

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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CENTRO DE ESTUDIOS Y SERVICIOS

Twelve months of economic recovery in the province of Santa Fe

Although Santa Fe's economy recovered 9.0% of activity in the last twelve months, at this rate it would take practically another full year to return to 2018's levels.

ICASFe

April 2021

Level:

163.7

Monthly variation:

0.2%

Inter-year variation: 9.0%

2021 Accumulated: 2.5%

MAIN RESULTS

ICASFE's level was located in **163.7**, presenting a monthly variation of **0.2%** in respect to March 2021.

Inter-year variation rates reached to **9.0%** (comparing April 2021 vs. April 2020).

The accumulated variation in 2021 is estimated at 2.5%.

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>
- Methodological documents | Go to <http://ces.bcsf.com.ar>



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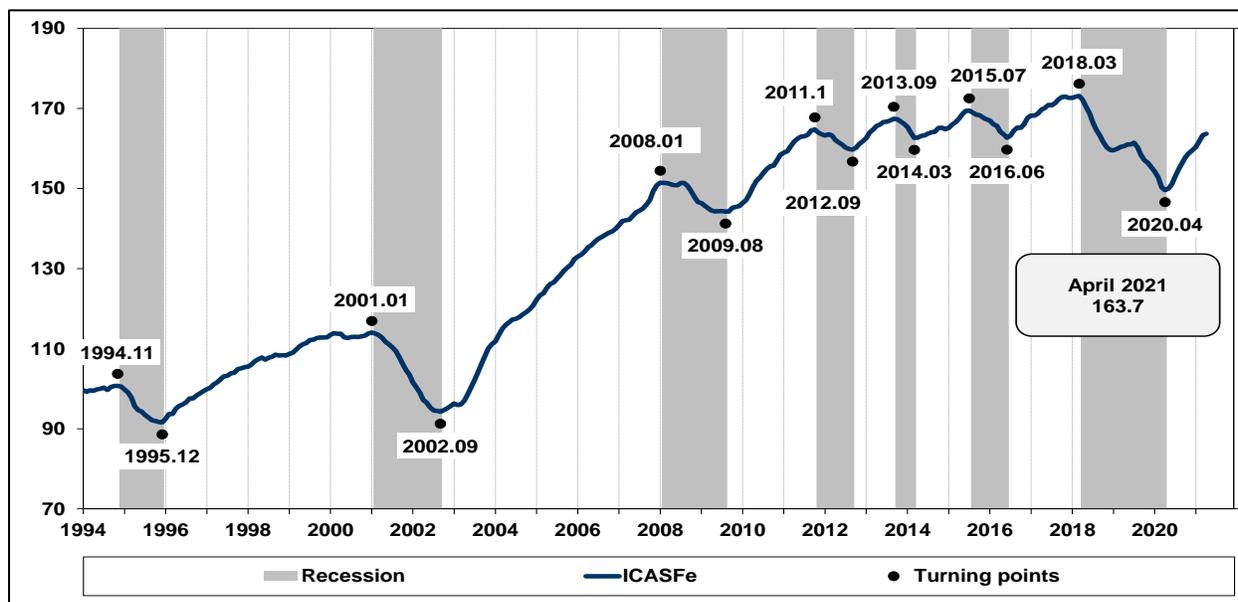
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Province of Santa Fe's economic activity

In April 2021, the province's economic activity registered a monthly variation of 0.2%, which allowed the coincident index to exceed its benchmark from August 2019 (in that particular month the recession dated between 2018.04 and 2020.04 deepened downward, internalizing the effects of the pandemic; see Graph 1).

Graph 1: Composite Coincident Index for the Province of Santa Fe (ICASFe). Base 1994 = 100. April 2021.

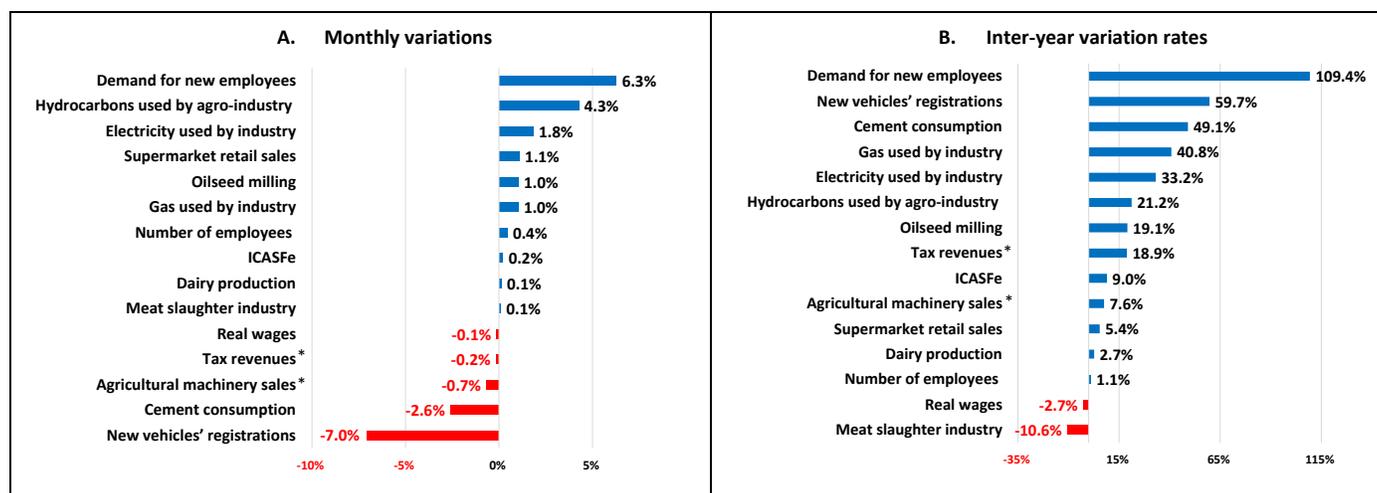


Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

In regard to the variables considered to define Santa Fe's economic cycle, in April, nine series obtained positive monthly variations and five negative ones. In inter-year terms, increases were also in line within the rebound, driven by low levels related to most indicators' benchmarks (see Graph 2).

