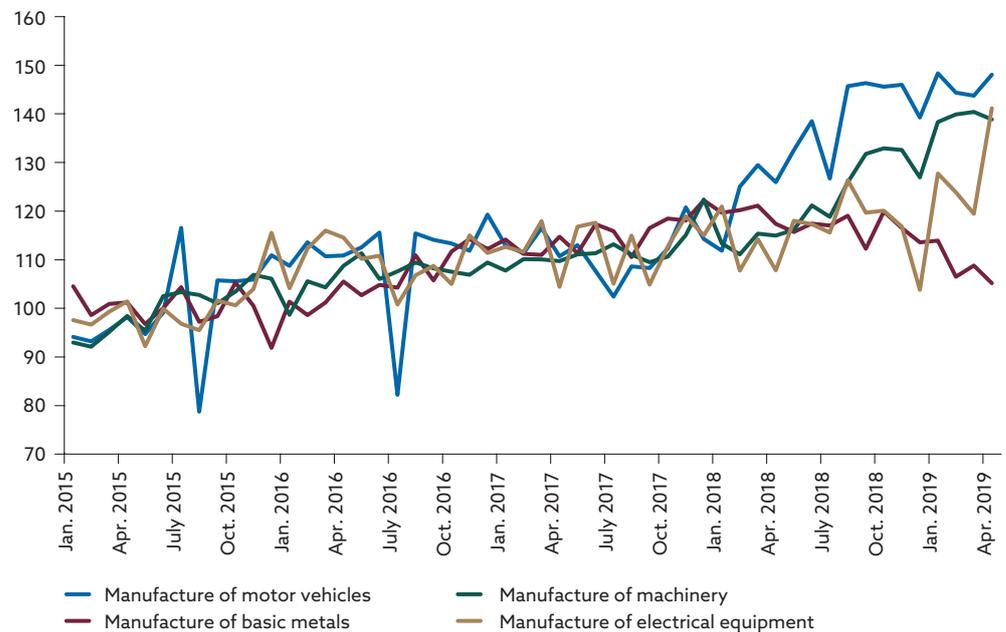
Monthly economic indicators (annual percentage changes; constant prices)



Sources: SO SR and NBS calculations.

**Chart 2**

Main industrial production subsectors (index: 2015 = 100)



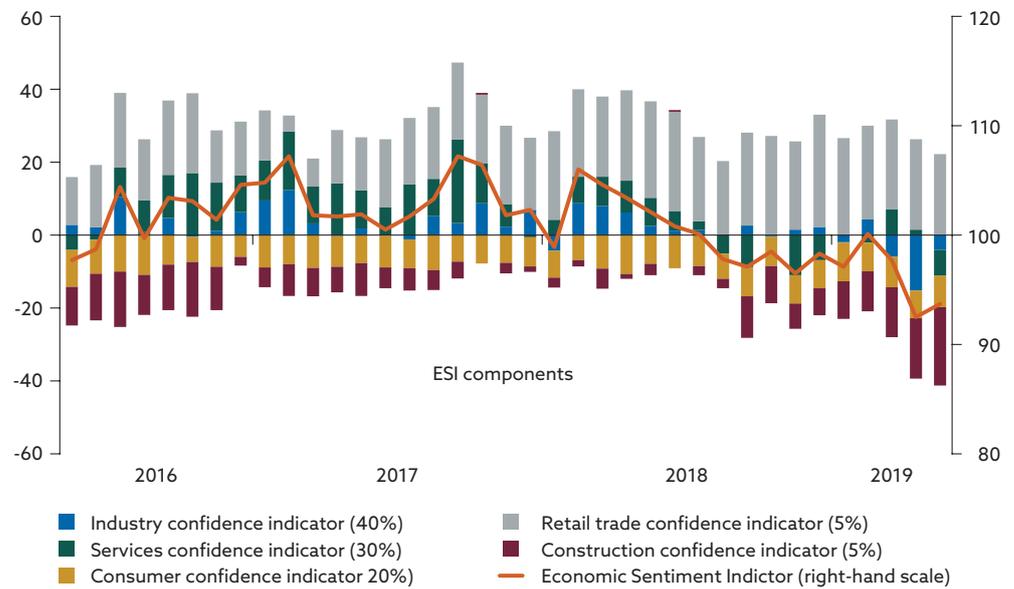
Sources: SO SR and NBS calculations.

**The Economic Sentiment Indicator (ESI) for Slovakia increased in May,** mainly because industry confidence decreased more moderately owing to an exceptionally sharp rise in managers' production expectations. All the

other component indicators declined, and the services confidence indicator recorded the largest drop.

**Chart 3**

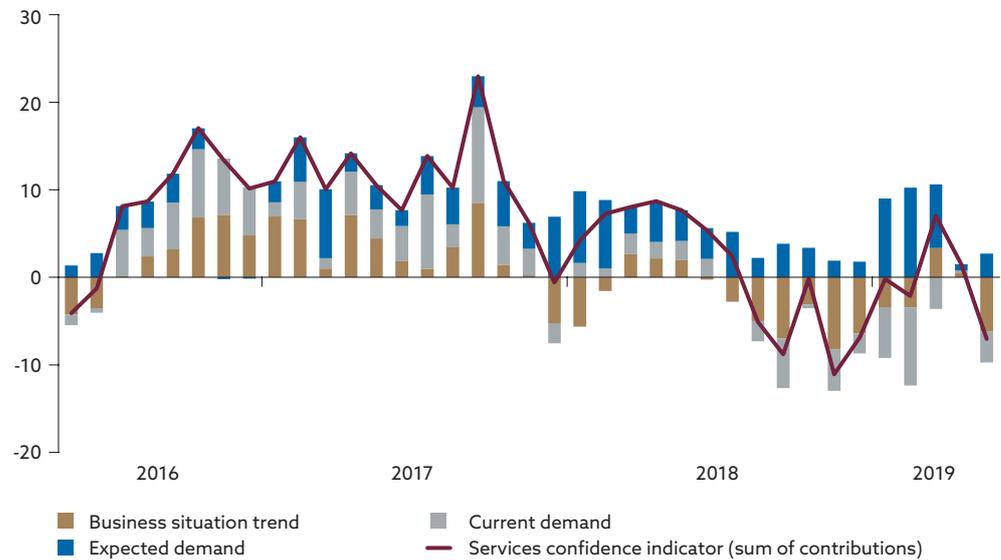
**Economic Sentiment Indicator (percentage balances; long-run average = 100)**



Source: European Commission.

**Chart 4**

**Services confidence indicator (percentage balances)**



Sources: European Commission and NBS calculations.

