

## Monthly Digest

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Bolsa de Comercio de Santa Fe



## Monthly Composite Coincident Index for the province of Santa Fe (ICASFe)

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Retail sales and  
demand for durable  
goods sustain the  
province's economy.

ICASFe  
Base 1994 = 100  
157.3

August 2011

Monthly %: 0.03%  
Inter-year %: 4.1%

*Helped by Consumption, economic activity increased 2.4% between January and August 2011. By the contrary, leaving dairy industry as an exception, most indicators related to the productive sector are showing significant contractions.*

The Composite Coincident Index for the province of Santa Fe (ICASFe) constitutes a monthly indicator used to describe the global performance of the province's economy. It allows us to determine the precise dates in which recessions/expansions begin and end, as well as following the most important economic sectors' behavior. Finally, it provides a reliable source of information appropriate to support decision makers of public and private institutions.

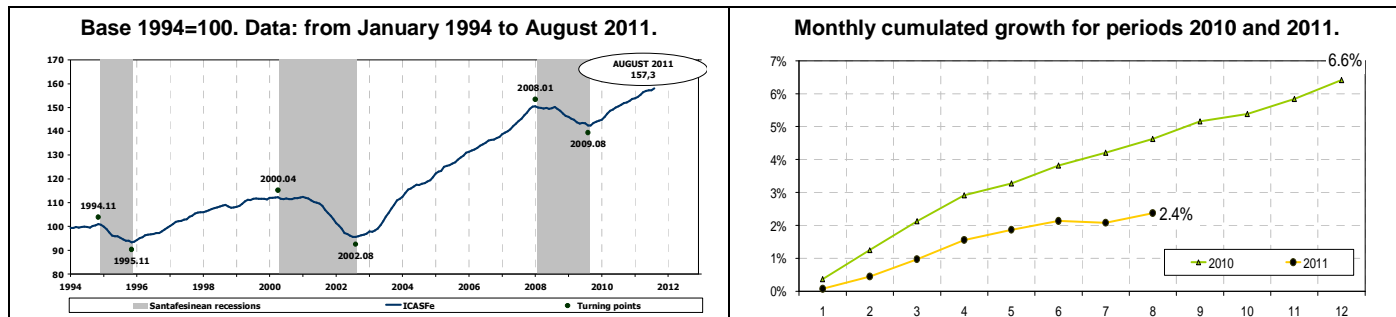
According to the last obtained results, during the month of August 2011, the ICASFe was located at **157.3**, presenting a **0.03%** monthly variation with respect to July.

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 our indicator. Time series are handled in real terms and filtered by seasonality and outliers with the X12-ARIMA software.

### Province of Santa Fe's economic activity

In August 2011 the province's economic activity registered its twenty third month of expansion with a positive monthly variation of 0.3%. According to this result, between January and August 2011 cumulated growth was measured in 2.4%; practically one half of 2010's obtained rate during the same period (4.6%).

Graph 1 - ICASFe - Monthly Composite Coincident Index for the Province of Santa Fe -



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

### Indicator by indicator

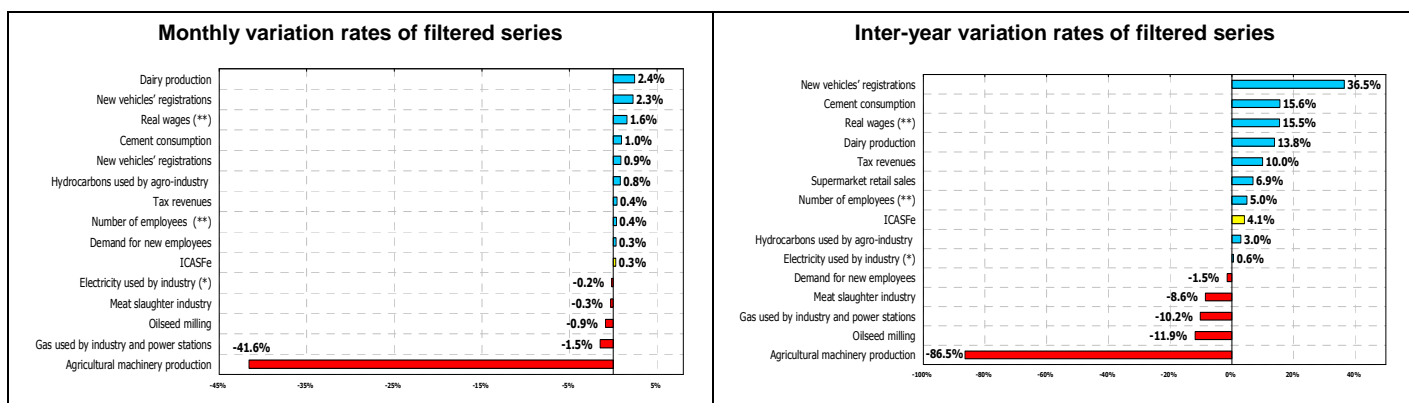
Showing a mild intensity, nine of the fourteen economic indicators registered a positive monthly variation in August 2011; this represents about 64.3% of considered series. To this regard, is interesting to observe how the highest monthly expansions were also related with positive inter-year variations.

