

# THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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Bolsa de Comercio de Santa Fe



## Activity levels improve in spite of the inconsistencies

The province's economy keeps recovering on an unfavorable context ¿May it be able to overcome previous expansion's peak?

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**ICASFe**

**April 2015**

**Level: 159.9**  
**Monthly variation**  
**0.5%**

**Inter-year variation: 1.6%**  
**2015's partial result: 1.6%**

### Main results

*ICASFe's level was located in 159.9, presenting a monthly variation of 0.5% in respect to March 2015.*

*Inter-year variation rates reached 1.6% (comparing April 2015 vs. April 2014).*

*Cumulated expansion during the first four months of 2015 was measured in 1.6%.*

### **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 in <http://ces.bcsf.com.ar>

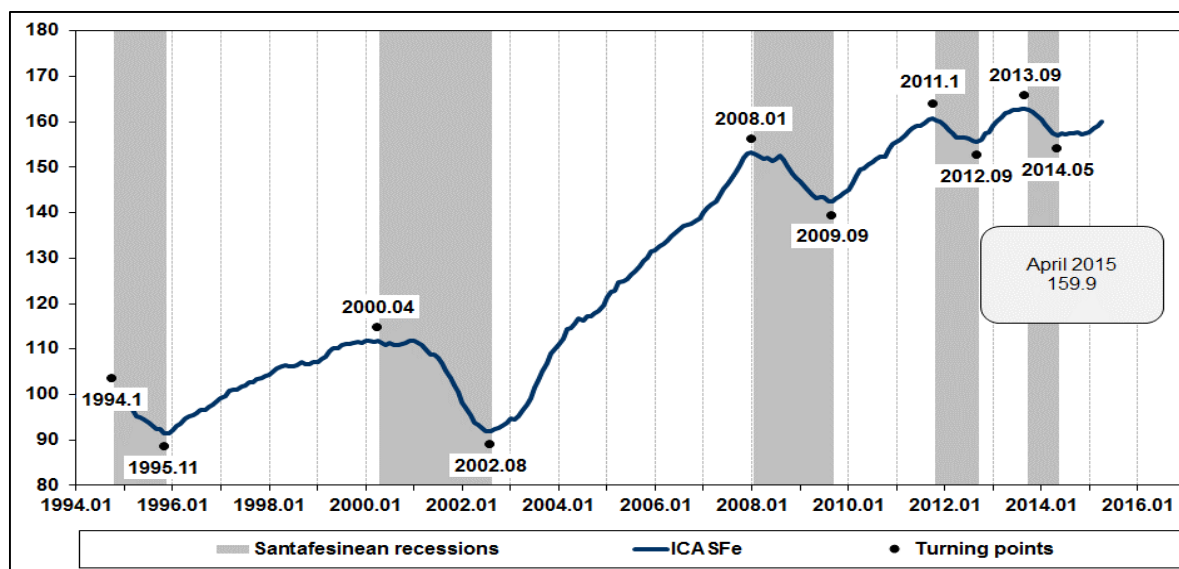
### **Output data considerations**

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 our indicator. Time series 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.

### Province of Santa Fe's economic activity

In April 2015 economic activity's recovery process continued within a monthly variation rate of 0.5%. To this regard, the coincident index is showing improvements since June 2014, but this time the expansion was higher than the average measure registered during the last twelve months.

**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.

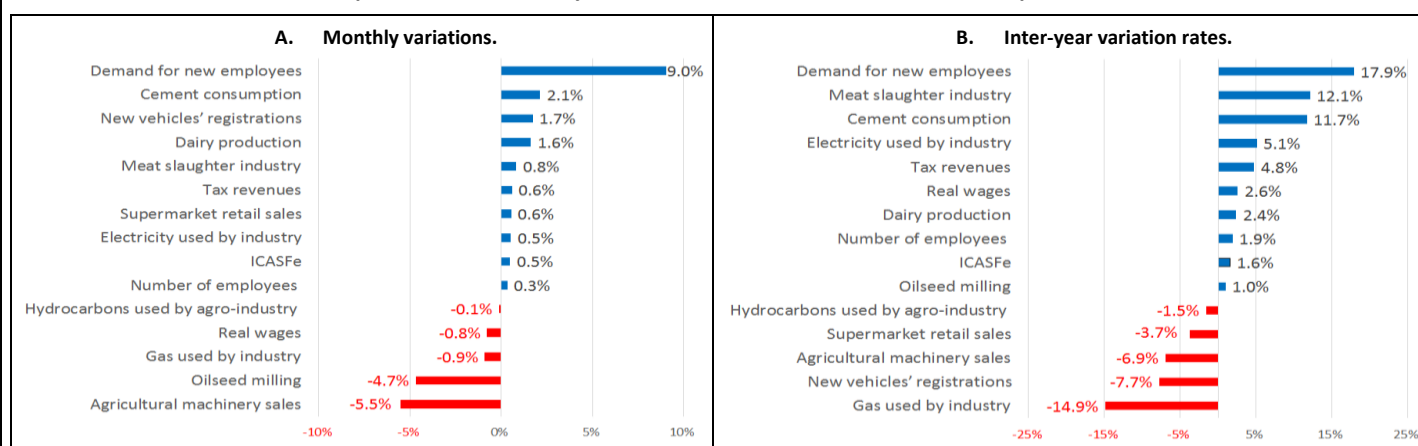
### Indicator by indicator

During the fourth month of the year, nine of the fourteen economic sub-indicators considered in the analysis registered positive monthly variation rates. However only four of them exceeded 1.0% and the other five kept signaling negative results.