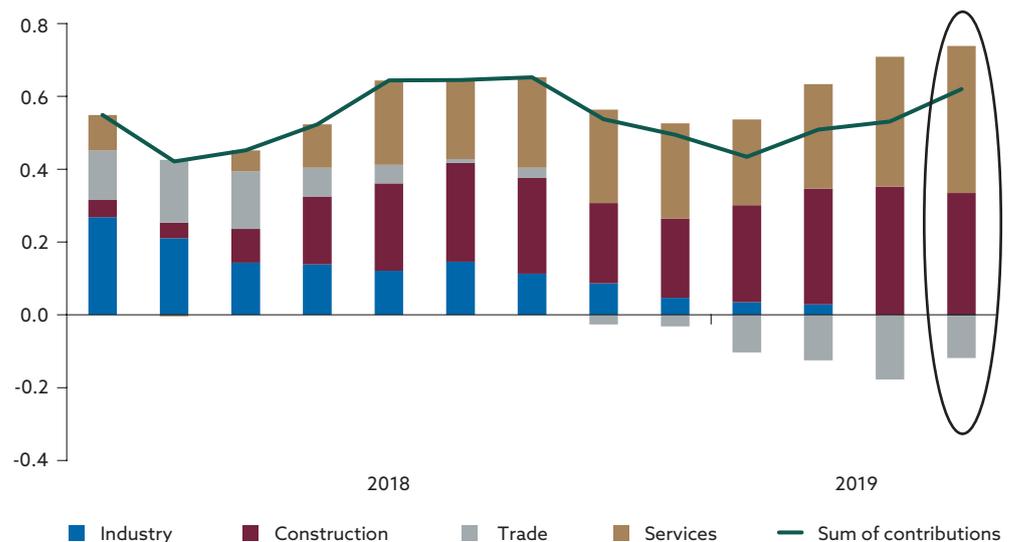
## 2.2.2 Labour market

**Employment growth remains relatively high, although survey results are pointing to its gradual slowdown.** The year-on-year increase in employment across the reviewed sectors was 2.9% in April, the same as the rate in March and close to the average for the first quarter (2.8%). In the

sectoral breakdown of employment, job creation remains subdued, even negative, in the industry and trade sectors, while in both construction and services it is increasing sharply. As industry continues to face headwinds from weakening global demand, annual employment growth in the sector was down to just 0.1% in April. In the trade sector, employment fell by 1.6% in April on the back of rationalisation measures and the shortening of working hours, which were responses to, among other things, labour shortages and cost reduction requirements. The services sector job growth in April (6.7%) was driven by the subsectors of information and communication, transport, accommodation and food service activities, and various professional and support service activities. Employment growth in construction stood at 10.5%, but given the weakening of trends in sales and production, this rate is expected to moderate going forward. The recent period has seen a deterioration in employers' employment expectations in all sectors of the economy apart from services.

**Chart 5**

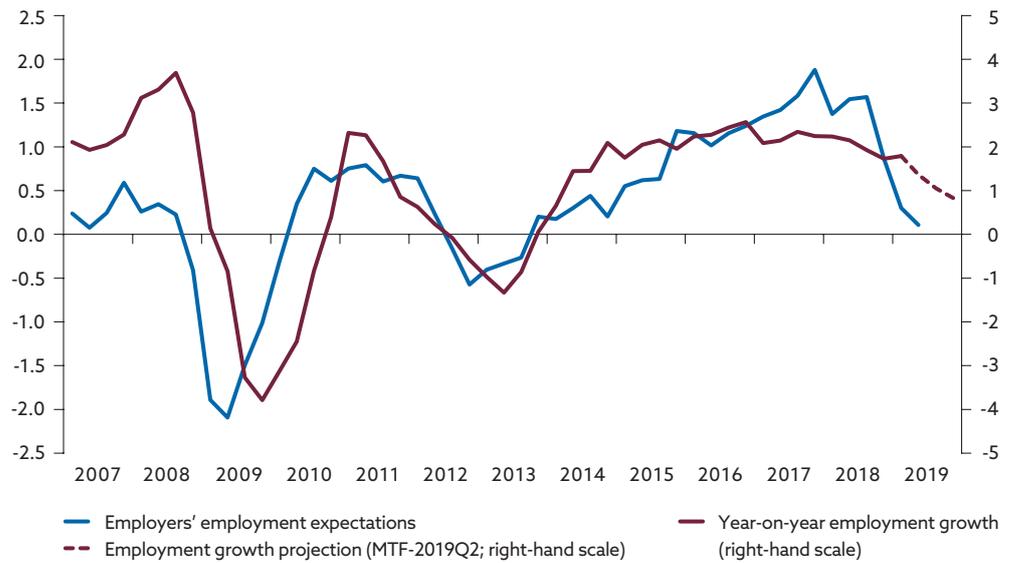
**Employment – sectoral contributions to three-month-on-three-month changes in the three-month moving average (percentage points)**



**Sources:** SO SR and NBS calculations based on monthly figures for employment in the reviewed sectors (adjusted for methodological breaks).  
**Note:** Monthly data provide an indicative picture of developments; they are an imperfect indicator of the overall trend in the given quarter.

**Chart 6**

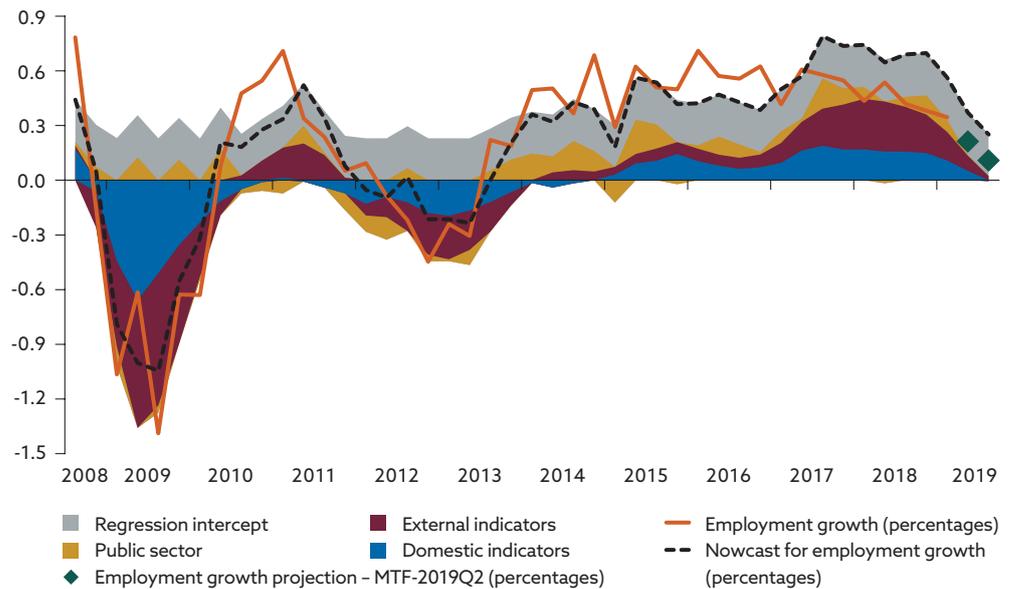
**Employment and employers' expectations (annual percentage changes; standardised percentage balances)**



**Sources:** SO SR, European Commission and NBS calculations.

**Chart 7**

**Factor-model-based indicator contributions to employment growth (quarter-on-quarter percentage changes; percentage points)**



**Sources:** SO SR and NBS calculations.

**The unemployment rate based on the total number of job seekers remained flat in May**, at 6.1% after seasonal adjustment. At the same time, the number of job seekers finding work decreased, and the number of people registering as unemployed stayed about the same. It is likely that labour market growth is already reaching its limits. There is little likelihood of the unemployment rate falling significantly in the months ahead, given that employers are now less optimistic in their assessments about job creation.

