

# THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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BCSF

## ICASFe

Base 1994=100

NOVEMBER 2023

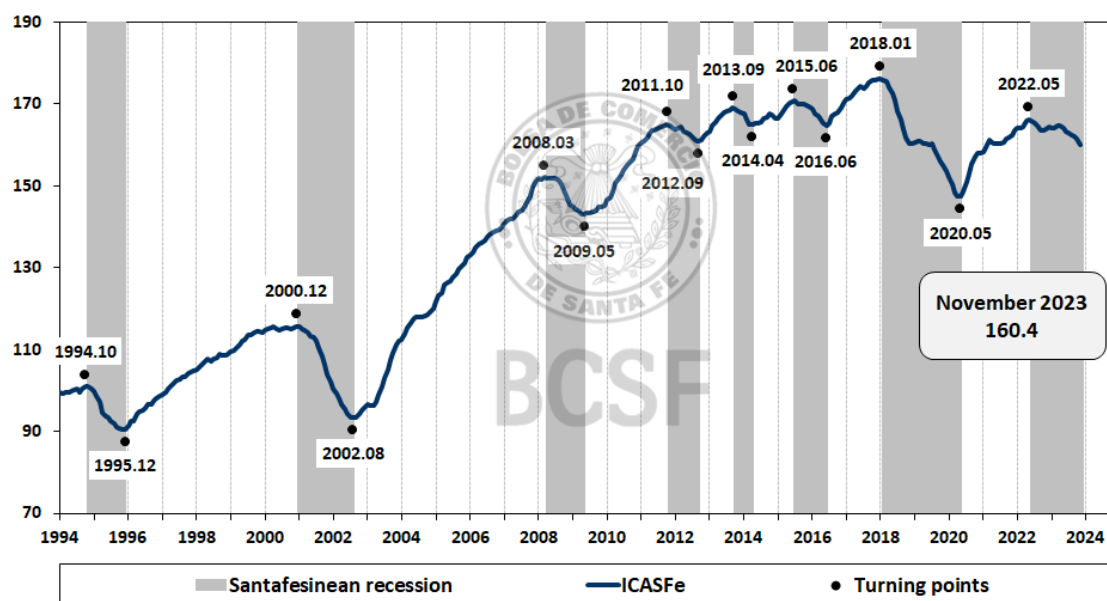
Level: 160.4

Monthly variation: -0.9%  
Inter-year variation: -2.2%  
Accumulated during 2023: -2.4%

Between January and November 2023, Santa Fe's economic activity declined **2.4%**

The contraction was accentuated from May onward, after a more moderate first quarter. In November, seven out of eight indicators showed a negative result.

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 (Digital Graph | [Go to website](#)).

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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 *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>

All series are filtered by seasonality and extreme values, using the X-13 ARIMA-SEATS program of the United States Census Bureau. In addition, information is always presented free of inflationary effects. The last twelve-monthly results exposed in this document are based on preliminary information and hence subject to further revisions.

