



Bolsa de Comercio de Santa Fe



ICASFe

Monthly Composite Coincident Index for the province of Santa Fe

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Bolsa de Comercio de Santa Fe (Santa Fe's Chamber of Commerce)

President

Dr. Eduardo González Kees

Fundación Bolsa de Comercio

President

Dr. Eduardo González Kees

Executive Director

Dr. Gustavo Vittori

Research and Services Center

Director

CPN Fabio Arredondo

Coordinator

Lic. María Lucrecia D'Jorge

Researchers

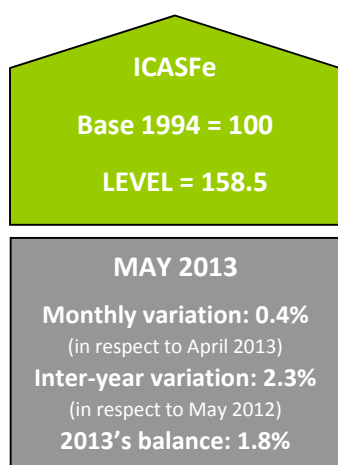
Lic. Pedro P. Cohan

Lic. Carolina E. Sagua

Lic. Roberto Miola

THE PROVINCE'S ECONOMIC ACTIVITY CONTINUES ITS RECOVERY.

Santa Fe's economic activity grew 1.8% during the first five month of the year but only five sub-indicators have reached their historical values dated before the recession.



APRIL 2013'S MAIN RESULTS

ICASFe's level was measured in **158.5**, presenting a monthly variation of **0.4%** in respect to April 2013.

Inter-year variation rates reached **2.3%** (comparing May 2013 vs. May 2012).

Between January and May 2013 Santa Fe's economic activity grew **1.8%**.

¿What is ICASFe for?

The Composite Coincident Index for the province of Santa Fe (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.

As indicator, It provides a reliable source of information appropriate to support decision makers of public and private institutions. ICASFe was developed by a technical agreement with the *Universidad Nacional de Tucumán* (UNT).

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

E-mail and contact information

ces@bolcomsf.com.ar

Websites

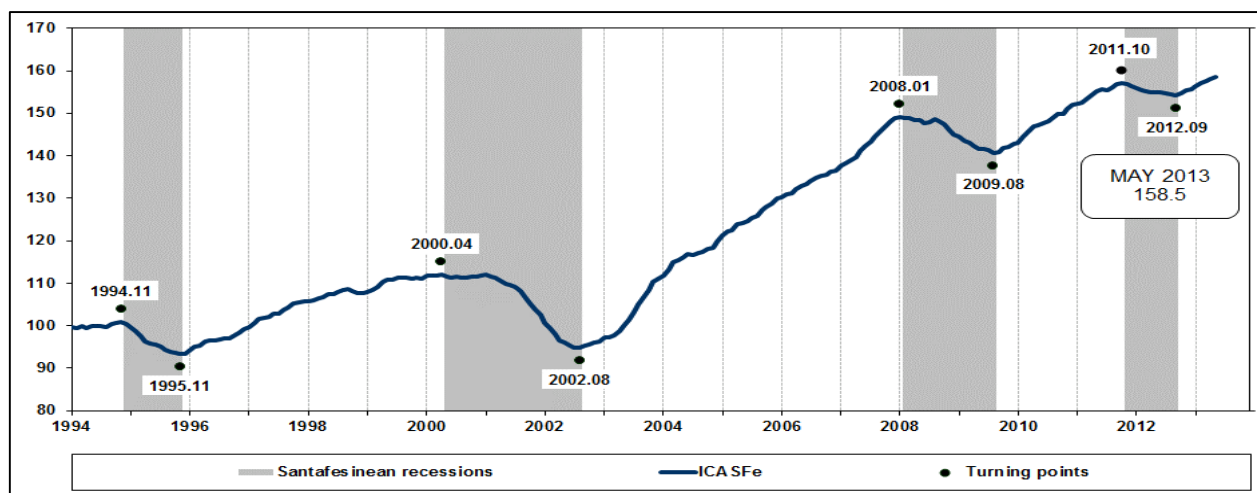
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Province of Santa Fe's economic activity

During the first five months of the year Santa Fe's economic activity grew 1.8%. Particularly in May 2013 the gauge's monthly variation rate was measured in 0.4%; which pushes up the expansion phase dated by ICASFe since September 2012.

