

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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CENTRO DE ESTUDIOS Y SERVICIOS

Economic activity returns to October 2019's level

The rebound registered since June, allowed Santa Fe's economy to recover previous twelve months' contraction; nevertheless, activity is still facing a mid-term depression.

ICASFe

October 2020

Level:

156.8

Monthly variation:

0.5%

Inter-year variation: -0.05%

2020's accumulated: 1.0%

MAIN RESULTS

ICASFe's level was located in **156.8**, presenting a monthly variation of **0.5%** in respect to September 2020.

Inter-year variation rates reached to **-0.05%** (comparing October 2020 vs. October 2019).

Cumulated results during 2020 were measured in **1.0%**.

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>

To take into account: in September 2020, adjustments for trend and amplitude were updated within 2019's GDP data. In addition, since October 2020, "Demand for new employees" was recalculated by using an alternative series from the same source. The original one was discontinued by MTEySS de la Nación.

- To expand, see methodology at: <http://ces.bcsf.com.ar>



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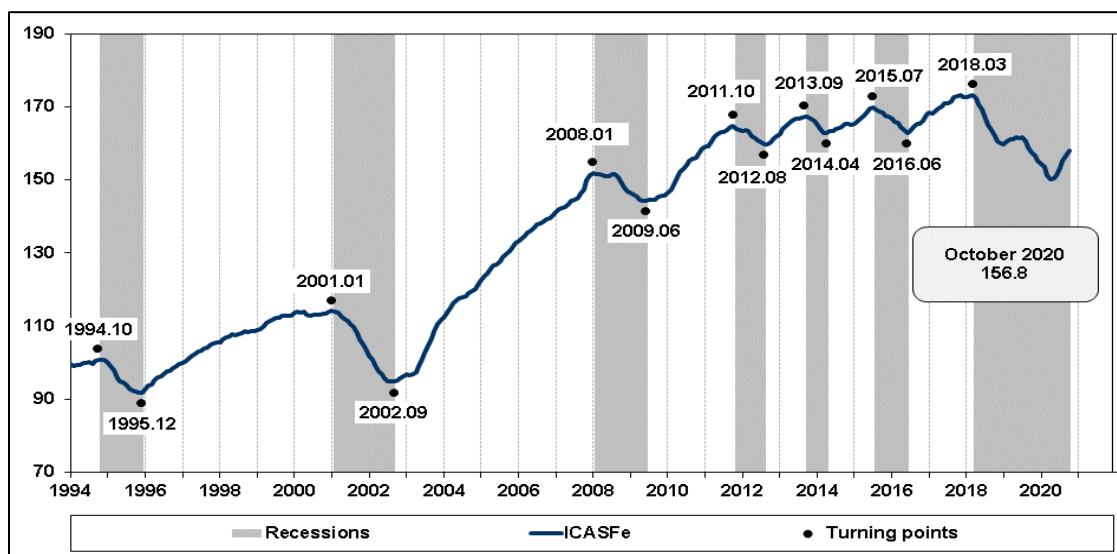


Bolsa de Comercio de Santa Fe

Province of Santa Fe's economic activity

Keeping up within the rebound registered since the beginning of 2020's second semester, in October the coincident index improved 0.5% in respect to September (see Graph 1).

