

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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Bolsa de Comercio de Santa Fe



Retail sales are falling down

In August 2015 economic activity declined **0.1%**, whereas supermarket's sales presented a monthly contraction of **0.8%**.

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de Santa Fe**
(Santa Fe's Chamber of Commerce)

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ICASFe

August 2015

Level: 161.1
Monthly variation
-0.1%

Inter-year variation: 2.3%
2015's partial result: 2.3%

Main results

*ICASFe's level was located in 161.3, presenting a monthly variation of **-0.1%** in respect to July 2015.*

Inter-year variation rates reached 2.3% (comparing August 2015 vs. August 2014).

Cumulated expansion during the first eight months of 2015 was measured in 2.3%.

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>

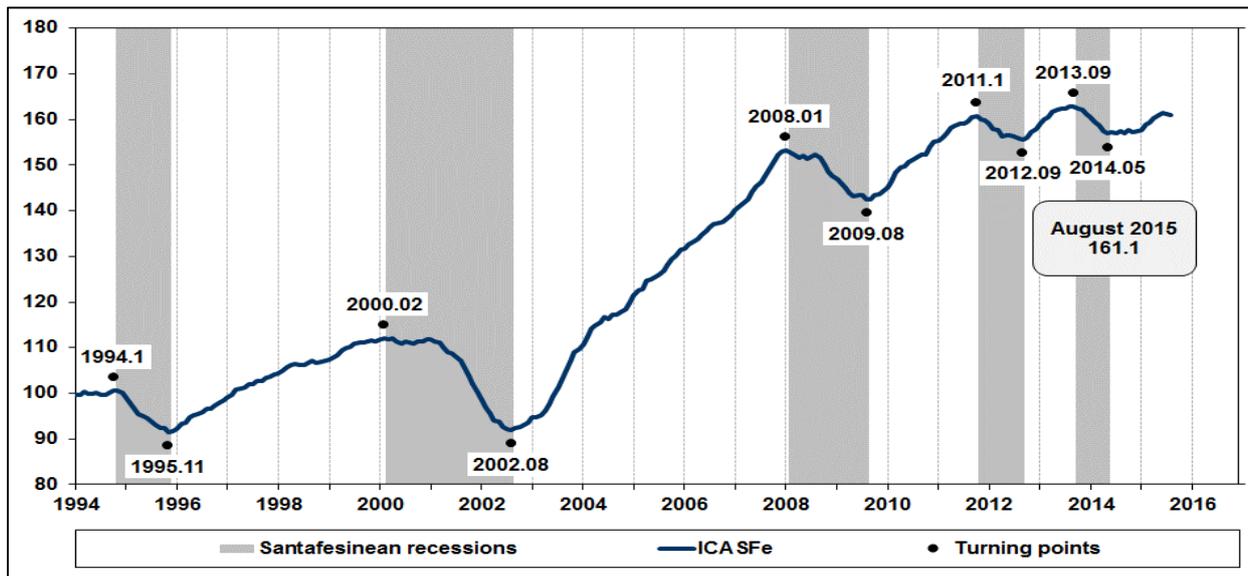
Output data considerations

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 August 2015 the province's economic activity decreased **0.1%**. However, and despite of recent months' deceleration, the coincident index cumulates a total expansion of 2.3% since January.

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.

