Economic activity's recovery brakes down

In February 2017 both, the coincident index's monthly an inter-year variation rates, were almost null.

ICASFe
FEBRUARY 2017

Level:
153.8

Monthly variation:
-0.1 %

Inter-year variation: -0.1%
2017's partial result: 0.2%

MAIN RESULTS

*ICASFE's level was located in **153.8**, presenting a monthly variation of **-0.1%** in respect to January 2017.*

*Inter-year variation rates reached **-0.1%** (comparing February 2017 vs. February 2016).*

*Partial cumulated contraction during 2017's was measured in **0.2%**.*

What is ICASFE for?

ICASFE constitutes a monthly indicator used in order to monitor local economy's activity. To this regard, its main purpose is to capture cyclical movements, being able to determine the precise dates in which recessions/expansions begin and end; it also generates information about phase's duration, amplitude and diffusion.

Technically, the indicator is a composite coincident index developed by an agreement with the *Universidad Nacional de Tucumán* (UNT) which provides a reliable source of information appropriate to support decision makers of public and private institutions. Methodological information and related papers are available in http://ces.bcsf.com.ar

Output data considerations

The last twelve monthly results exposed in this document are based on preliminary information and hence subject to further revisions. Calculated values gain consistency while primary sources publish consolidated data which provides an input to the coincident index.

In addition, it is worth noting that all series internalized by this project, are handled in real terms and filtered by seasonality and outliers with the X-13ARIMA-SEATS software produced and distributed by the US Census Bureau.

In order to download or get access to:

• Statistical database, methodological documents and related publications | Go to http://ces.bcsf.com.ar

• Handbook of sub-indicators | Go to http://ces.bcsf.com.ar

• An on-line graphical tool to access historical data | Go to http://www.bolcomsf.com.ar/ces/icasfe.php

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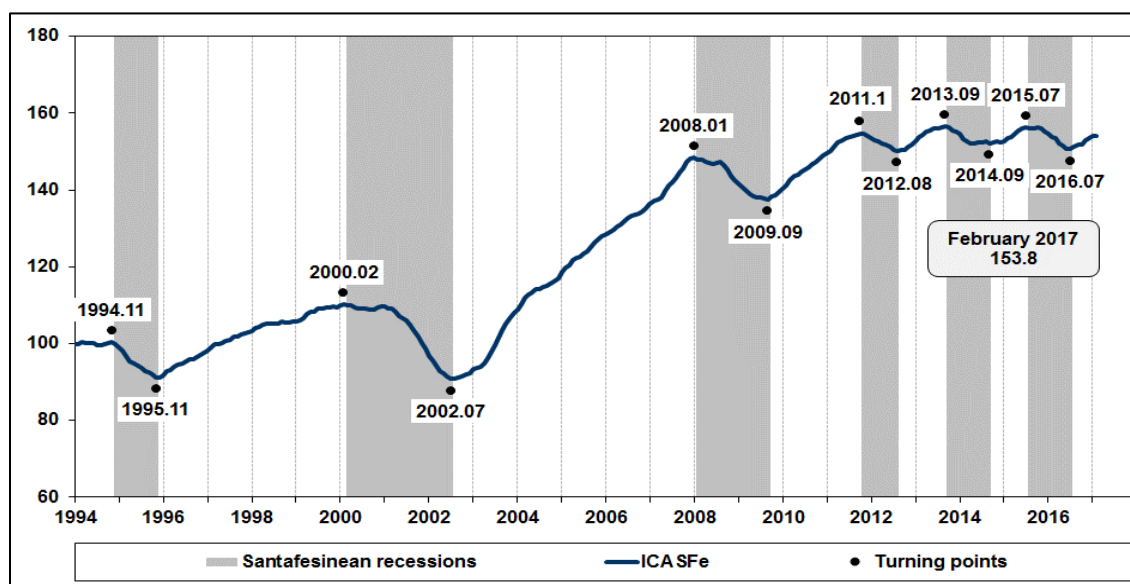Websites
http://ces.bcsf.com.ar o
http://www.bcsf.com.ar

Province of Santa Fe's economic activity

In February 2017 Santa Fe's economic activity suffered a mild contraction in respect to January (-0.1%). Nevertheless, it is worth noting that between July 2016 and January 2017 the average monthly growth was measured in 0.3%. Moreover, the net balance for the first two months of the year is still positive in 0.2%.

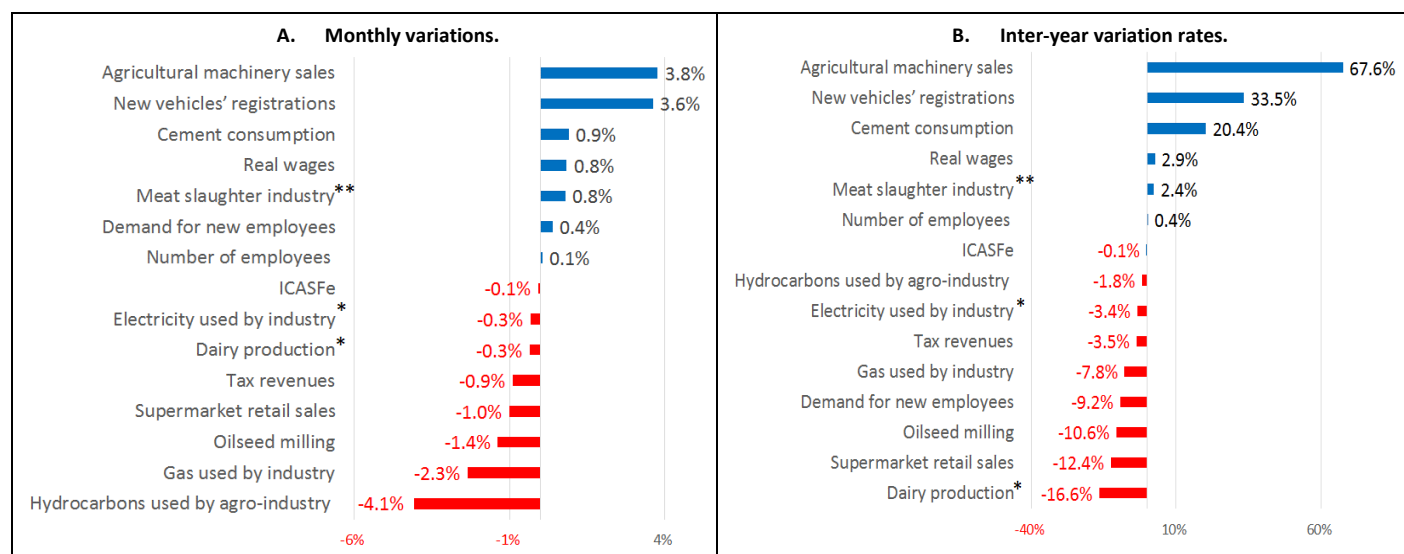**Graph 1: Composite Coincident Index for the Province of Santa Fe (ICASFe). Base 1994 = 100.**

Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

Fifty percent of the series considered by the coincident index presented negative monthly variation rates in respect to January. In addition, this drop was not compensated by the other half's expansion. In respect to the inter-year benchmark, series related to investment and durable goods were on top of the ranking. To this regard, **agricultural machinery sales** leaded the table within rates of 3.8 and 67.6%, respectively. **New vehicles' registrations** was in second place with rates of 3.6 and 33.5%; whereas **cement consumption** grew 0.9% in terms of January and 20.4% inter-yearly. It is worth noting that these results allowed the series to practically recover December 2007's level (last peak dated by the province's construction sector).

Graph 2: Economic activity's indicators for the Province of Santa Fe - February 2017 -

Last available data: (*) December 2016; (**) January 2017.
Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Industrial activities keep showing negative numbers. **Gas consumption** presented a monthly variation of -2.3% and declined 7.8% in respect to February 2016. Similarly, **electricity used by industry** dropped 0.3 and 3.4%, respectively (based on last available data from December 2016 and estimations).

Oilseed milling signaled unfavorable results of -1.4 and -10.6%. So did **hydrocarbons used by agro-industry and transportation,** which experienced contractions of -4.1% and -1.8%, respectively.

Registered jobs are growing slow but solidly every month. In respect to January the series increased 0.1%, which implies an inter-year expansion of 0.4%. **Demand for new employees** recovered other 0.4%, but compared to February 2016 its net balance was measured in -9.2%. In regard to **real wages**, the sub-indicator improved 0.8%, achieving an annual recovery of 2.9%. Nevertheless, **supermarket retail sales** went on the other direction and registered a monthly drop of 1.0% and an inter-year one of 12.4%.
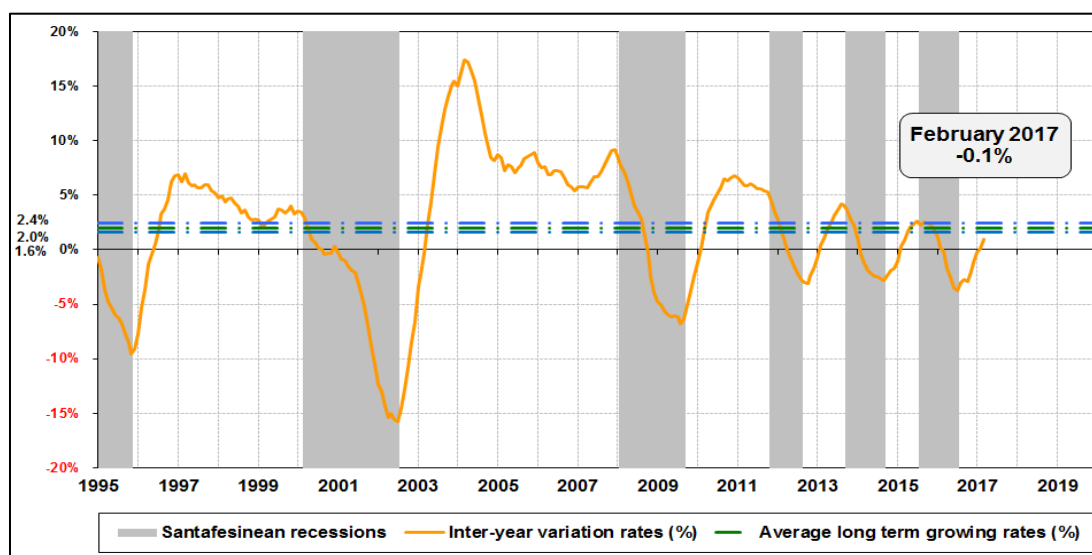
Finally, **tax revenues** continued on negative terrain. In respect to January the series declined 0.9% and already lost 3.5% in terms of February 2016. Most significant declines are being registered on Federal Resources.

Summary and perspectives

ICASFe's inter-year variation rates from February 2017 were almost null (-0.1%); which means the coincident index's level is similar than February 2016's. However, expectations for further months are signaling a new boost. Especially considering that 2016's first semester represents a low benchmark (see Graph 3).

In relationship to the present expansion phase, most sub-indicators are still recovering; in fact, only a few of them may begin a genuine growth' path in the short term. To this regard, only cement consumption is experiencing an outstanding performance, followed by series related to investment in durable goods. On the other hand, most affected series are still retail sales and industrial activities.

Graph 3: Monthly Composite Index's inter-year variation rates.

Source: Research and Services Center, Santa Fe's Chamber of Commerce.