

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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Contraction's rhythm slowed down in May

The gradual reopening of certain activities in addition to a slight sectorial recovery allowed the recessive inertia to moderate in terms of March and April.

ICASFe

May 2020

Level:

149.6

Monthly variation:

-0.4%

Inter-year variation: **-6.7%**

Accumulated 2020: **-3.9%**

MAIN RESULTS

ICASFE's level was located in **149.6**, presenting a monthly variation of **-0.4%** in respect to April 2020.

Inter-year variation rates descended to **-6.7%** (comparing May 2020 vs. May 2019).

The accumulated variation for 2020 was estimated in **-3.9%**.

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>



BCSF
135 AÑOS

President

Mr. Ulises Mendoza

Research and Services Center

Executive Director

Dr. Gustavo Vittori

Director

Lic. María Lucrecia D'Jorge

Coordinator

Mg. Pedro P. Cohan

Researchers

Lic. Lautaro Zanini

María Florencia Camusso

Ramiro Jorge

Franco Riottini

Camila Tonetti

Eugenia Veglia

E-mail and contact information

ces@bolcomsf.com.ar

Websites

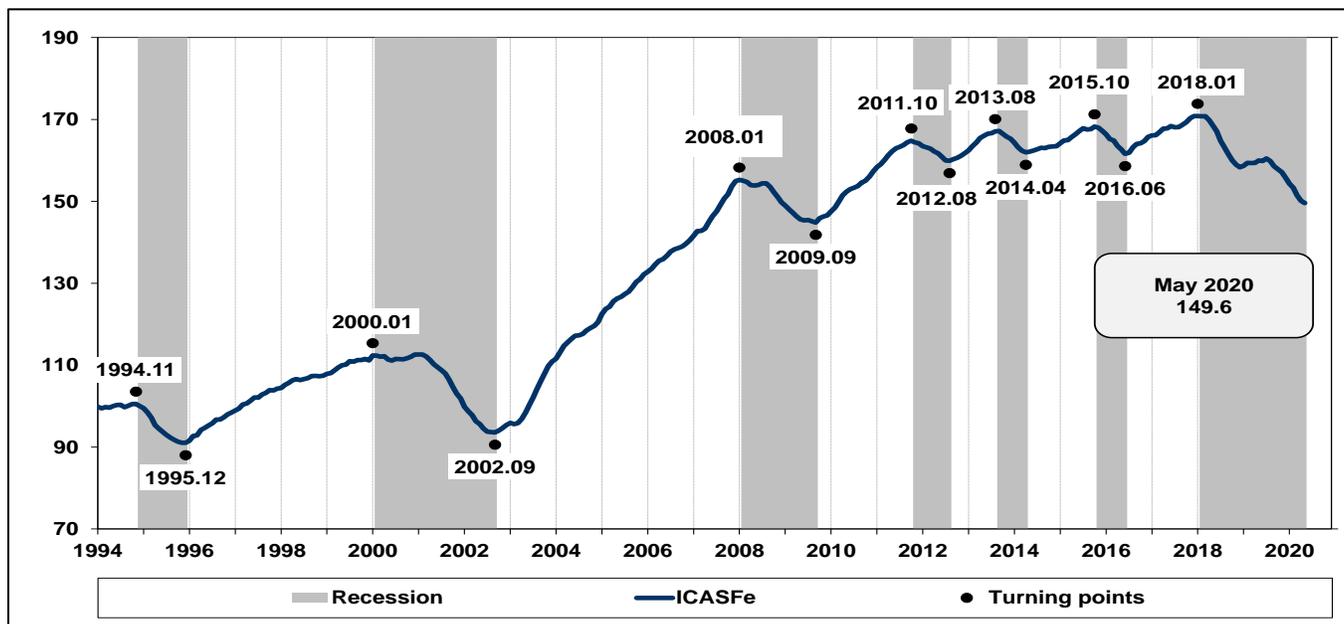
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Province of Santa Fe's economic activity

The coincident index for the province of Santa Fe signals a slowdown in the recessionary dynamic, registering a monthly variation rate of **-0.4%** in respect to April. Moreover, mild improvements in key economic sectors that had been widely affected since the beginning of the recession made possible to reach an accumulated contraction of only **-3.9%** between January and May 2020.