Graph 1 - ICASFe - Monthly Composite Coincident Index for the Province of Santa Fe - Base 1994 = 100 -

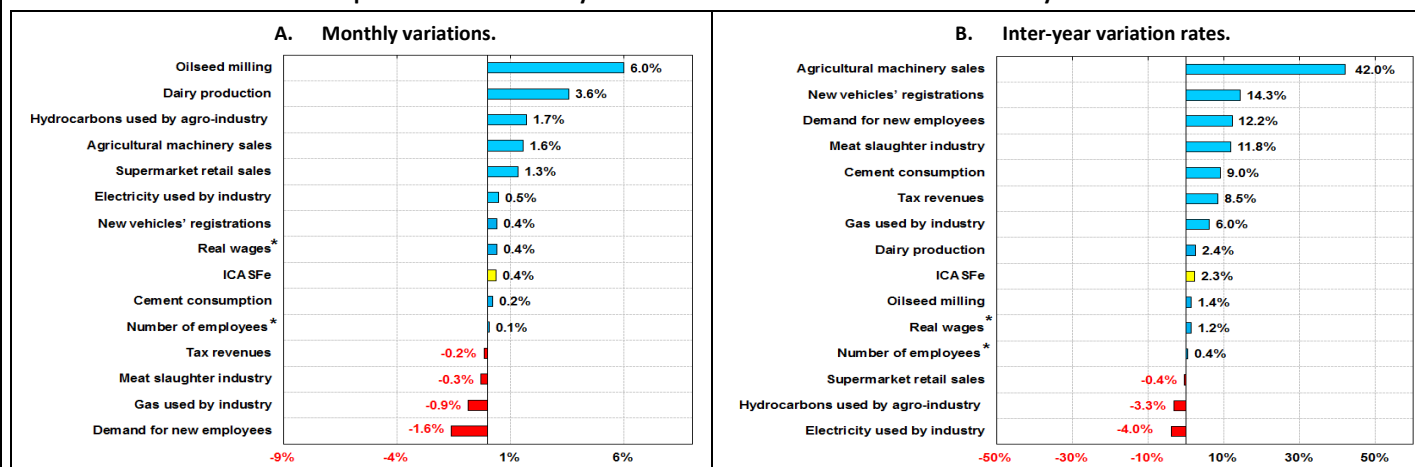


Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

In May 2013 ten of the fourteen sub-indicators which are applied in order to calculate the coincident index registered positive monthly variation rates; eleven also presented inter-year increases.

Graph 2 - Economic activity's indicators for the Province of Santa Fe - May 2013 -



References: (*) Contains estimated data for April; (**) Last available data refers to February.

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

Mainly as a result of a higher primary production level, **oilseed milling** improved 6.0% in respect to April 2013. Moreover, in terms of May 2012, the indicator grew 1.4%. A better performance was also signaled by Argentinean oil-seed exportations which increased 33.7% on an inter-year comparison; nevertheless, 2010's export numbers were not yet regained due to lower international prices. The positive effect is also being assimilated by complementary sectors. As an example, **agricultural machinery sales** increased 1.6% in monthly terms and 42.0% inter-yearly.

During the first five months of the year **dairy production** recovered most of 2012's decline. Particularly in May, the series registered a 3.6% expansion, achieving a 2.4% inter-year variation rate. Fortunately, production levels are being enlarged in a proper moment considering that powder milk is now paid over USD 4,500 per ton in the international market. However, for primary producers, earnings are still tight in Argentina, since in terms of US Dollars, they receive a stable fixed price since 2010 and costs are rising fast because of inflation.

Meat slaughter industry's activity (bovine and porcine) fell **-0.3%** in May and remains significantly below reasonable historical levels. Still, comparing its present situation with May's 2012 the series grew 11.8%.

In general terms, industrial activities are not showing a homogenous performance. **Hydrocarbons' consumption** increased 1.7% in respect to April but presents a negative inter-year variation rate of **-3.3%**. **Electricity used by industry** shows a similar behavior with rates of 0.5 and **-4.0%**, respectively; whereas **gas' consumption** registered rates of **-0.9** and 6.0%, respectively.