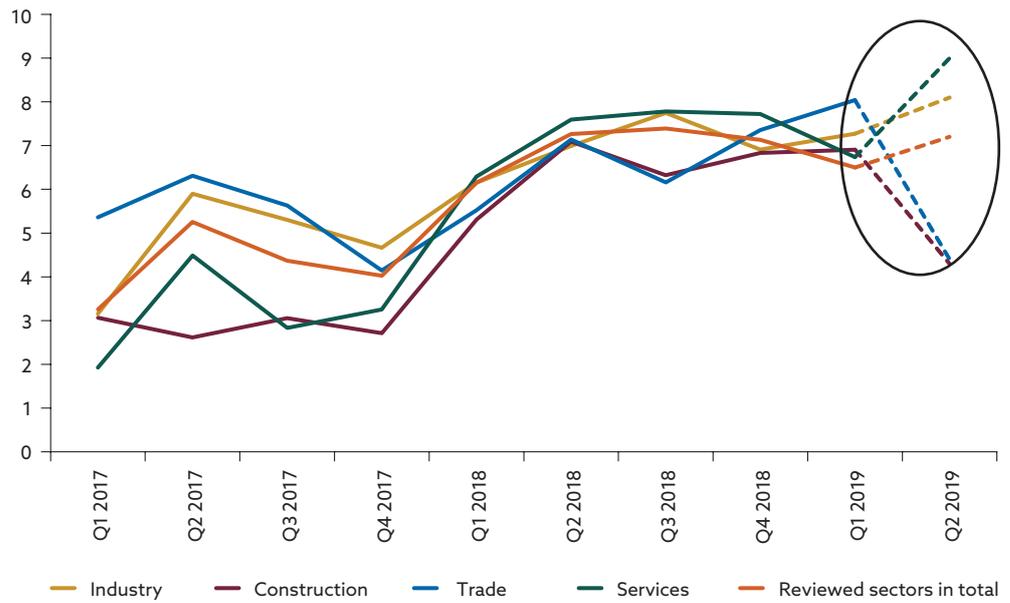
**While wage growth is currently strong in both the private and public sector, it may later be affected by less optimistic assessments in the labour market.** Annual average wage growth across the reviewed sectors increased to 7.2% in April (from the first-quarter average of 6.5%). Most of the acceleration was accounted for by the energy sector, where, probably owing to the ad hoc nature of bonus payments, wage growth surged to 34% in April (from 5% in March). Absent this contribution, April's annual wage growth would have been around 6.6%. Such fluctuations in the energy sector are not uncommon.<sup>3</sup> Other sectors in which wage growth accelerated significantly were the manufacturing sector (to 7%), thanks mainly to wage increases in the car, chemical and food manufacturing industries, and the services sector (9%), where there was significant wage growth in restaurant services and in information and communication services. These effects were counterbalanced by slower wage growth in the construction sector (4.3%) and trade sector (4.4%). In May, wage growth is expected to have remained relatively high, due to increased wage premia for night, weekend and public holiday work. Throughout this year wage growth is expected to be supported by sizeable increases in basic salaries in the public sector. Average wage growth in the second quarter of 2019 is expected to be slightly below 7%, in line with the projection in NBS's MTF-2019Q2 forecast. The labour market tightness indicator has recently moderated, amid employers' less optimistic expectations and a decline in reported labour shortages. This development may, with a lag of several quarters, have a downward impact on wage growth.

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<sup>3</sup> Similarly notable fluctuations in the sector's wage growth were seen in June/July 2018, May/June 2017, December 2016, and February 2015.

Chart 8

Average wage levels based on monthly data (annual percentage changes)

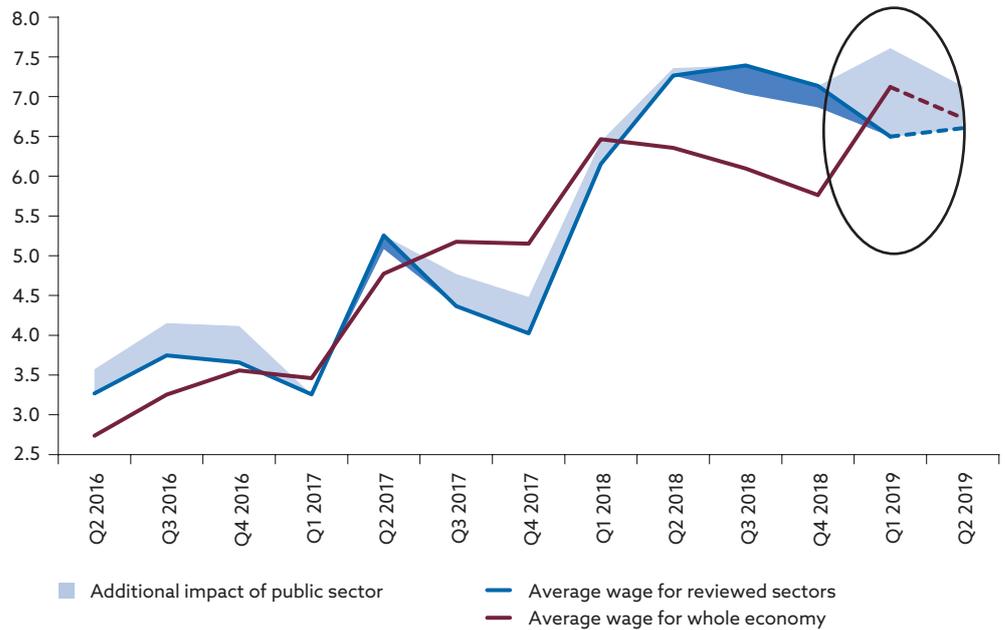


Sources: SO SR and NBS calculations.

Note: The data for the second quarter of 2019 are based on the annual rate of change in April.

Chart 9

Average wage levels (annual percentage changes)

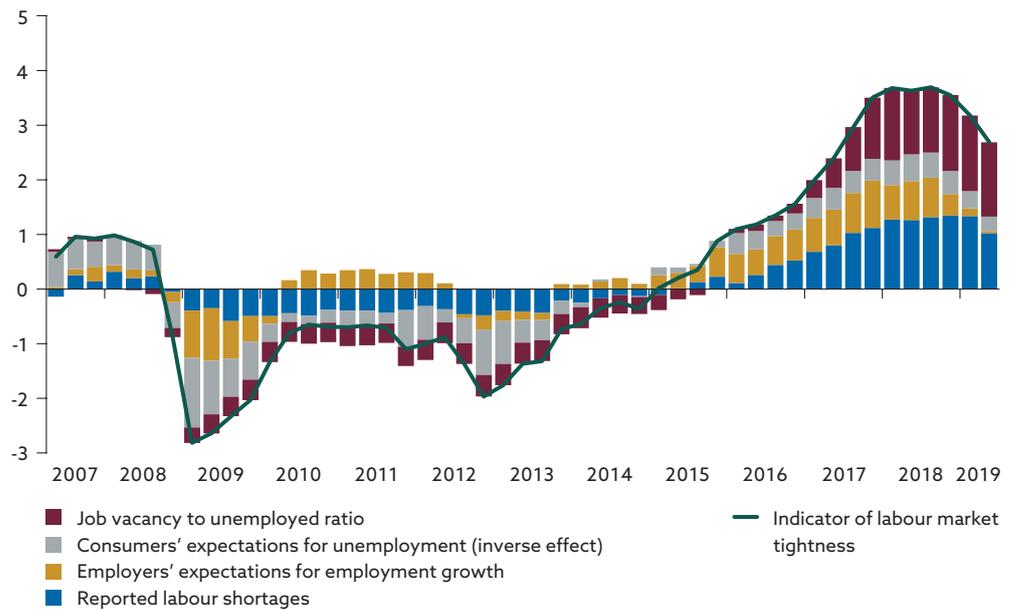


Sources: SO SR and NBS calculations.

Notes: The average wage for the whole economy and the impact of the public sector are based on the MTF-2019Q2 forecast. The average wage growth for the reviewed sectors in the second quarter of 2019 is based on the annual rate of change in April adjusted for the effects of wage volatility in the energy sector.

Chart 10

Indicator contributions in the calculation of labour market tightness  
(standardised indicators and their weighted average; level)



Source: NBS calculations.