Graph 1: Composite Coincident Index for the Province of Santa Fe (ICASFe). Base 1994 = 100. May 2020.

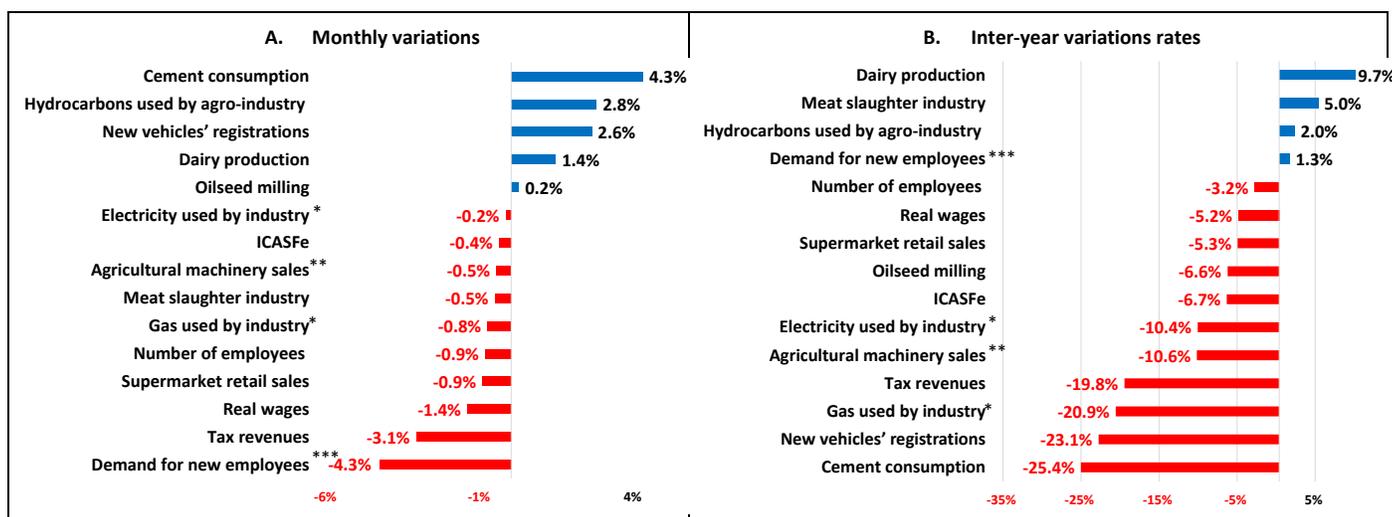


Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

During this last measurement five of the fourteen most representative indicators of Santa Fe's economic activity presented positive monthly variations. On the other hand, considering their inter-year benchmark, favorable figures were observed in only four series.

Graph 2: Economic activity's indicators for the Province of Santa Fe. May 2020.



Last available data from: (*) April 2020, (**) March 2020, (***) February 2020. Unavailable data was estimated.

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

Cement consumption registered an increase of 4.3% in May, which implies a slight recovery considering its performance during the last year. To this regard, the series cut its inter-year drop to **-25.4%** (in April reached **-31.2%**). Regarding **new vehicles' registrations**, a slight monthly recovery of 2.6% was also observed. For its part, the variation with respect to May 2019 was **-23.1%**.

In regard to the series related to agro-industry, **dairy production** obtained figures of 1.4 and 9.7% monthly and inter-year, respectively. For **oilseed milling** rates were 0.2 and -6.6%. **Meat slaughter industry** registered a new contraction of 0.5%, although the gauge remains in positive terrain on a year-to-year comparison (5.0%). Hydrocarbons used by agro-industry presented variations of 2.8% monthly and 2.0% inter-yearly; furthermore, **agricultural machinery sales** exposed rates of -0.5 and -10.6%, respectively.

Electricity used by industry continues to decline, -0.2% compared to April, and -10.4% compared to May 2019. **Gas used by industry** also went down within rates of -0.8 and -20.9%, respectively.

