

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

Monthly publication Nº 11/ Year 13

ISSN 2362-48784

Date: 11/22/2019



CENTRO DE ESTUDIOS Y SERVICIOS

A new brake on a brief recovery process

During 2019's third quarter, Santa Fe's economic activity was not able to consolidate first semester's favorable performance.

ICASFe

September 2019

Level:

159.2

Monthly variation:

-0.5%

Inter-year variation: **-1.2%**

2019's partial result: **0.3%**

MAIN RESULTS

ICASFe's level was located in **159.2**, presenting a monthly variation of **-0.5%** respect to August 2019.

Inter-year variation rates descended to **-1.2%** (comparing September 2019 vs. September 2018).

Cumulated results during 2019's were measured in **0.3%**

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>



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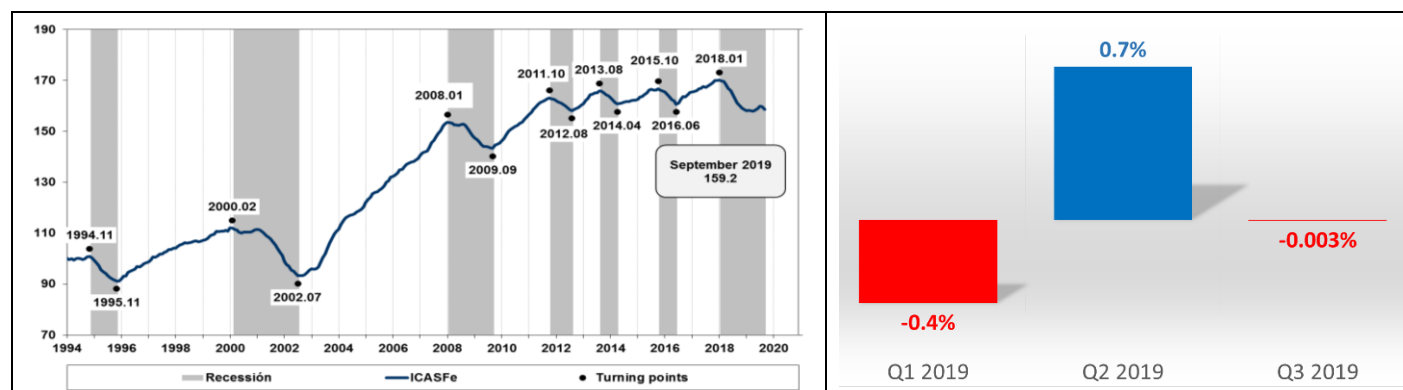
<http://ces.bcsf.com.ar> or

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Province of Santa Fe's economic activity

In September the province's economic activity declined **0.5%** in terms of August. This monthly outcome implies an almost null accumulated variation rate for 2019's the third quarter, assessing a net balance of only 0.3% between January and September 2019.

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



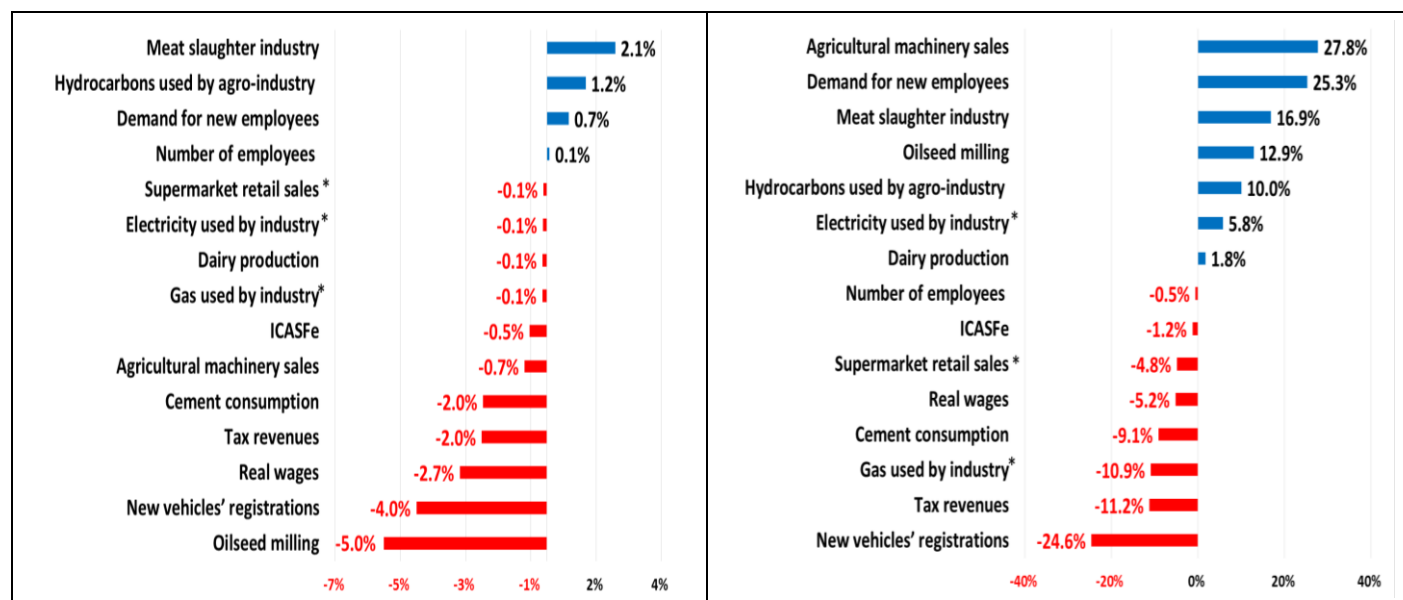
Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

Latest measurements indicate that only four of the fourteen indicators considered by the coincident index presented positive monthly variations. In addition, their inter-year behavior was somehow divided into two different groups (see right quadrant of Graph N° 2); that is, seven of the fourteen indicators improved whereas the other 7 went on the other direction.

