The economic context in an election year

A greater polarization over Santa Fe's economic sub-indicators was observed during the month of primary elections.

ICASFe
August 2019

Level:
159.8

Monthly variation:
0.2%

Inter-year variation: -1.7%
2019's partial result: 0.9%

MAIN RESULTS

*ICASFE's level was located in **159.8**, presenting a monthly variation of **0.2%** respect to July 2019.*

*Inter-year variation rates descended to **-1.7%** (comparing August 2019 vs. August 2018).*

*Cumulated results during 2019 were measured in **0.9%**.*

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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 at 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 nothing 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

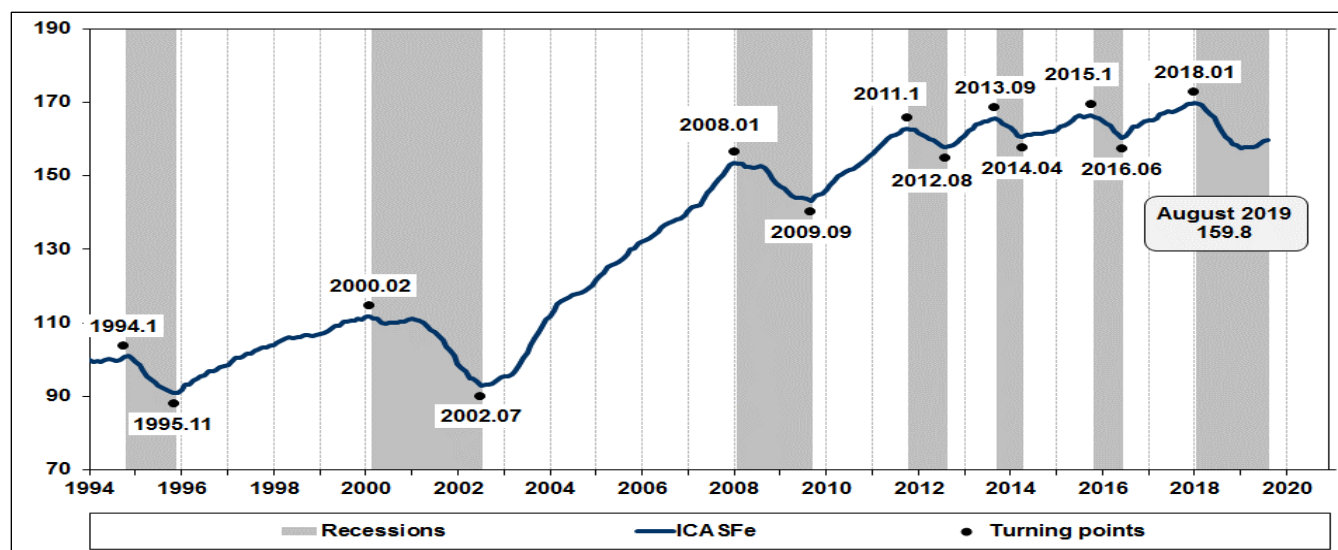• An on-line graphical tool to access historical data | Go to http://www.bolcomsf.com.ar/ces/icasfe.php

Province of Santa Fe's economic activity

Santa Fe's economic activity registered a monthly increase of 0.2%. Within this result the coincident index cumulates a total variation rate of 0.9% between January and August 2019.

Graph 1: Composite Coincident Index for the Province of Santa Fe (ICASFe). Base 1994 = 100. August 2019.
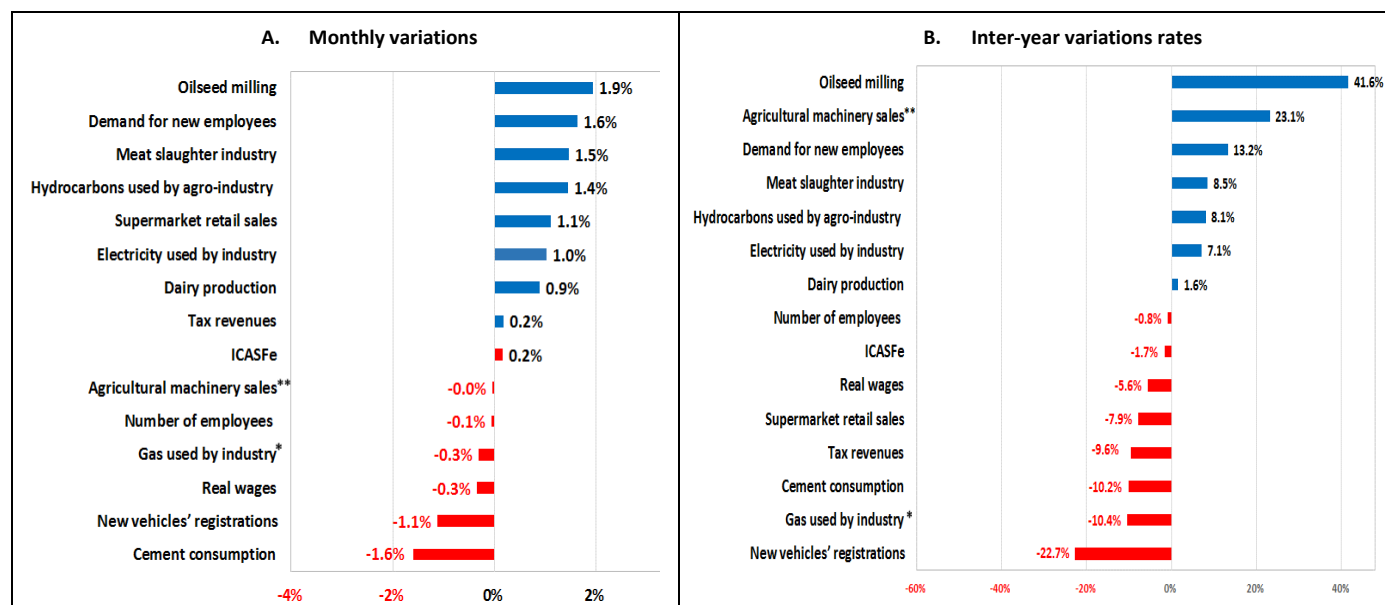

Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

Figures for August 2019 identify a particular set of six sub-indicators that registered positive variations both in comparison with the month of July and with the month of August 2018. This group is mostly composed by series related to agro-industrial activities.