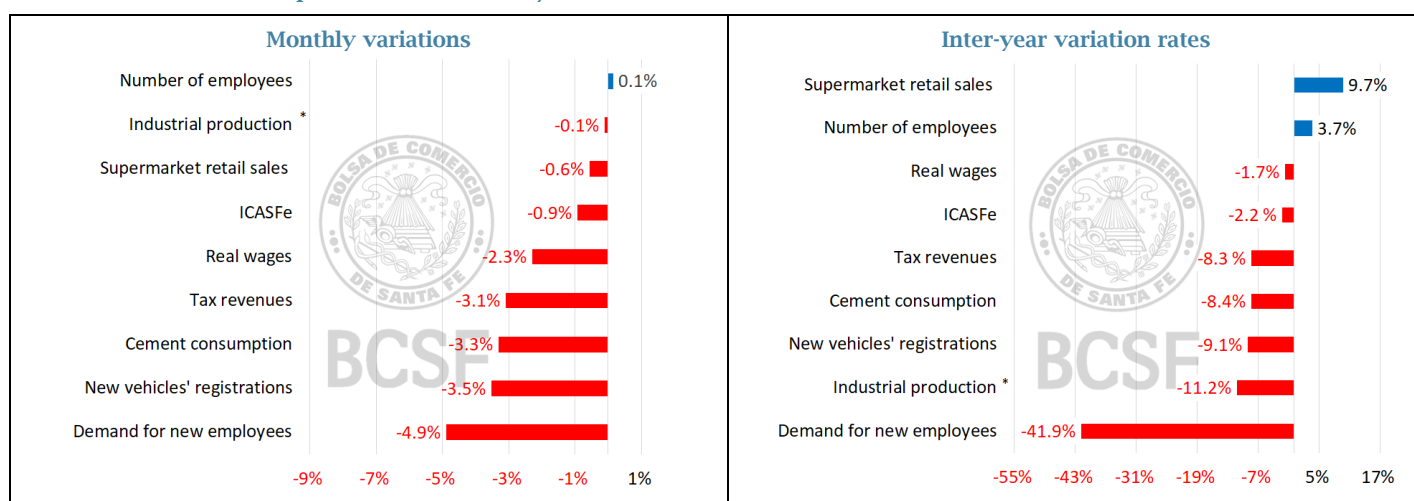
As of publication No 3, Year 17, improvements in data's structure were incorporated in order to gain precision over the industrial production component (see academic document at [https://www.bcsf.com.ar/ces/pdf/2022\\_Cohan-Zanini.pdf](https://www.bcsf.com.ar/ces/pdf/2022_Cohan-Zanini.pdf))

## Santa Fe's business cycle indicators

In November 2023, only one of the eight sub-indicators registered a slightly favorable variation. In the remaining series, negative rates predominated. A similar behavior was recorded upon year-on-year basis.

**Registered jobs** signaled a slight increase of 0.1% between October and November 2023. Despite this, private employment in particular, indicates a slight decline in seasonally adjusted terms, offset by increases in the public sector. For their part, **real wages** of registered employees witnessed a monthly drop of 2.3%, and -1.7% compared to November 2022 –after 10 months of uninterrupted growth–. In line with these results, **supermarket retail sales** in the province of Santa Fe (large commercial areas) experienced a monthly decrease of 0.6% during November 2023. Although they grew until October, a record-breaking inflation, particularly accelerated during the last quarter, is pushing down consumption. Nevertheless, compared to the same month in 2022, sales are still on the rise, within a net balance of 9.7%.

Graph 2: Economic activity's indicators for the Province of Santa Fe. November 2023.



(\*) Latest data available: October 2023. Missing figures were estimated.

See each series' individually evolution at <https://www.bcsf.com.ar/ces/base-datos/>

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

Business expectations to increase personnel (**demand for new employees**) continued to decrease, registering a monthly variation of -4.9% in November 2023 and accumulating -41.9% in the last 12 months.

On the other hand, **cement consumption** in the province, an indicator associated with the construction sector, sharpened its monthly decline in November, showing a monthly contraction of -3.3%, and -8.4% compared to the same month of the previous year. **New vehicles' registrations**, another indicator related to investment in durable goods, went down by another 3.5%, remaining in negative territory in the year-on-year comparison (-9.1%).

**Industrial production** continued to decline, marking a monthly decrease of 0.1%, and a year-on-year one of -11.2%. The following section details particular aspects that allow a full-scale analysis of the manufacturing sector development.

The representative series of **local tax revenues (in real terms)** also accentuated the drop during last months. Specifically, in November 2023, they recorded rates of -3.1 and -8.3%, in monthly and in year-on-year basis, respectively. It is worth noting that, since the last peak in May 2022, the series has dropped by 13.6%, but only between July and November 2023 accumulated a decrease of -8.3%. This acceleration was primarily due to the fall in federal resources, coupled by a significant decrease in the collection of local taxes.

## Industrial sector's complementary indicators

In November 2023, **Industrial gas consumption** in Santa Fe showed a slightly negative monthly variation of -0.5%, following two consecutive months with favorable results. However, under a medium to long-term perspective, the series keeps experiencing a contraction since August 2021, with negative year-on-year variations over the last 23 months. Specifically in November, the seasonally adjusted annual variation was -17.5%, indicating an acceleration over the decline compared to previous months.

