

## Romania: Trade balance improving in April

For the first time in almost two years the trade balance deficit narrowed, by 3.5% YoY. This might be another sign of the economy slowing.

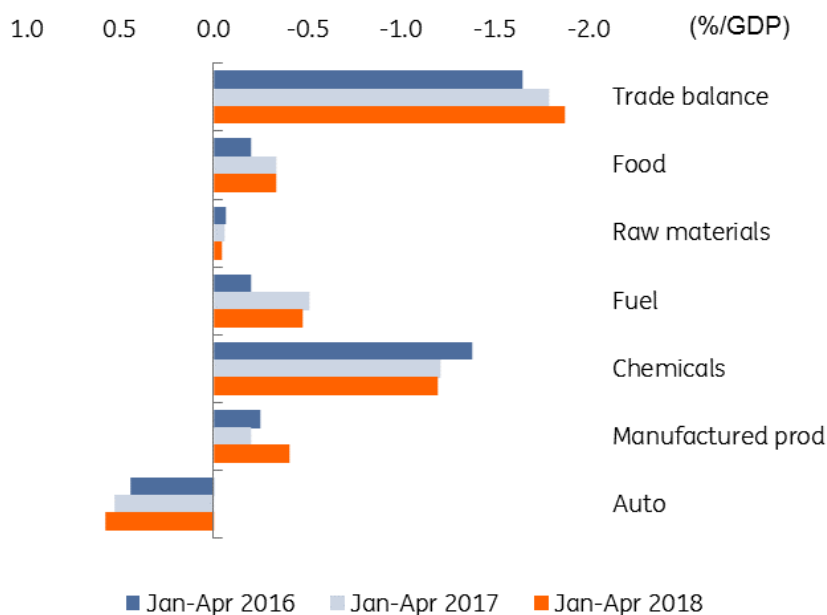


Source: Shutterstock

Exports continued to accelerate in April, reaching 9.7% growth YoY. The auto sector remains the main driver, accelerating to 11.3% YoY and thus contributing 5.4ppt to total export growth. Acceleration is visible also in food items and other manufactured products.

Imports accelerated as well, to 7.3% YoY from 5.8% in Mar-18 and driven by the dynamic auto sector (+8.1% YoY) and other manufactured products (+8.3% YoY). Food items saw their fourth consecutive month of deceleration but still posted 4.9% YoY growth.

## Auto sector out on its own



Source: NIS, ING

As mentioned in our [previous note](#), we expect rebalancing to continue. Nevertheless, with the notable exception of the auto sector, the underlying reasons are more to do with the economy slowing and less with structural improvement and/or competitive gains.

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