Oilseed milling registered an increase of 1.9% monthly, and 41.6% year-on-year. In addition, **meat slaughter industry** continues with an important recovery process, with rates of 1.5 and 8.5%, respectively (highlighting the performance of bovine's slaughter, that compensates the fall of the swine category). **Dairy production** improved 0.9% monthly, and 1.6% in respect to August 2018. In the case of **hydrocarbons used by industry** figures were 1.4 and 8.1%.

Graph 2: Economic activity's indicators for the Province of Santa Fe. August 2019.

Last available data from: (**) June 2019, (*) July 2019. Unavailable data was estimated.
Source: Research and Services Center, Santa Fe's Chamber of Commerce.

An almost null variation rate was estimated for **agricultural machinery sales** which implies an interannual recovery of 23.1%. On the other hand, **cement consumption** and **new vehicles' registrations**, two representative series of investment in durable goods, showed decreases both in the monthly and interyear levels being their rates -1.6 and -10.2%; and -1.1 and -22.7%, respectively.

Electricity used by industry experienced rates of 1.0% monthly and 7.1% year-on-year, whereas **gas used by industry** presented figures of -0.3 and -10.4%, respectively.

In regard to the labor market, **number of employees (net registrations)** in public and private activities fell down by 0.2% compared to July, and showed an interyear decrease of 0.8%. **Real wages** signal a new decline over purchasing power of -0.3% (which means a total loss of -5.6% in terms of August 2019).

As for **supermarket retail sales**, the gauge presented an increase of 1.1% in monthly terms, although it fell by 7.9% in respect to its interyear benchmark.

Finally, **tax revenues** related to Santa Fe's Administration improved 0.2% but stayed -9.6% behind August 2018's level.
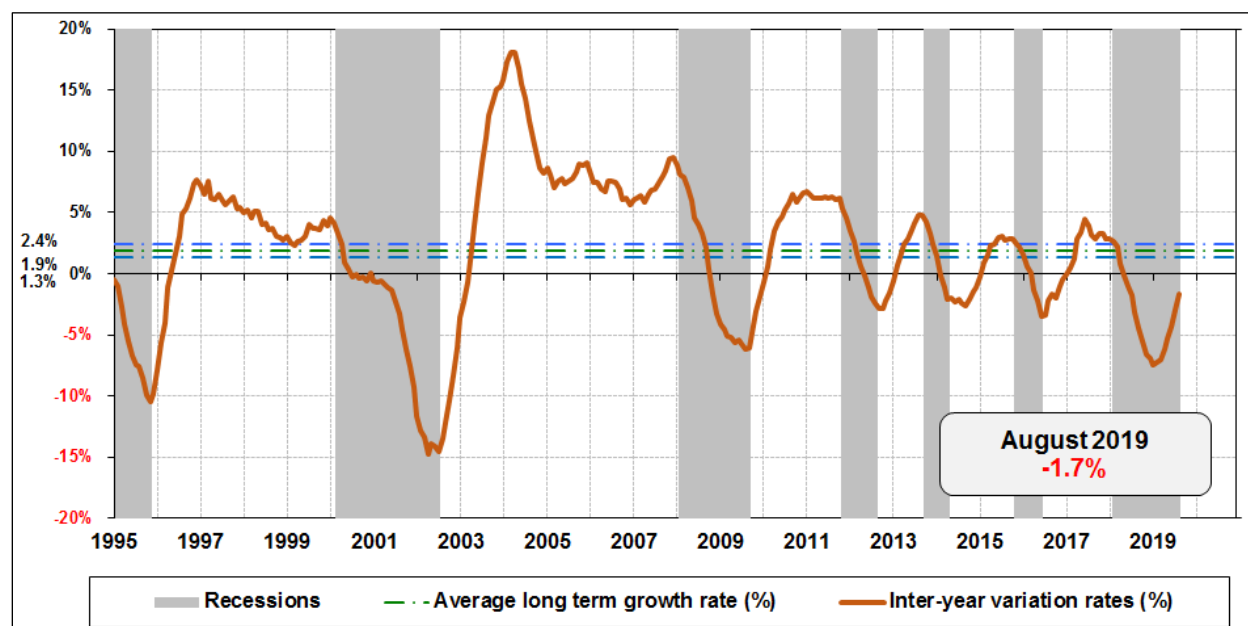
Summary and perspectives

During the month of August 2019 the province's economic activity captured particular effects related to the recent devaluation and to the return of a stronger inflationary process. Nevertheless, ICASFe's interannual variation rates continued to moderate their fall, reaching -1.7% compared to -2.9% corresponding to July's measurement.

On the other hand, it is worth noting that the slight recovery recorded during the last months of analysis refers to the Economy's general level. However, considering all sub-indicators' performance, only those related to the agro-industrial sector seem to drive activity's improvement. In contrast, other indicators that were also beginning to recover, signaled a new downturn in August (mostly related to investment in durable goods).

As for perspectives, inflation is expected to keep deteriorating socio-economic figures across further months' measurements.

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

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