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

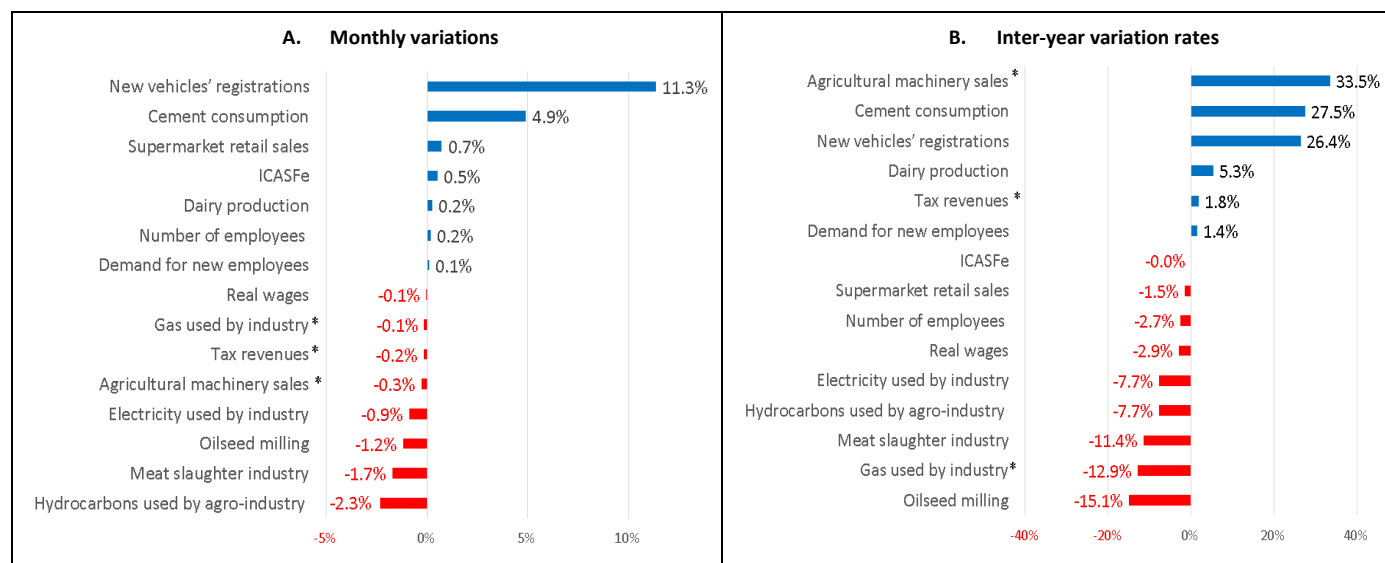


Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

In relation to the fourteen representative indicators of Santa Fe's economic activity, during October only six series achieved positive variation rates, both monthly and inter-yearly (see Graph 2).

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



Last available data from: (*) September 2020. Unavailable data was estimated.

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

New vehicles' registrations obtained a monthly rate of 11.3%, which allowed the series to consolidate a positive net balance in terms of its inter-year benchmark (+26.4%). Similarly, **cement consumption's** results for October were measured in 4.9 and 27.5%, respectively. Moreover, **agricultural machinery sales** presented a mild monthly contraction (-0.3%), although the series is still leading inter-year variation rates' ranking (+33.5%).

Demand for new employees increased 0.1%, reaching an inter-year improvement of 1.2%; poor but better than negative. In addition, **total formal employees** recovered 0.2%, cutting up its cumulated contraction for the last twelve months to **-3.7%**. **Real wages** also registered a decrease in purchasing power, measured in **0.1%** compared to September, and **-2.9%** in respect to its interannual benchmark.

Hydrocarbons used by agro-industry also fell down: **2.3%** monthly and **7.7%** interyearly. **Oilseed milling** and **meat slaughter industry** went on the same direction. The first gauge within rates of **-1.2** and **-15.1%**, respectively; whereas the latter within rates of **-1.7** and **-11.4%**. By the contrary, **dairy production** registered variation rates of 0.2 and 5.3%.

Industrial energetic consumption showed negative results in all considered cases. **Electricity used by companies** declined **0.9%**, increasing its year-on-year drop to **-7.7%**. For **gas used by industry** rates were **-0.1** and **-12.9%**, respectively.

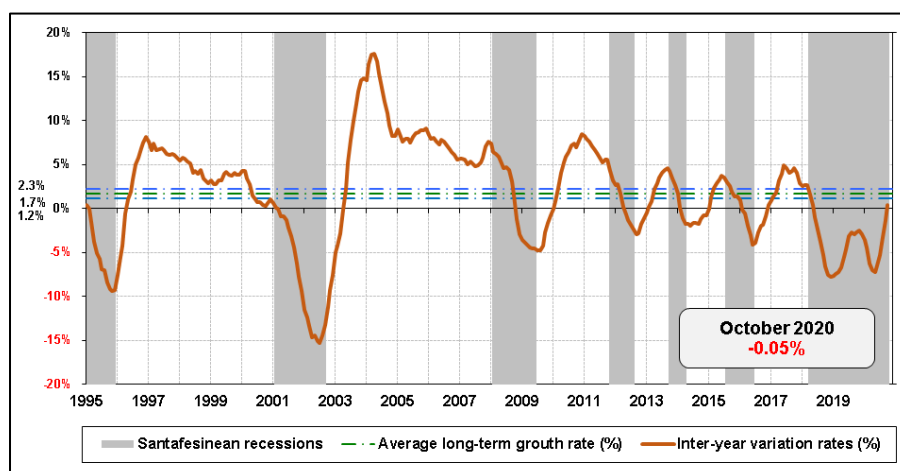
Supermarket retail sales registered a slight monthly increase of 0.7%, but the sub-indicator declined in respect to October 2019 (**-1.5%**, year-on-year). For **tax revenues**, the gauge signaled a monthly contraction of 0.2 but an inter-year improvement of 1.8%.

Summary and perspectives

Icasfe's inter-year variation rates moved close to neutral (**-0.05%**) in October 2020 (see Graph 3). To this regard, it is worth noting that during the last year Santa Fe's recession adopted particular characteristics. In fact, present contraction phase registered an initial decline of **7.8%** between March and December 2018. Afterwards, until July 2019, economic activity recovered 1.0%. Favorable results did not last long, and from there on, the economy walked through a new step downwards in August. This negative path continued until COVID-19's effects also intensified the contraction. In this context, the rebound registered during these last few months, allowed economic activity to regain October 2019's level; which, on the other hand, is still below July 2019's numbers (July 2019=161.4; October 2020=156,8).

Thus, although technically a new expansion phase might be close to be dated, rebound's fundamentals are rather linked to the end of hard pandemic isolation and to the fact that today's economic level is being compared to a significant low benchmark (as a result of one decade of stagnation plus COVID-19's unprecedented propagation).

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



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