### 2.2.3 Prices

As expected, the annual HICP inflation rate in Slovakia accelerated to 2.7% in May 2019 (from 2.4% in April), reflecting movements in prices of services and food. In month-on-month terms, the price level increased by 0.4%.

Table 3 HICP components – comparison of projected and actual rates of change (percentages; percentage point contributions)

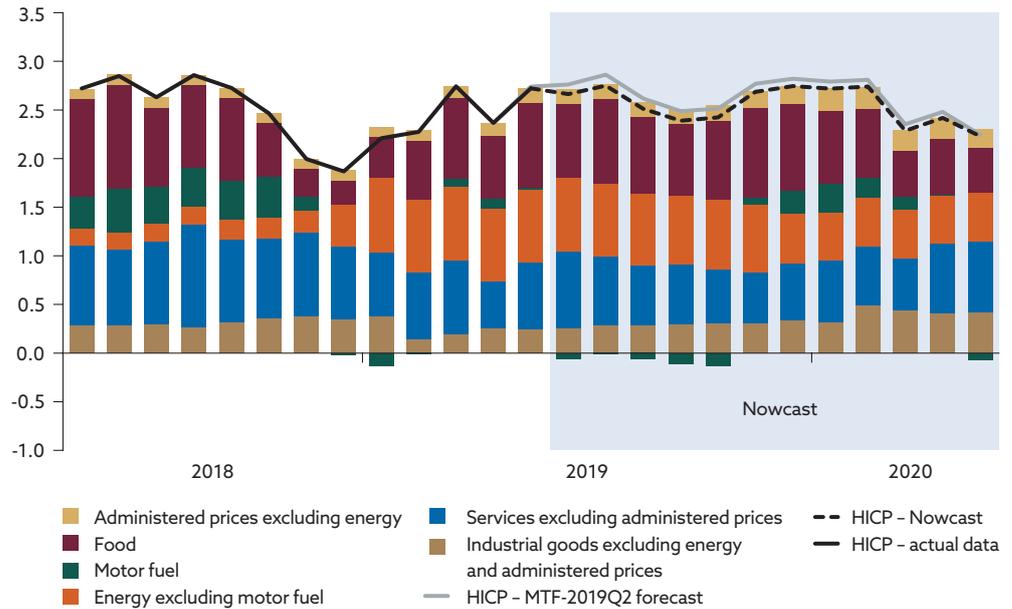
|                      |                |  | Non-energy industrial goods | Energy | Food  | Services | HICP  | Demand-pull inflation | Administered prices excluding energy |
|----------------------|----------------|--|-----------------------------|--------|-------|----------|-------|-----------------------|--------------------------------------|
| Year-on-year changes | A              | May 2019 – MTF-2019Q2 forecast                       | 1.1                         | 5.2    | 3.6   | 2.3      | 2.74  | 1.8                   | 1.5                                  |
|                      | B              | May 2019 – actual figure                             | 1.1                         | 5.0    | 3.6   | 2.5      | 2.72  | 1.8                   | 1.7                                  |
|                      | B-A            | May 2019 – actual figure minus forecast              | -0.1                        | -0.2   | -0.1  | 0.1      | 0.0   | 0.0                   | 0.2                                  |
|                      | (B-A) * weight | Contribution to overall forecast error <sup>1)</sup> | -0.01                       | -0.03  | -0.01 | 0.04     | -0.02 | 0.01                  | 0.02                                 |

Sources: SO SR and NBS calculations.

1) Projections taken from NBS's June 2019 Medium-Term Forecast (MTF-2019Q2).

**Chart 11**

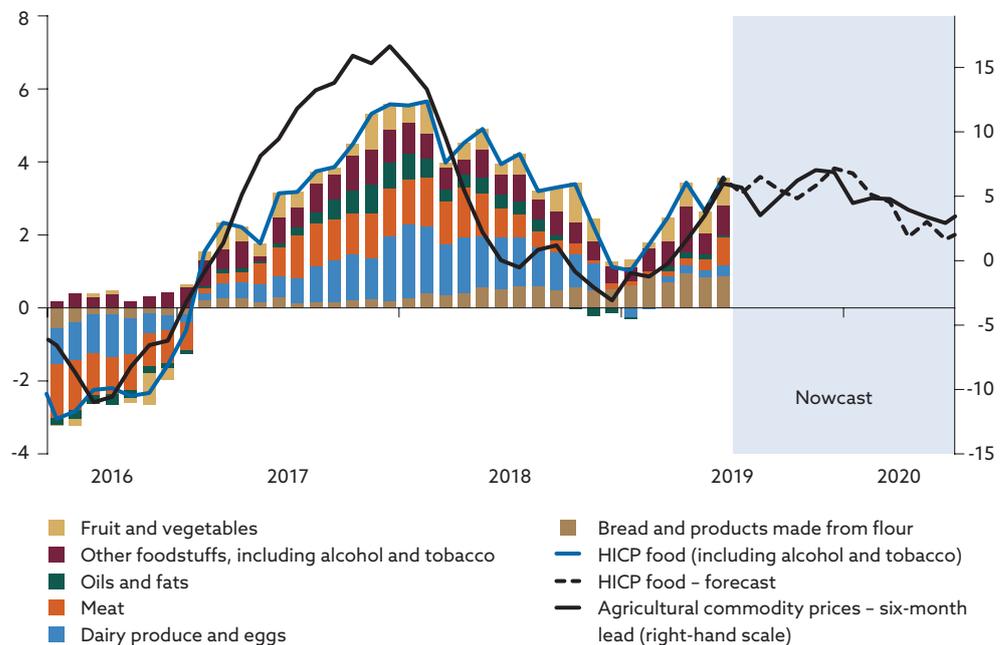
**Contributions of components to HICP inflation (percentage point contributions; annual percentage changes)**



**Sources:** SO SR and NBS calculations.

**Chart 12**

**Contributions of components to food inflation (percentage point contributions; annual percentage changes)**



**Sources:** SO SR and NBS calculations.

The year-on-year change in the HICP food component, including alcohol and tobacco, accelerated to 3.6% in May, reflecting mainly upward movements in prices of meat, alcoholic beverages and vegetables. The assumption that the previous month's slowdown in alcoholic beverage pri-

ces would be only a blip proved correct, as did expectations for an increase in pork prices stemming from the ongoing supply shortage in the Asian market. Meat prices are expected to continue rising in the period ahead and constitute a slight upside risk to the inflation outlook for 2019. Potato prices are rising as a result of dry weather, low domestic production, insufficient domestic storage capacity, and this year's increase in prices of imported potatoes. Food inflation in 2020 is expected to ease, due to the base effects of meat prices and potato prices.

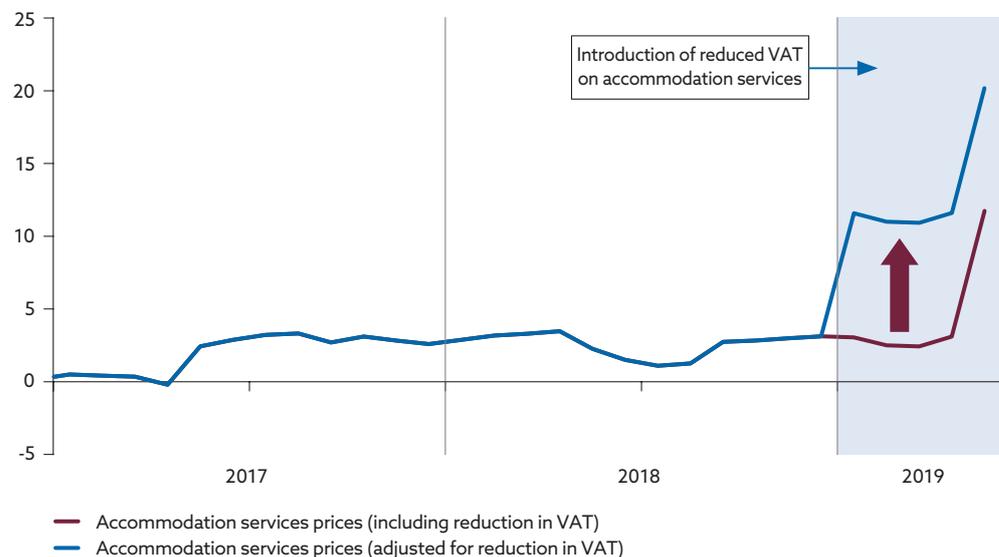
The acceleration in services inflation in May was supported by rising air fares, wage growth, and the introduction of holiday vouchers. Accommodation prices increased by almost 20% after adjustment for the recent reduction in VAT on accommodation services.