Dairy production and new cars' registrations were located at first and second place, increasing 2.4 and 2.3% in terms of July, and 15.6 and 36.5% respectively, in an inter-year comparison.

Real wages and cement consumption grew over 1.0% during August and their inter-year variation rates were measured around 15.0%.

The next group of five indicators obtained a positive monthly variation but inferior than 1.0%: supermarket retail sales; hydrocarbons used by agro-industry and transportation; tax revenues; number of registered jobs; and demand for new employees.

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



\* Contains estimated data for August 2011.

\*\* Contains estimated data for July and August 2011.

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

On the contrary, electricity used by the secondary sector and meat slaughter industry decreased in August 2011; -0.2 and -0.3%, respectively. Nevertheless, compared to August 2010, the first indicator is still 0.6% above its inter-year level whereas the latter went down in 8.6%.

The last three series registered the strongest monthly contractions and, at the same time, present a negative cumulated growth between January and August 2011. Oilseed milling felt -1.5% in terms of July and -4.6% considering the whole year. Gas used by industry presented a monthly variation of -1.5%, which means a cumulated contraction of -4.4% since January 2011. Agricultural machinery production was located at the bottom of both tables (Graph 2). But this indicator is characterized by its volatility and has

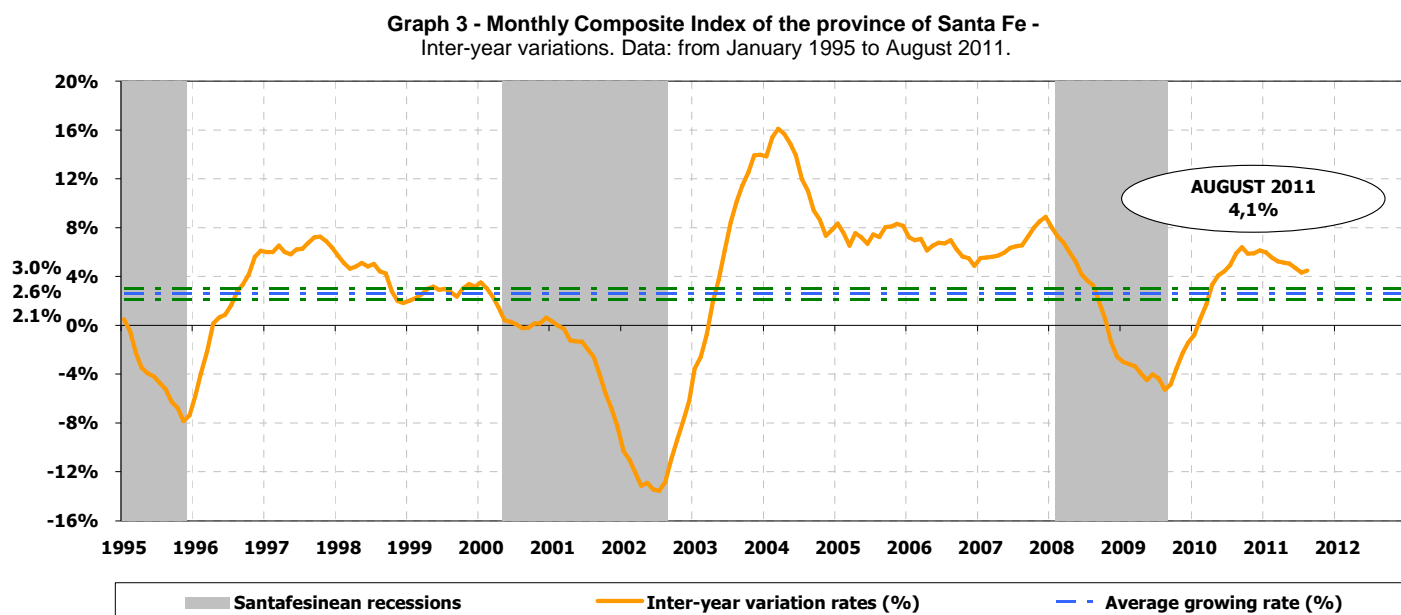
always shown high cyclical amplitude. In this case, it registered a **-41.6%** monthly variation and a **-86.5%** inter-year one. This series has decreased **-237.5%** since November 2010 and is now performing below its levels from last recession.

#### ○ Perspectives

In August 2011 ICASFe's inter-year variation rates were measured in 4.1%. To this regard, as it can be seen in Graph 3, 2011 presents a significant turn upon economic activity's growing speed (deceleration process).

An overall analysis of available data points out that retail consumption and new cars' sales are having a good performance in the province. Dairy production is also showing a remarkable behavior and is reaching a similar level than during the 90's decade. On the other hand, agro-exportations and their related sectors were the most complicated areas. Despite short terms favorable international prices for commodities, Argentinean monetary exchange rate and its domestic inflation are pressing up production costs since 2007; setting a roof for viable development. Especially if additional global turbulence becomes effective and a negative influence spreads to commerce and markets.

If the economic expansion continues with a similar rhythm during the next four months, 2011 should be closing with a total cumulated growth of about two perceptual points below 2010's (6.6%).



*In order to download our statistical database as well as methodological documents and other related publications, please visit our website in: <http://ces.bcsf.com.ar>*