

Banks revising estimate of Slovak economic growth

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Negative news from the global market has already affected the worse prognosis of the Slovak economic growth. In August, the banks lowered their expectations of economic growth in Slovakia for this and next years. According to the August round of the regular survey by the National Bank of Slovakia among banking analysts, the Slovak economy should rise by 3.1% this year, which means a reduction in monthly forecast by 0.5 percentage points.

Bankers reduced next year's estimates of Slovak economic growth even more. While still in July they predicted economic growth by 4.3% for next year; they forecast economic growth at 2.9% in August.

Slower economic growth, however, also brings about positive developments in consumer prices. Analysts have cut outlook for this year's end-year harmonized inflation by 0.4 percentage points to 4.3% and inflation according to national methodology by 0.3 percentage points to 4.2%. Also inflation forecast for next year decreased. It is from 3.5% to 3.2% for harmonized inflation and by 0.2 percentage points to 2.8% for national inflation.

The slowdown of economic growth has also indicated information to the flash estimate of the Slovak Statistical Office for the second quarter of this year. According to it, the annual growth rate of gross domestic product in the second quarter reached 3.3%, while in the first quarter the economy grew at the rate of 3.5 percent. However, the Slovak economy keeps getting almost 1% quarterly growth. According to seasonally adjusted data, it reached quarterly growth of 0.9% similarly to the first quarter.

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