**Consumption of liquid hydrocarbons** in agribusiness and transportation of the province (excluding gasoline and fuel oil) continued to improve in November 2023. Compared to October, the series increased by 0.2%, while it registered its fifth consecutive year-on-year variation in positive territory (+5.7% Nov-2023/Nov-2022).

Last available data for **soybean and sunflower seeds milling** in Santa Fe corresponds to November 2023, presenting rates of **-1.2** and **-33.0%** monthly and interannual, respectively.

Below, we present information related to series that already have updated information for December 2023. **Industrial electricity consumption** in the province (which does not include cooperatives), obtained a slight negative monthly variation of **-0.3%** in November, but increased 0.5% in December. In the year-on-year comparison, both rates signaled a decrease, whereas December's reached **-9.8%**. **Dairy production** maintained a declining path that began in late 2021, highlighting an acceleration of its contraction during recent months. In particular, the variation registered in December was **-1.1%**, the fourth consecutive month in which the series remains at these levels.

After two months of a mild recovery, representative series of **cattle slaughtering** (aggregate data) in the province of Santa Fe fell again in December 2023, by **1.1%**. For its part, the year-on-year contraction accelerated, going from **-1.0%** in November to **-3.8%** in December. Last month's decrease was explained by both bovine slaughters (**-1.3%**) and porcine slaughters (**-0.6%**). This differs of the previous two months, where the increase in bovine slaughters compensated porcine's decline.

### Summary and perspectives

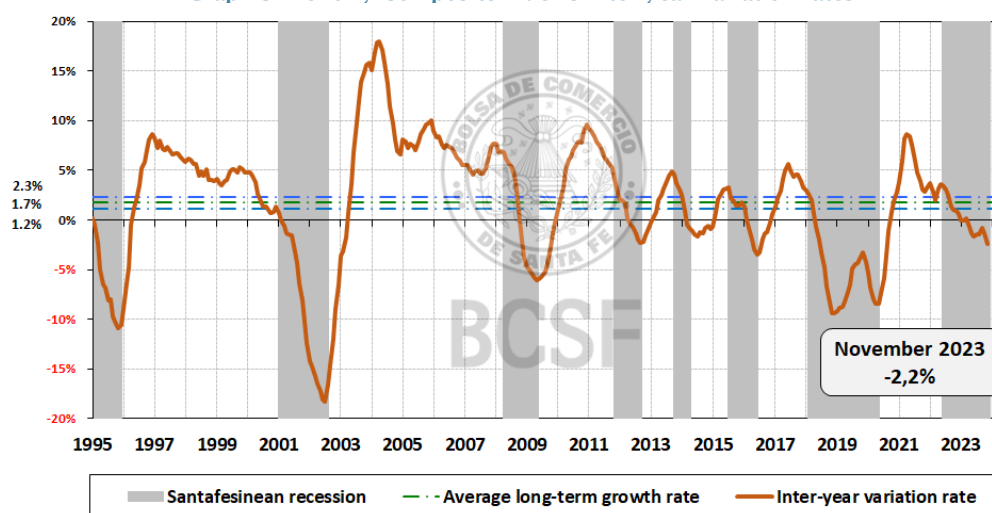
In November 2023, prior to the change of authorities at the national and provincial levels, ICASFe's year-on-year variation rate reached **-2.2%** (see Graph 3). This result confirms the deepening of the current recession, with a clear acceleration since May of the previous year.

Since its beginning, in May 2022, this contraction phase was characterized by affecting productive sectors, especially those linked to manufacturing in general, and agribusiness in particular. Throughout 2023, a recessive phenomenon with more widespread effects is observed: in line with the prevailing macroeconomic situation (multiple currency rates, restrictions on input imports, distortion over relative prices), in addition to the significant drought that recently hit the region.

Moreover, an inflationary acceleration, reaching 160.6% year-on-year in November, had an impact on the availability of resources for both public and private sectors, extending the diffusion of the recessionary phase to indicators related to disposable income and consumption –it is worth noting that, as of December 2023, this figure increased to 211.9%, a value that has not yet being internalized by this report's measurement–.

Regarding to perspectives, we continue to expect a scenario of deepening recession for the coming months; a situation tied to national macroeconomics.

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



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

### Santa Fe's Chamber of Commerce

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