Meat slaughter industry stays at its highest level over the last years, growing other 2.1% in September and 16.9% during the last twelve months. **Oilseed milling**, on the other hand, fell **5.0%** in respect to August, although it stood 12.9% above its inter-year benchmark. **Dairy production** showed a similar behavior within rates of **-0.1** and 1.8%, respectively. In respect to **hydrocarbons used by agro-industry**, the figures were 1.2 and 10.0%.

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



Last available data from: (*) August 2019. Unavailable data was estimated.

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

Agricultural machinery sales registered a monthly contraction of **0.7%**, but still, kept leading the table of interannual comparisons with a recovery of 27.8%.

In regard to the secondary sector, **electricity used by industry** obtained estimated rates of **-0.1%** monthly and 5.8% year-on-year; whereas **gas utilization** decreased **-0.1** and **-10.9%**, respectively.

Cement consumption dropped **2.0%**, which implies a net decrease of **9.1%** in relation to September 2018. In the case of **new vehicles' registrations**, another representative series of investment in durable goods, its variation rates were **-4.0** and **-24.6%**, respectively.

Concerning to the labor market, **number of employees** showed a slight monthly increase of 0.1%, mainly driven by public sector's segment; however, in inter-year terms the gauge continues to fall (**-0.5%**). **Demand for new employees**, which was strongly affected during 2018, recovered 0.7% and 25.3%, respectively. **Real wages** indicates a new contraction over purchasing power during September 2019 of **-2.7%**, and **-5.2%** in relation to the same period of the previous year.

Regarding to **supermarket retail sales**, the indicator showed a decrease of **0.1%** in respect to August, and **4.8%** year-on-year.

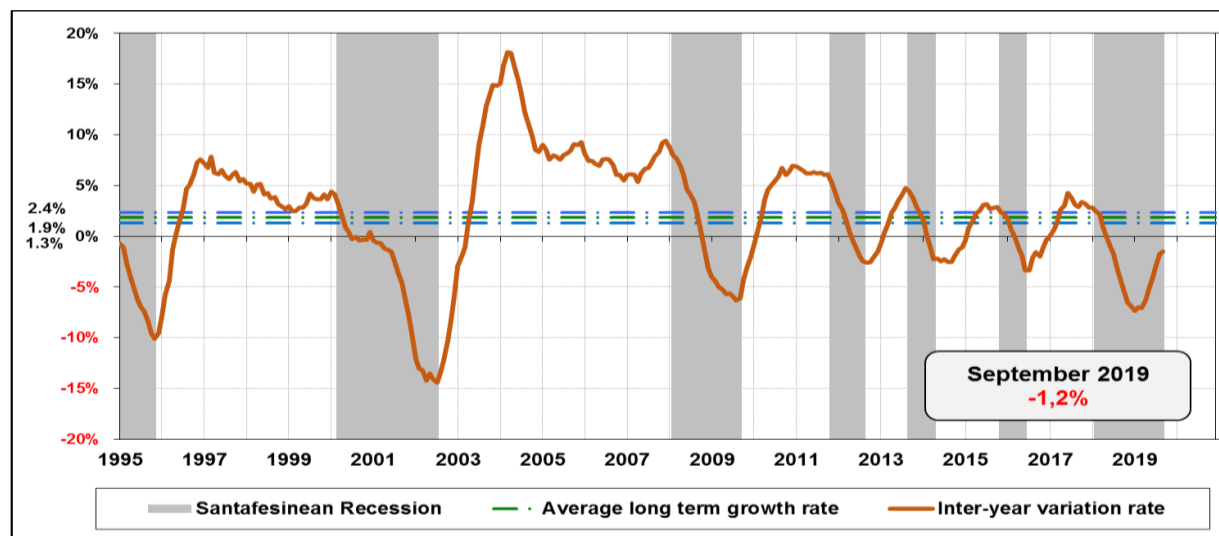
Finally, **tax revenues** available for Santa Fe's Administration fell by **2.0%**, which fueled a year-on-year contraction of **-11.2%**. This reduction was explained by both, less local and federal resources.

Summary and perspectives

ICASFe's inter-year variation rates reached **-1.2%** in September 2019, improving in absolute values (in August it was **-1.7%**) but remaining in negative territory at the end of the third quarter of the year.

Moreover, available data signals a brake on the recovery process that was achieved across the first semester. An acceleration of inflation recorded in September had a strong negative impact over disposable incomes and public revenues, which emphasizes the unfavorable situation of retail and durable goods consumption.

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



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