In euro terms, the Brent crude oil price corrected in May after peaking in April. Hence motor fuel prices increased more moderately in May 2019 than in May 2018, thus resulting in a slowdown in their year-on-year growth.

In the light of the latest price movements and of developments in technical assumptions, the average inflation rate in 2019 is expected to be 2.5%, almost the same as projected in the MTF-2019Q2 forecast.

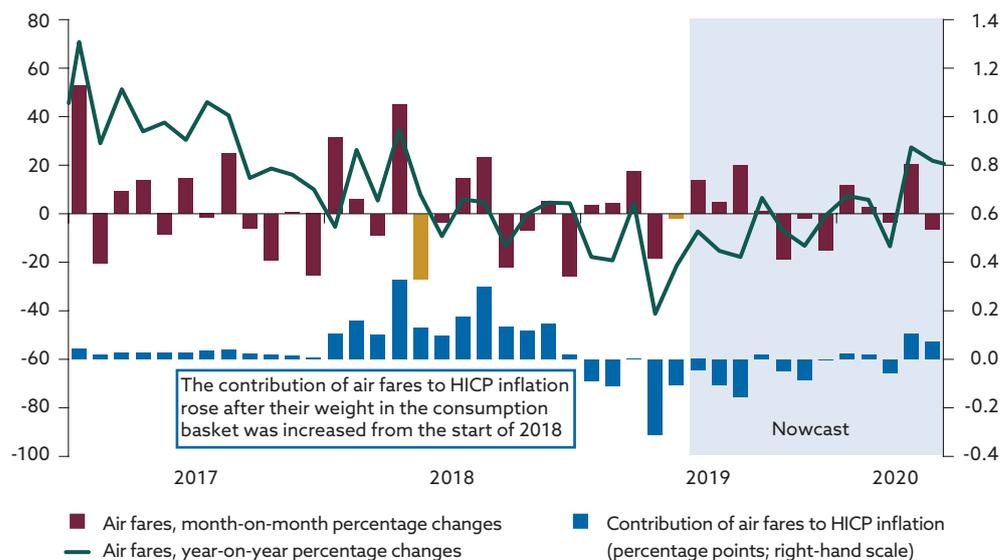
**Chart 13**

**Accommodation prices (annual percentage changes)**



**Sources:** SO SR, Eurostat and NBS calculations.

**Chart 14**  
**Air fares**

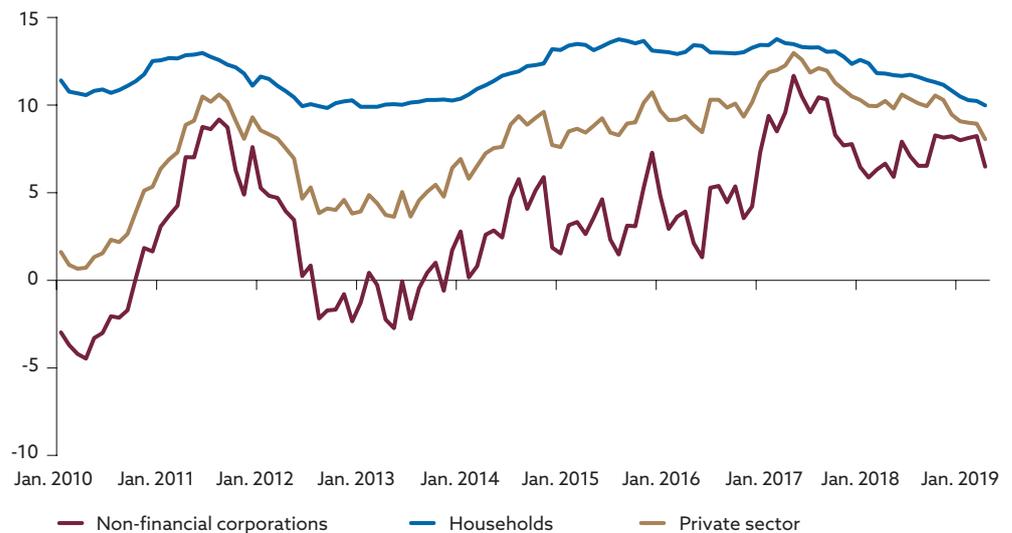


**Sources:** SO SR, Eurostat and NBS calculations.

## 2.2.4 Loans and deposits

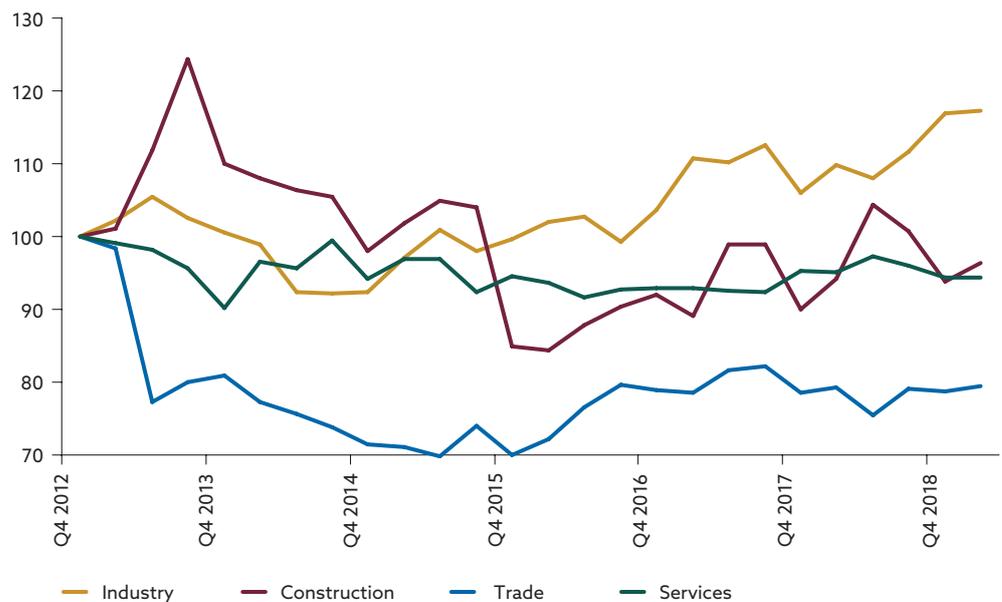
Annual growth in lending to non-financial corporations (NFCs) slowed significantly in April (from 8.3% to 6.5%). Thus, the year-on-year change in total NFC loans reflected the impact of adverse developments in the last two months, when the average monthly flow was around €18 million. This may have been caused partly by a slight increase in interest rates and deterioration in expectations, particularly in manufacturing. In addition to the weakening of lending to industrial firms, the stock of loans to the mining and quarrying sector fell significantly, although this reflected the repayment of a sizeable volume of loans provided at the end of 2018. By contrast, after moderating in the second half of 2018, growth in total loans to firms operating in the real estate sector have picked up slightly. Corporate indebtedness is on a long-term upward trend, especially the indebtedness of industrial firms. Since these firms are not managing to translate borrowed funds into higher value added, their indebtedness is increasing.