Graph 2: Economic activity's indicators for the Province of Santa Fe. April 2021.



Last available data from: (*) March 2021. Unavailable data was estimated.

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

Although it maintains particularly low historical levels, **demand for new employees** led both rankings in Graph 2: within a monthly variation of 6.3% and an inter-year increase of 109.4%. Moreover, **number of employees** showed a slight monthly increase of 0.4%, which allowed the series to recover 1.1% in regard to April 2020. By the contrary, **real wages** signaled a monthly contraction of

0.1%, and a total fall of 2.7% during the last twelve months. **Supermarket retail sales** experienced certain recovery within a monthly increase of 1.1%, and a cumulative year-on-year of 5.4%.

Oilseed milling grew 1.0 and 19.1%, monthly and interannual respectively. **Dairy production** also kept recovering, within rates of 0.1% and 2.7%, respectively. In addition, **meat slaughter industry** improved slightly in April, registering an increase of 0.1%, although it stayed 10.6% behind its inter-year benchmark. **Hydrocarbons used by agro-industry** gained 4.3% in respect to March, and 21.2% year-on-year.

Regarding to industrial energy consumption, most activities showed a significant recovery. **Electricity used by industry** obtained rates of 1.8% monthly, and 33.2% interannually; whereas **gas consumption** registered variations of 1.0 and 40.8%, respectively.

New vehicles' registrations fell 7.0% in April 2021, even though the series achieved an inter-year expansion of 59.7%. Similarly, **cement consumption** registered a monthly decline of 2.6% and an inter-year growth of 49.1%. For **agricultural machinery sales**, rates were measured in -0.7% and 7.6%, respectively.

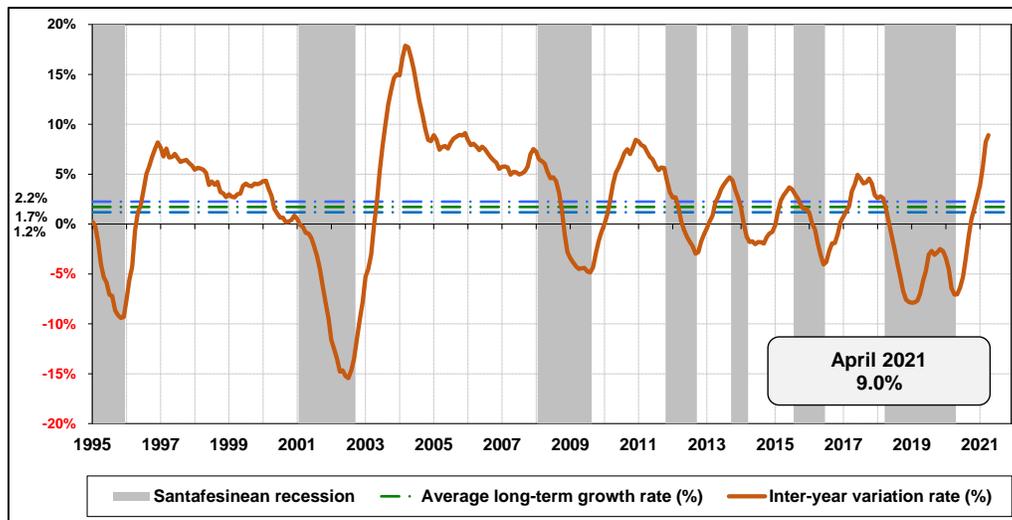
Tax revenues decreased 0.2% compared to March, pushed by lower incomes related to federal funds. However, the series is still above its year-on-year benchmark (18.9%).

Summary and perspectives

After the first year since the beginning of the recovery phase experienced by the province's economic activity, ICASFe's inter-year variation rates reached 9.0% in April 2021. However, it should be noted that the comparison benchmark in order to calculate that improvement refers to 2020's economic trough and that, then again, the coincident index is still ten points below March 2018's dated peak. This means two more years have been added to the past ten consecutive periods of stagnation.

On the other hand, observing considered sub-indicators' trajectory, not all the variables reacted within the same intensity. To this regard, Santa Fe's economy is once again showing a particular optimistic behavior in terms of other provinces, helped by the recovery of its manufacturing sector and, more specifically, by activities related to agro-industry. Other series also contributed positively in a conjunctural aspect, but they continue to be at relatively low historical levels. On the contrary, and in line with the rest of the country, purchasing power kept declining against inflation; in a context where businessman express increasing concerns and investment in durable goods face a very unfriendly scenario. All these considered, in addition to substantial macroeconomic challenges and political tensions to resolve, makes it rather difficult to overview a medium-term horizon – not even facing a likely favorable international context –.

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



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