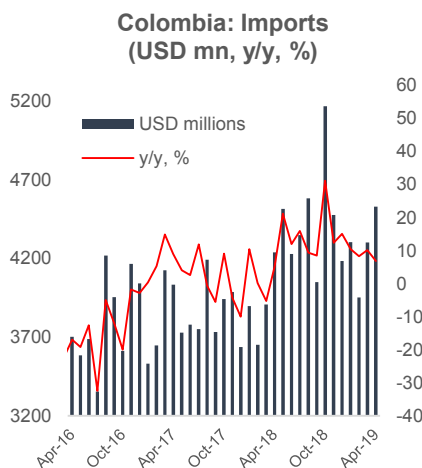


## LATAM Market Update

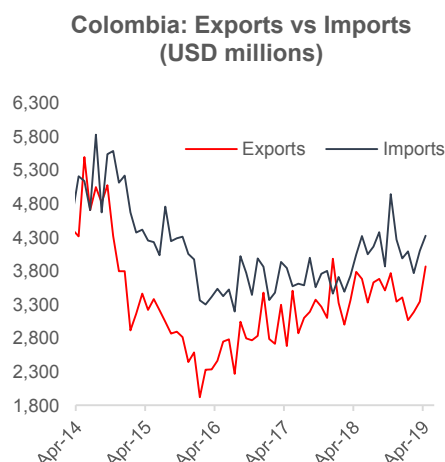
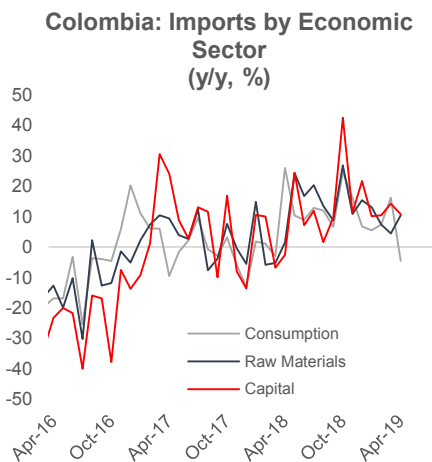
- Colombia: Imports continued strong in April, especially capital and raw materials imports; External deficit is widening**

April imports came in at 6.8% y/y or US\$4.5bn and continued showing strong behaviour. Capital imports grew 10.7% y/y due to capital imports for the construction sector and transportation imports. Raw materials (47% of total imports) grew 10.4% y/y. Strong figures of capital and raw materials imports, YTD (and last year), are consistent with the expected investment recovery in 2019. Consumption imports showed a decline on an annual basis, on the back of a statistically base effect. In fact, one year ago consumption imports expansion came above 20% y/y. Nevertheless, the levels of imports of consumer goods remain at favourable levels.



Yesterday's imports data support our downward bias GDP forecast for 2019 of 3.4% y/y since import increases in quantities can net off, somehow, investment recovery and domestic demand rebound.

The external deficit continued to widen in April. April 2019 trade deficit was -US\$460mn. In 2019 up to April the trade balance was -US\$2.8bn, which is more than US\$1.3bn higher than the same period in 2018 and confirms that the Colombian external imbalance continues to be one of the more significant concerns for the Colombian economy in the short run. Having said that, financing is still coming from long-term investment (FDI), which has been favourable so far.



## CONTACTS

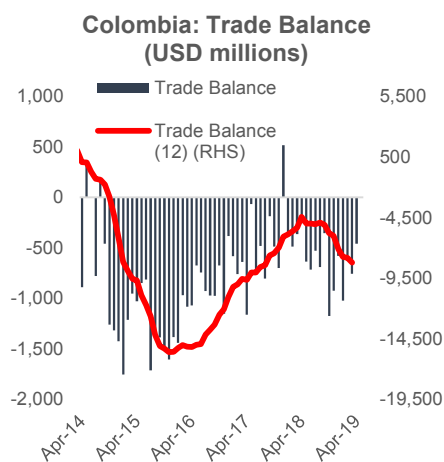
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