**Chart 15**  
Total loans (annual percentage changes)



Source: NBS calculations.

**Chart 16**  
Corporate indebtedness (ratio of NFC loans to value added; Q4 2012 = 100)



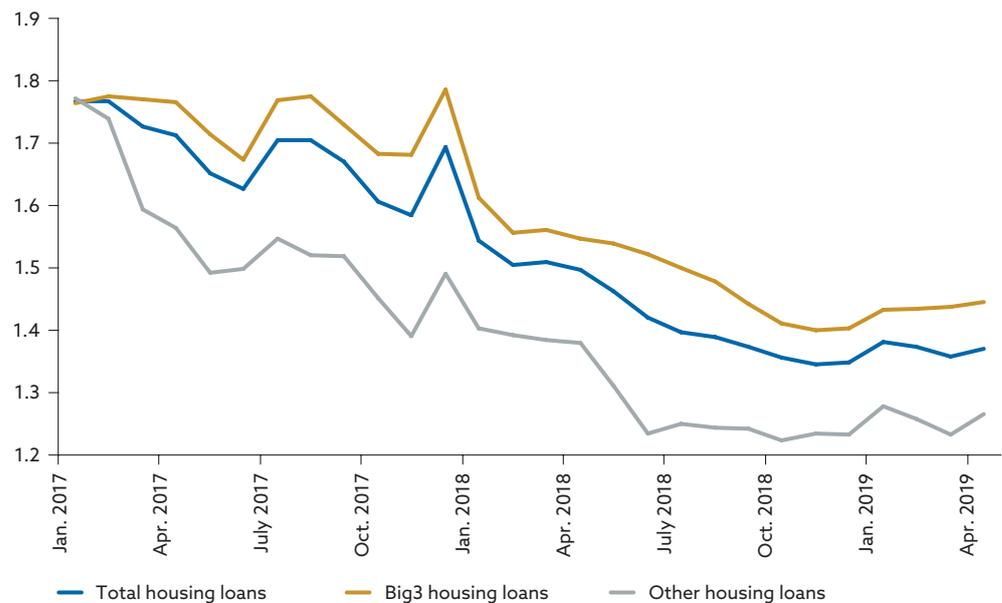
Sources: SO SR and NBS calculations.

Annual growth in total loans to households continued its downward trend in April, edging down to 10.0% (from 10.2% in March). Despite their generally favourable expectations for making major purchases (both now and in the future), households have recently been reining in their uptake of consumer loans. At the same time, demand for housing loans is falling slightly, possibly in response to the tightening of macroprudential policy measures, especially in regard to the debt-to-income and debt-service-to-income ratios of borrowers. Competition in the household credit market has

increased over the past two years, owing mainly to smaller banks pursuing more aggressive interest policies. The same trend has been seen in the adjustment of interest rates, although the level of retail interest rates is lower in smaller banks. These banks have been able to increase their market share only in the provision of housing loans (by around ten percentage points, to 37%).

**Chart 17**

**Average interest rates on housing loans (percentages)**

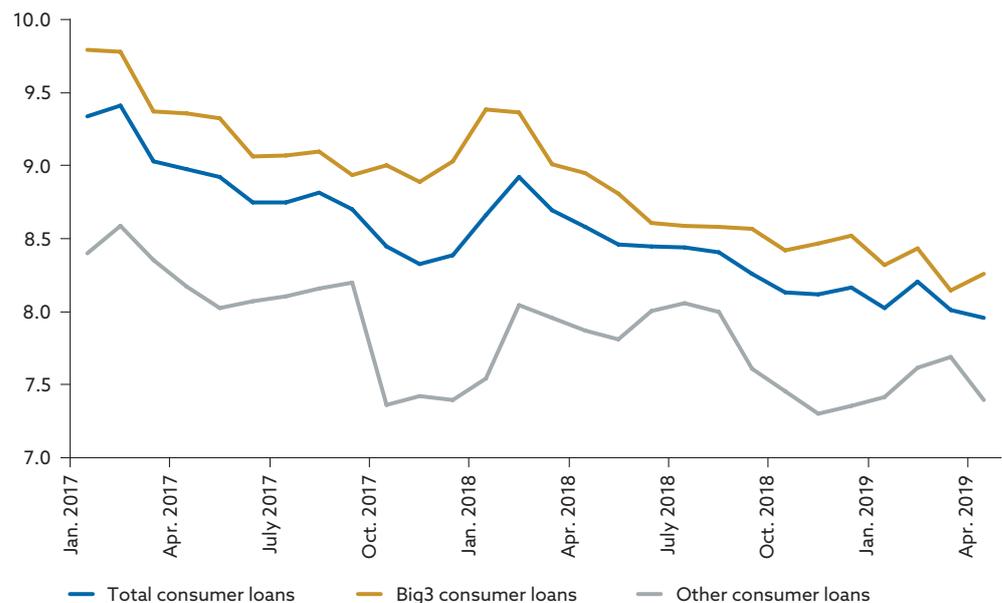


**Source:** NBS calculations.

**Note:** Big3 - the three largest banks by market share.

**Chart 18**

**Average interest rates on consumer loans (percentages)**



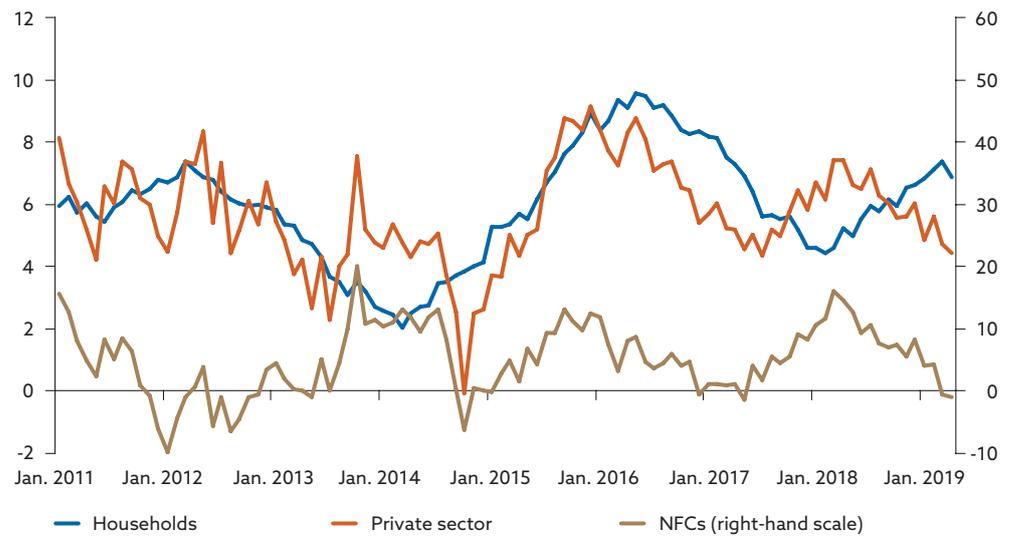
**Source:** NBS calculations.

