

## LATAM Market Update

- **Colombia: May exports expanded 1.2% y/y; Non-traditional exports achieved the best figure since mid-2014**

DANE has released May exports data. Colombian monthly exports were US\$3.8bn, increasing by 1.2% y/y. May's results were explained mostly by mining exports (+5.2% y/y). Traditional exports grew 1.23% y/y with mix signals. On one hand, coal exports (20% of total exports) expanded 30% y/y, especially due to a lower statistical effect, this result was anticipated in our previous report. On the other hand, oil-related exports (40% of total exports) fell 1.97% y/y due to price effects. In the case of coffee exports (3.6% of total exports), the drop in international price will continue affecting annual variations. Non-traditional exports grew 1.2% y/y, this figure is the highest number since mid-2014 (US\$1.4bn).

May exports data support the expectation of a widening in the current account deficit for 2019, we expect a deficit of 4.1% of GDP for 2019 which is compatible with a GDP growth rate of 3.2% this year. It is worth to mention that the minutes from the June monetary Policy Meeting explicitly stated the external deficit as a concern; a factor that is playing against possibilities of rate cuts and also could encourage Banrep to resume the international reserves accumulation program in the future.

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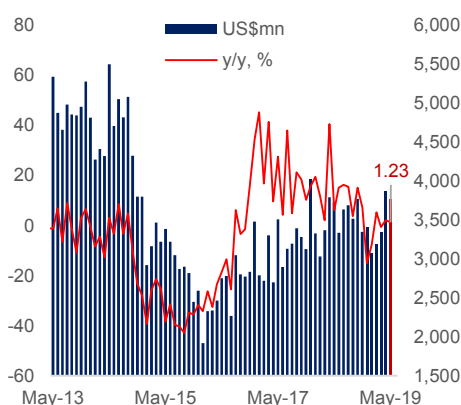
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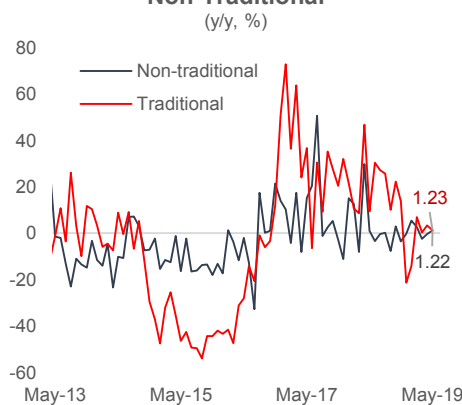
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Colombia: Total Exports



Sources: DANE, Scotiabank.

Colombia: Exports - Traditional vs Non-Traditional



Sources: DANE, Scotiabank.

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