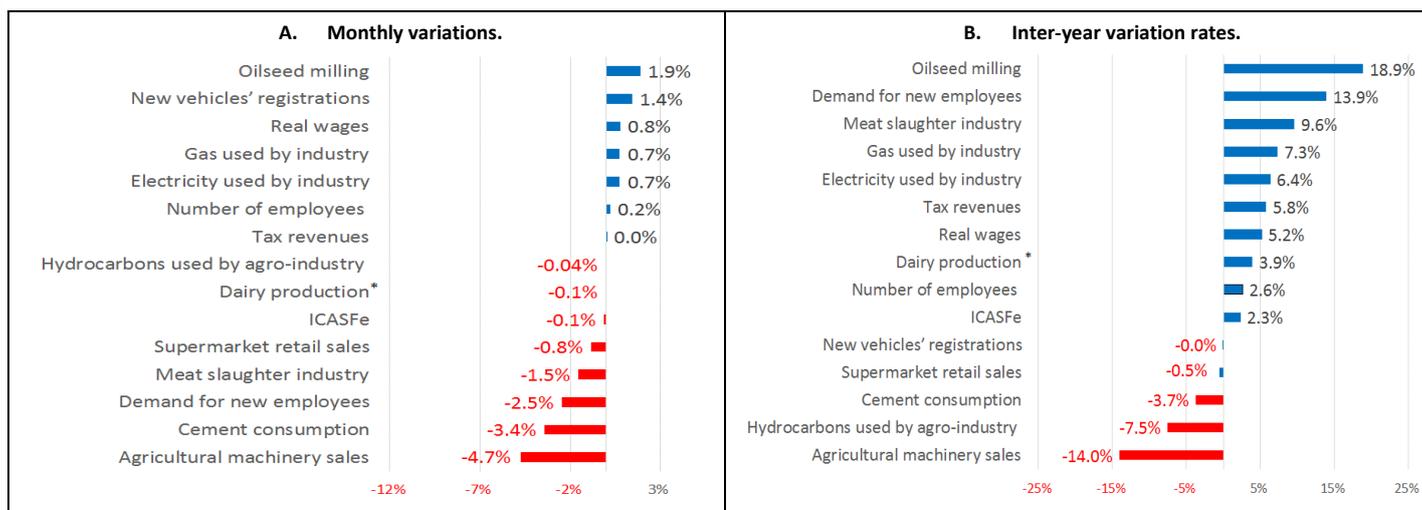
Indicator by indicator

In August 2015 half of the fourteen economic sub-indicators presented positive monthly variation rates. Moreover, the diffusion index – which takes account of the percentage of series that improved during the last semester – was located in 59.8%. This means the beginning of a new recession is rather improbable for the next quarter.

Oilseed milling increased 1.9% achieving an inter-year expansion of 18.9%. **Industrial gas consumption** also improved within a monthly variation rate of 0.7% and a total increment of 7.3% in respect to August 2014. By the contrary, **hydrocarbons used by agro-industry and transportation** mildly declined **0.04%** in monthly terms and signals an inter-year contraction of **7.4%**.

Meat slaughter industry declined other **1.5%** in August, caused by lower levels of activity in both the bovine and the porcine sector. Nevertheless, the series is showing a good mid-term performance, and stayed above 2013's peak, 9.6% over its inter-year benchmark.

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



(*) Last available data refers to June. July and August's variation rates were estimated.

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

Within lower levels of Investment in sector, **Agricultural machinery sales** decreased **4.7%** during this last measurement and stays **14.0%** below August 2014's benchmark.

Registered jobs increased 0.2% helped by positive variations from both public and private employment. These results imply a total inter-year expansion of 2.6%. Nevertheless, **demand for new employees** dropped **3.5%** in terms of July.

Real wages, which represent formal employees' incomes, improved 0.8% and achieved an increment of 5.2% compared to August 2014. In spite of this slight increment in purchasing power, **supermarket retail sales** decreased 0.8% and presented its first negative inter-year rate of -0.5%.

New vehicle's registrations showed their sixth monthly increment (1.4%) and recovered to its inter-year benchmark.

In the case of **cement consumption**, the series went down in monthly (3.4%) and inter-yearly terms (3.7%). **Tax revenues** presented a practically null variation rate but stays upon a particular high historical level. Boosted by Federal resources, which represents around 62.6% of total incomes, the gauge's inter-year variation rates reached 5.8%.

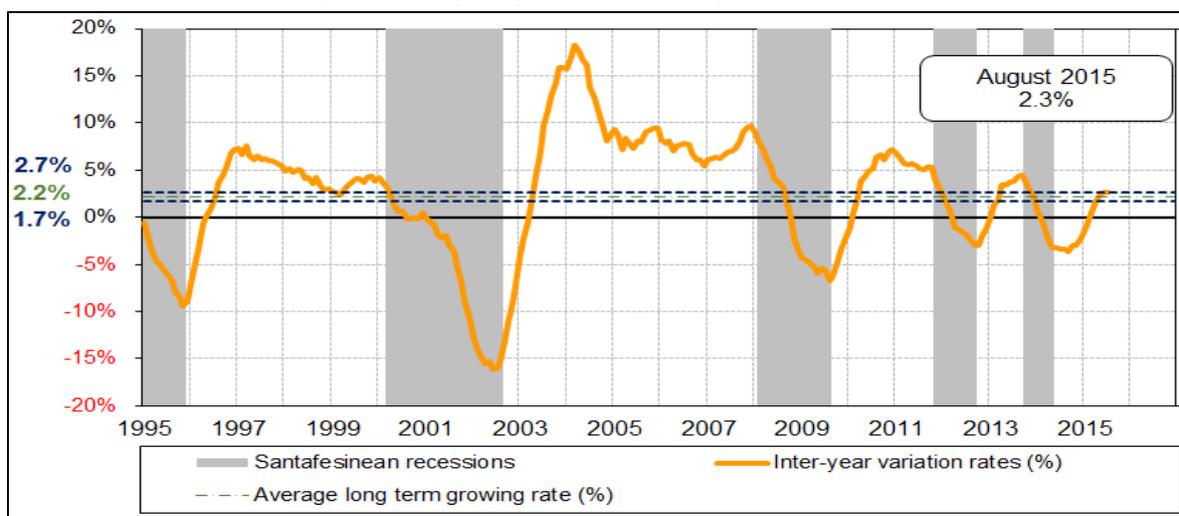
Summary and perspectives

In August 2015 the coincident index's inter-year gauge was located in 2.3%, staying close by its upper long-term statistical band measured in 2.7% (see Graph 3).

Based on recent results, during the last two months the province's economic activity experienced a strong deceleration compared to the first semester. To this regard, although the expansion phase is not over yet, total cumulated growth for the last twelve months declined to 2.3%. In addition, and even though real wages presented a mild increment, retail sales signaled their first inter-year dropped and cement consumption is also going down.

Finally, it worth noting that in August 2015 local elections were already over. By the contrary, national elections were not, and therefore until October the domestic economy will keep boosted by higher public expenditures.

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>