**Note:** Big3 - the three largest banks by market share.

In April, annual growth in total household deposits slowed, while total NFC deposits declined year on year. Amid their still relatively strong income from work, households allocated an increasing proportion of their savings to investment funds and may have partly increased their consumption expenditure. The negative trend in NFC deposits continued for a second successive month. The drop in deposits was a corollary of lower lending growth and probably also the cooling of economic activity, as evidenced by the decline in sentiment (especially in industry).

**Chart 19**

**Total deposits (annual percentage changes)**



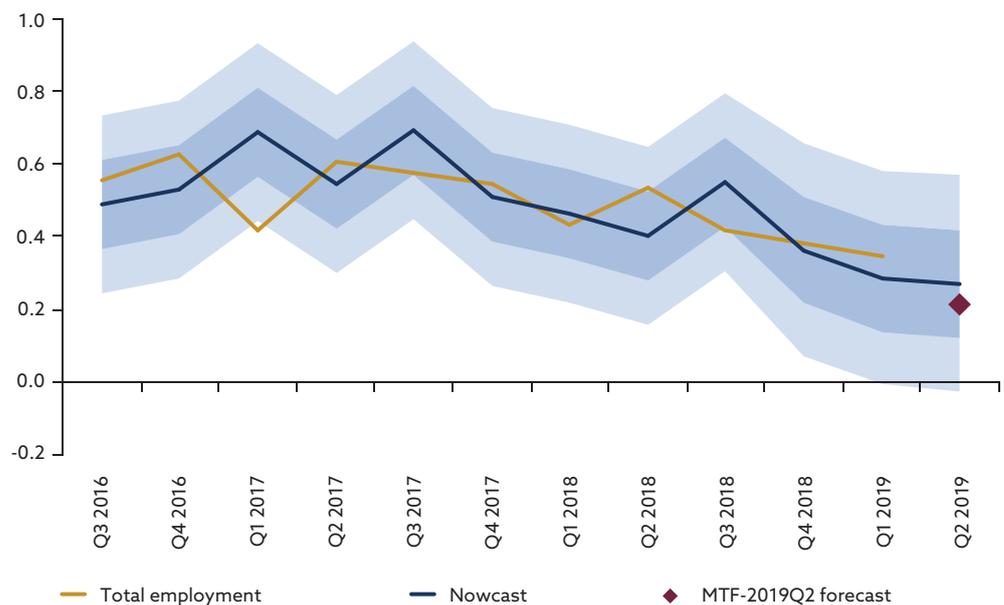
Source: NBS calculations.

### 3 Indicative impact on the forecast

The gradual deterioration in domestic and foreign indicators has been reflected in a slight downward revision of the nowcast for GDP growth in the second quarter of 2019. The nowcast for employment indicates that employment growth in second quarter will moderate as projected in the MTF-2019Q2 forecast.

**Chart 20**

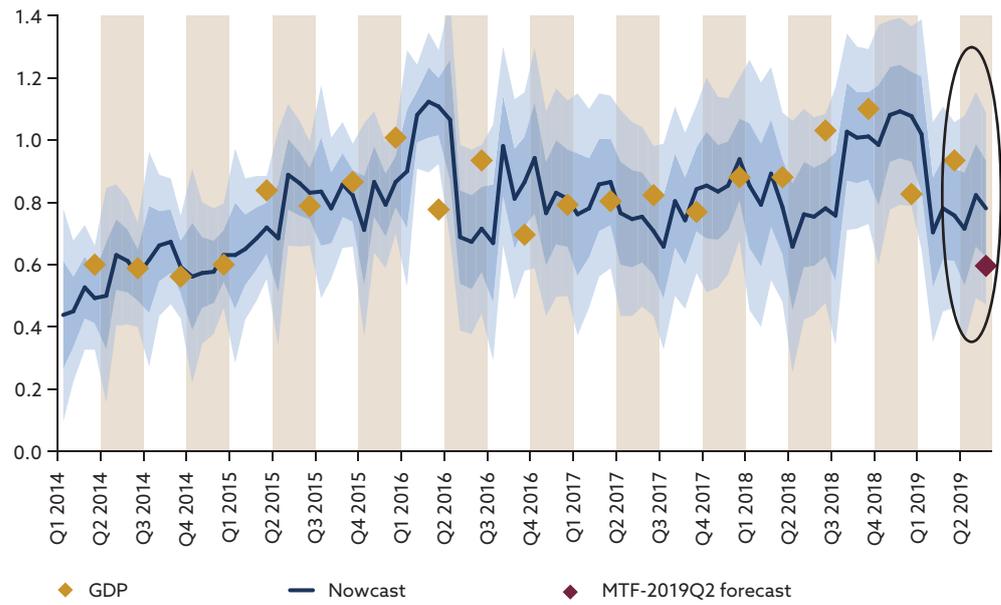
**Nowcast for employment (quarter-on-quarter percentage changes)<sup>4</sup>**



Sources: SO SR and NBS calculations.

<sup>4</sup> The band around the point estimate denotes +/- 1 to 2 times the root mean square error. Nowcasts provide a current estimate of future developments using available monthly figures from the current quarter, their future values forecast with ARIMA models, and their lagged values. The individual model projections are independent of each other, and therefore a forecasting error in a past quarter cannot affect current projections. Further details can be found in the commentaries on the [GDP nowcasts](#) and [employment nowcasts](#).

**Chart 21**  
**Nowcast for GDP (quarter-on-quarter percentage changes)<sup>4</sup>**



**Sources:** SO SR and NBS calculations.

# Overview of main macroeconomic indicators for Slovakia

**Table 4 Selected economic and monetary indicators for Slovakia**

(annual percentage changes, unless otherwise indicated)