**Demand for new employees** has twisted its unfavorable trend from 2013 and computes a monthly growth of 9.0% and an inter-year one of 17.9% (related with a low benchmark). On the other hand, **registered jobs** increased only 0.3% and **real wages** presented a contraction of 0.8%.

**Retail sales** and **new vehicle's registrations** went up in April with rates of 0.6 and 1.7%. Nevertheless, their inter-year variation gauges are still negative in -3.7 and -7.7%, respectively. **Public incomes** also improved, gaining 0.6% in respect to March and 4.8 inter-yearly. This month both, local and federal revenues, moved forward.

**Graph 2: Economic activity's indicators for the Province of Santa Fe - April 2015 -**



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

**Cement consumption** increased 2.1% achieving an inter-year expansion of 11.7%. These results pushed the series over its last peak registered in September 2013. It is worth noting that the sub-indicator's growth was mainly explained by cement sold by bulk, which increased 2.5 times since 2014's first quarter.

After four consecutive monthly positive variations, **agricultural machinery sales** declined again 5.5% in April, leaving the series 6.9% behind its inter-year benchmark. On the opposite direction, **meat slaughter industry** grew 0.8% and reached a total improvement of 12.1% compared to April 2014.

**Oilseed milling** fell down **4.7%** in April but continues above its inter-year benchmark (1.0%). In addition, soy and sunflower's oil exportations kept reducing; this situation is also captured by **hydrocarbons used by agro-industry and transportation**. The series registered a monthly declined of **0.1%** whereas its inter-year variation rate was measured in **-1.5%**. In regard to **dairy production**, although the primary sector faces structural issues, manufacturing increased 1.6% in respect to March, recovering about 2.4% in terms of April 2014.

**Industrial electricity** improved 0.5% and cumulates a total expansion of 5.1% across the last twelve months. By the contrary, **gas consumption** decreased **0.9%** and registers an inter-year contraction of **14.9%**.

### Summary and perspectives

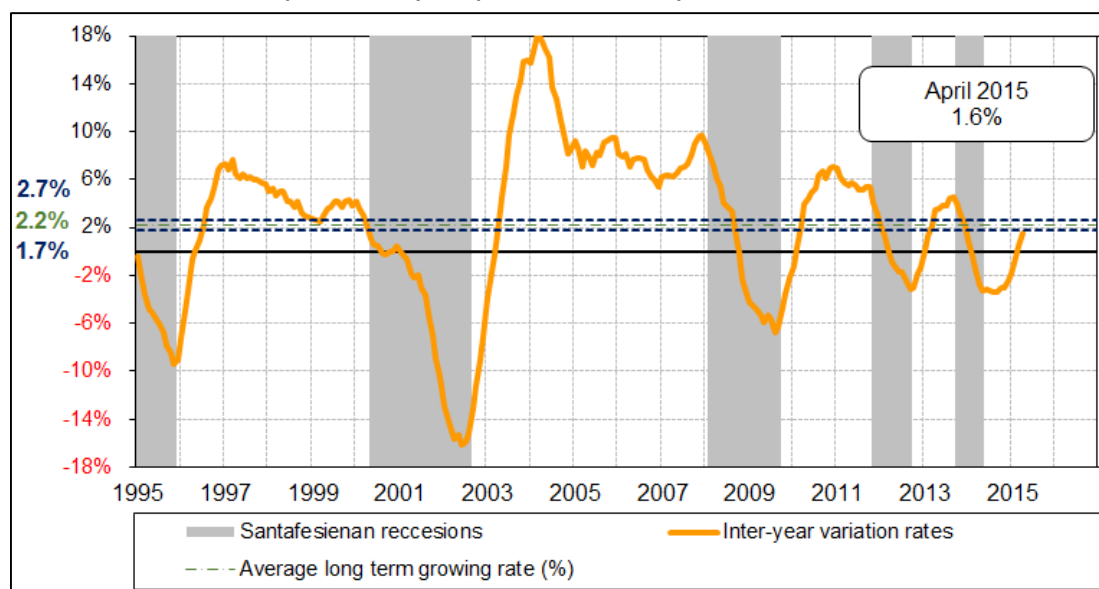
In April 2015 the coincident index's inter-year variation rates reached 1.6%, climbing above the first long term growth's statistical band (see Graph 3).

The recovery is mainly explained by a new acceleration in retail consumption and durable goods, due to lower levels of inflation and increasing amounts of money supply. To this regard, and accordingly to the national jurisdiction's trend, the province also enlarged public expenditures.

Another factor that helped on the recovery process is a better performance of some particular sectors in terms of production levels. Nonetheless, this higher output is being generated on a general uncomplimentary context, in which private profits are damaged enough to question its sustainability.

Therefore, economic activity is somehow improving; but within a hostile macroeconomic background, where social issues and uncertainty raise upon regional economies.

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



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>