Within the labor market both the **number of registered Jobs** and **real wages** obtained positive estimated results for May 2013; but their increments were rather mild and, clearly, the series are decelerating. In addition, demand for **new employees** declined **-1.6%** and appears to be experiencing part of a contractive long term trend.

Supermarket retail sales improved 1.3% in May 2013 although the sector entered a more pessimistic scenario since the beginning of 2012. To this regard, the gauge's inter-year variation rate was measured in **-0.4%**. **New vehicles' registrations** kept raising, 0.4% monthly, and 14.3 inter-yearly.

Cement consumption grew 0.2% in May, registering a 9.0% inter-year variation rate. However, in spite of the recovery achieved by the series during 2013, the province's construction sector was not yet able to regain pre-recession historical levels. Moreover, the series is showing a deceleration along the last few months.

Tax revenues presented a monthly variation rate of **-0.2%**, mostly caused by a significant reduction of *Impuesto Inmobiliario*. On the other direction *Ingresos Brutos*, *Sellos* and Federal Resources all signaled positive variations.

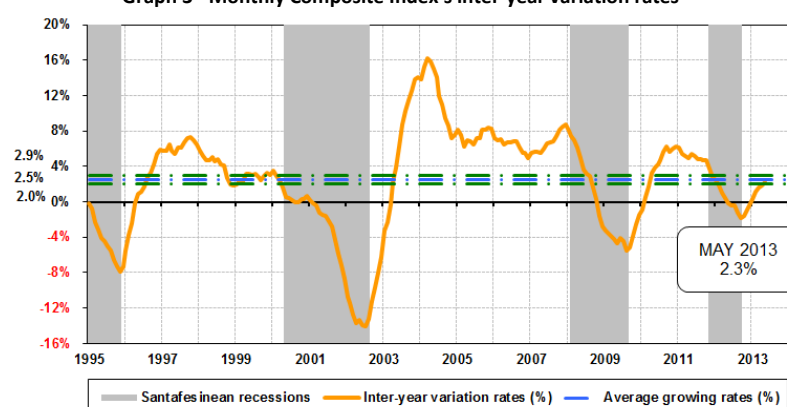
Summary and perspectives

As a result of the general recovery experienced by santafesinean economic activity since September 2012, ICASFe's inter-year variation rates reached 2.3% overcoming the inferior long term statistical band (see Graph 3).

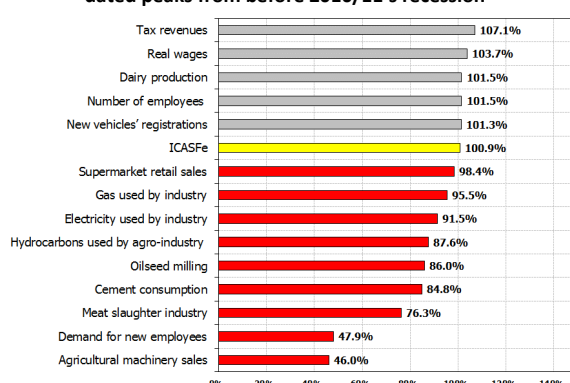
Nevertheless, until May 2013 only five sub-indicators show a better performance than during before the recession. In first place, New vehicles' registrations, tax revenues and dairy production, which presented a strong positive trend between January and May 2013. In second place, the number of registered jobs and real wages, which have increased but mildly and indicating symptoms of deceleration. The other nine sub-indicators do not share a stable performance and many specific activities signal unresolved problems.

Finally, it is worth noting that national macroeconomic issues mean a strong limitation to the province's expansion phase. Although perspectives for 2013's second semester are still positive, it is really hard to certainly think about growth duration and, furthermore, about the Economy's performance in a middle term horizon.

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



Graph 4 - Present values of sub-indicators in terms of their last dated peaks from before 2010/11's recession -



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

In order to download or get access to:

- Statistical database, methodological documents and related publications | <http://ces.bcsf.com.ar>
- An on-line graphical tool to access historical data (series) | <http://www.bolcomsf.com.ar/ces/icasfe.php>