|           | Gross domestic product | HICP | Industrial producer prices | Employment ESA 2010 | Registered unemployment rate <sup>1)</sup> | Unemployment rate based on the total number of job seekers <sup>1)</sup> | Industrial production index | Total sales of sectors <sup>2)</sup> | Economic Sentiment Indicator (long-term average=100) | M3 (for analytical use) <sup>3)</sup> | Loans to private sector <sup>4)</sup> | Loans to non-financial corporations <sup>4)</sup> | Loans to households <sup>4)</sup> | State budget balance (EUR mil.) | General government balance (% of GDP) | General government gross debt (% of GDP) | Current account (% of GDP) | Balance of trade (% of GDP) | USD/EUR exchange rate (average for the period) |
|-----------|------------------------|------|----------------------------|---------------------|--|--|-----------------------------|--------------------------------------|--|---------------------------------------|---------------------------------------|---|-----------------------------------|---------------------------------|---------------------------------------|--|----------------------------|-----------------------------|--|
|           | 1                      | 2    | 3                          | 4                   | 5  | 6  | 7                           | 8                                    | 9  | 10                                    | 11                                    | 12  | 13                                | 14                              | 15                                    | 16                                       | 17                         | 18                          | 19   |
| 2011      | 2.8                    | 4.1  | 2.7                        | 1.8                 | 13.2                                       | 14.6   | 5.8                         | 5.9                                  | 97.9   | 2.9                                   | 9.3                                   | 7.6   | 11.1                              | -3,275.7                        | -4.3                                  | 43.7                                     | -5.0                       | -0.1                        | 1.3920   |
| 2012      | 1.7                    | 3.7  | 3.9                        | 0.1                 | 13.6                                       | 15.0   | 2.7                         | 4.5                                  | 92.8   | 8.8                                   | 3.8                                   | -2.3  | 10.3                              | -3,810.7                        | -4.3                                  | 52.2                                     | 0.9                        | 3.4                         | 1.2848   |
| 2013      | 1.5                    | 1.5  | -0.1                       | -0.8                | 14.1                                       | 15.4   | 1.5                         | 1.9                                  | 89.1   | 6.4                                   | 6.4                                   | 1.7   | 10.3                              | -2,023.3                        | -2.7                                  | 54.7                                     | 1.9                        | 3.9                         | 1.3281   |
| 2014      | 2.8                    | -0.1 | -3.5                       | 1.4                 | 12.8                                       | 14.3   | 3.1                         | 2.3                                  | 99.6   | 2.5                                   | 7.7                                   | 1.9   | 13.2                              | -2,923.4                        | -2.7                                  | 53.5                                     | 1.1                        | 3.6                         | 1.3285   |
| 2015      | 4.2                    | -0.3 | -4.2                       | 2.0                 | 11.5                                       | 13.1   | 6.7                         | 7.5                                  | 100.4  | 11.5                                  | 10.7                                  | 7.3   | 13.1                              | -1,932.6                        | -2.6                                  | 52.2                                     | -1.7                       | 1.3                         | 1.1095   |
| 2016      | 3.1                    | -0.5 | -4.3                       | 2.4                 | 9.5  | 11.1   | 4.7                         | 4.3                                  | 102.0  | 6.1                                   | 10.2                                  | 4.2   | 13.3                              | -980.3                          | -2.2                                  | 51.8                                     | -2.2                       | 2.0                         | 1.1069   |
| 2017      | 3.2                    | 1.4  | 1.9                        | 2.2                 | 7.1  | 8.3  | 3.2                         | 4.0                                  | 103.4  | 7.8                                   | 10.5                                  | 7.8   | 12.4                              | -1,220.1                        | -0.8                                  | 50.9                                     | -2.0                       | 0.8                         | 1.1297   |
| 2018      | 4.1                    | 2.5  | 5.0                        | 2.0                 | 5.4  | 6.6  | 4.4                         | 6.0                                  | 100.3  | 5.1                                   | 9.5                                   | 8.2   | 10.8                              | -1,182.2                        | -0.7                                  | 48.9                                     | -2.5                       | 0.1                         | 1.1810   |
| 2018 Q2   | 4.5                    | 2.9  | 4.8                        | 2.1                 | 5.5  | 6.7  | 5.6                         | 5.6                                  | 102.1  | 7.0                                   | 10.6                                  | 7.9   | 11.7                              | -                               | -0.3                                  | 50.3                                     | -1.4                       | 2.0                         | 1.1915   |
| 2018 Q3   | 4.6                    | 2.7  | 6.4                        | 1.9                 | 5.4  | 6.6  | 6.3                         | 8.5                                  | 98.3   | 6.1                                   | 9.9                                   | 6.5   | 11.4                              | -                               | -0.5                                  | 50.9                                     | -3.1                       | -1.3                        | 1.1629   |
| 2018 Q4   | 3.6                    | 2.1  | 5.7                        | 1.7                 | 5.2  | 6.3  | 4.2                         | 6.8                                  | 97.8   | 5.1                                   | 9.5                                   | 8.2   | 10.8                              | -                               | -1.7                                  | 48.9                                     | -4.6                       | -1.5                        | 1.1414   |
| 2019 Q1   | 3.7                    | 2.4  | 3.9                        | 1.8                 | 5.0  | 6.2  | 6.9                         | 8.7                                  | 98.3   | 4.0                                   | 8.9                                   | 8.2   | 10.2                              | -                               | .                                     | .  | -0.6                       | 2.7                         | 1.1358   |
| 2018 June | -                      | 2.9  | 5.6                        | -                   | 5.5  | 6.7  | 7.4                         | 6.2                                  | 100.8  | 7.0                                   | 10.6                                  | 7.9   | 11.7                              | 151.3                           | -                                     | -  | -                          | -                           | 1.1678   |
| 2018 July | -                      | 2.6  | 6.9                        | -                   | 5.5  | 6.7  | 4.2                         | 9.5                                  | 100.1  | 7.2                                   | 10.3                                  | 7.1   | 11.7                              | 188.9                           | -                                     | -  | -                          | -                           | 1.1686   |
| 2018 Aug. | -                      | 2.9  | 6.2                        | -                   | 5.4  | 6.6  | 7.1                         | 7.1                                  | 97.8   | 6.2                                   | 10.1                                  | 6.5   | 11.6                              | -357.6                          | -                                     | -  | -                          | -                           | 1.1549   |
| 2018 Sep. | -                      | 2.7  | 6.2                        | -                   | 5.3  | 6.5  | 7.4                         | 8.9                                  | 97.1   | 6.1                                   | 9.9                                   | 6.5   | 11.4                              | 133.1                           | -                                     | -  | -                          | -                           | 1.1659   |
| 2018 Oct. | -                      | 2.5  | 7.3                        | -                   | 5.3  | 6.4  | 5.5                         | 9.6                                  | 98.5   | 5.4                                   | 10.6                                  | 8.3   | 11.3                              | 195.9                           | -                                     | -  | -                          | -                           | 1.1484   |
| 2018 Nov. | -                      | 2.0  | 5.7                        | -                   | 5.2  | 6.3  | 3.2                         | 7.1                                  | 96.5   | 5.1                                   | 10.3                                  | 8.1   | 11.2                              | -442.1                          | -                                     | -  | -                          | -                           | 1.1367   |
| 2018 Dec. | -                      | 1.9  | 4.3                        | -                   | 5.1  | 6.2  | 4.0                         | 3.5                                  | 98.3   | 5.1                                   | 9.5                                   | 8.2   | 10.8                              | -326.5                          | -                                     | -  | -                          | -                           | 1.1384   |
| 2019 Jan. | -                      | 2.2  | 3.3                        | -                   | 5.1  | 6.2  | 7.2                         | 10.6                                 | 97.1   | 4.1                                   | 9.1                                   | 8.0   | 10.5                              | 133.7                           | -                                     | -  | -                          | -                           | 1.1416   |
| 2019 Feb. | -                      | 2.3  | 4.0                        | -                   | 5.1  | 6.2  | 5.7                         | 8.5                                  | 100.1  | 4.7                                   | 9.0                                   | 8.1   | 10.3                              | -740.3                          | -                                     | -  | -                          | -                           | 1.1351   |
| 2019 Mar. | -                      | 2.7  | 4.4                        | -                   | 5.0  | 6.1  | 7.7                         | 7.1                                  | 97.7   | 4.0                                   | 8.9                                   | 8.2   | 10.2                              | -559.7                          | -                                     | -  | -                          | -                           | 1.1302   |
| 2019 Apr. | -                      | 2.4  | 3.9                        | -                   | 5.0  | 6.1  | 6.4                         | 4.0                                  | 92.5   | 3.8                                   | 8.0                                   | 6.5   | 10.0                              | -41.2                           | -                                     | -  | -                          | -                           | 1.1238   |
| 2019 May  | -                      | 2.7  | .                          | -                   | 5.0  | 6.1  | .                           | .                                    | 93.7   | .                                     | .                                     | .   | .                                 | -317.7                          | -                                     | -  | -                          | -                           | 1.1185   |

Sources: Statistical Office of the Slovak Republic, MF SR, the European Commission and NBS.

1) Monthly and quarterly data based on seasonal adjustment of NBS.

2) Constant prices (seasonally adjusted).

3) Currency in circulation in M3 refers to money held by the public (according to methodology in place prior to 2008).

4) Adjusted for sales and securitisation.

More detailed time series for selected macroeconomic indicators

[http://www.nbs.sk/\\_img/Documents/\\_MonthlyBulletin/2019/StatisticsMBO619.xls](http://www.nbs.sk/_img/Documents/_MonthlyBulletin/2019/StatisticsMBO619.xls)