Total number of employees fell 0.9% monthly, and was positioned 3.2% below its inter-year parameter. Similarly, for **real wages** rates were -1.4 and -5.2%, respectively. It should be noted that both series experienced a sharper decline compared to April figures. As for **demand for new employees**, variations were located at -4.3 and 1.3%, respectively.

Regarding to retail consumption, **supermarket sales** showed a contraction of 0.9% monthly, and 5.3% year-on-year. Lastly, **tax revenues** decreased 3.1% compared to April, and 19.8% during the last twelve months.

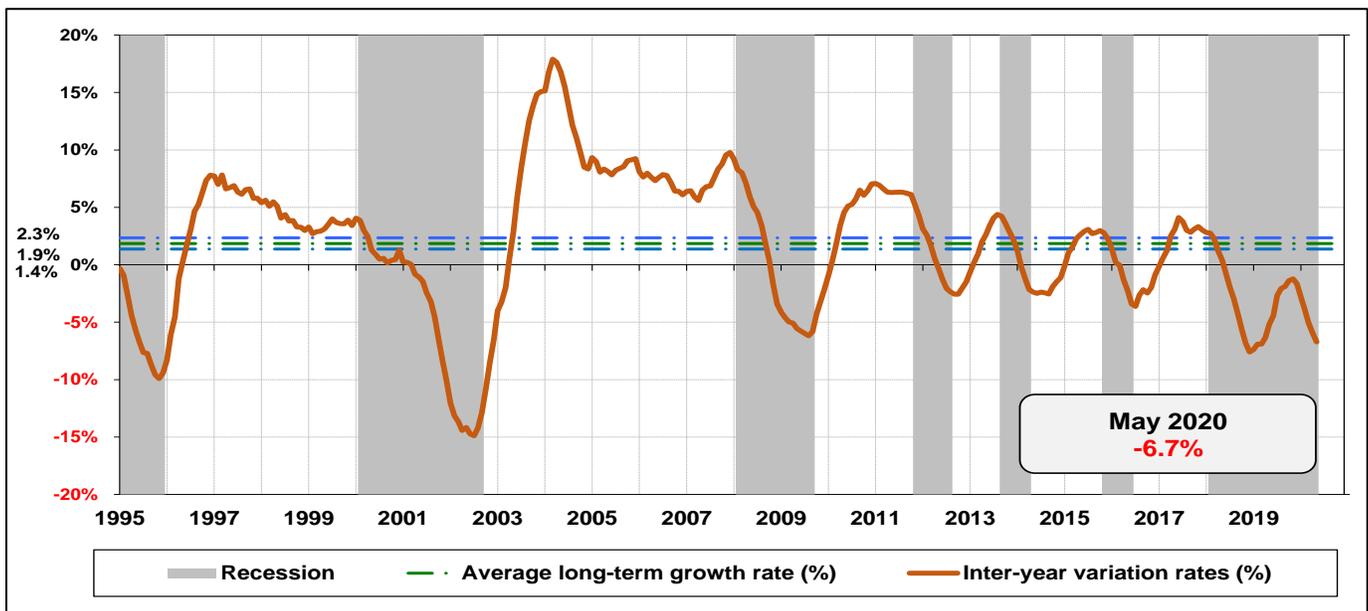
Summary and perspectives

The coincident index' interannual variations stood at -6.7% in May 2020, slightly decelerating recent decline (see Chart Nº 3). This result is mainly explained by the gradual opening of certain productive activities after the strict application of ASPO (Preventive and Mandatory Social Isolation, by its Spanish acronym) was relaxed.

On the other hand, a delay over the official exchange rate and the real depreciation of the peso in market terms, have made some investments in durable goods attractive. This situation outlined a slight recovery both in cement consumption, concentrated in the dispatch of bags for private works, as well as in the patenting of new vehicles.

Finally, in the fifth month of the year, a new alarm has been raised around the indicators related to formal employment, with a sharpening in the contraction of jobs and wages' purchasing power. That, in addition to a lower availability of resources by the provincial administration.

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



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