Positive results for the third quarter

Between July and September 2016 the coincident index registered a recovery of 1.1% in Santa Fe's economy.

ICASFe
SEPTEMBER 2016

Level:
152.8

Monthly variation:
0.6%

Inter-year variation: -2.5%
2016's partial result: -1.9%

MAIN RESULTS

*ICASFE's level was located in **152.8**, presenting a monthly variation of **0.6%** in respect to August 2016.*

*Inter-year variation rates reached **-2.5%** (comparing September 2016 vs. September 2015).*

*Partial cumulated contraction during 2016's was measured in **-1.9%**.*

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 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 the coincident index.
In addition, it is worth noting 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

Bolsa de Comercio de Santa Fe

President
Ing. Agr. Olegario Tejedor

Fundación Bolsa de Comercio
President
Ing. Agr. Olegario Tejedor

Executive Director
Dr. Gustavo Vittori

Research and Services Center

Director
Lic. María Lucrecia D´Jorge

Coordinator
Lic. Pedro P. Cohan
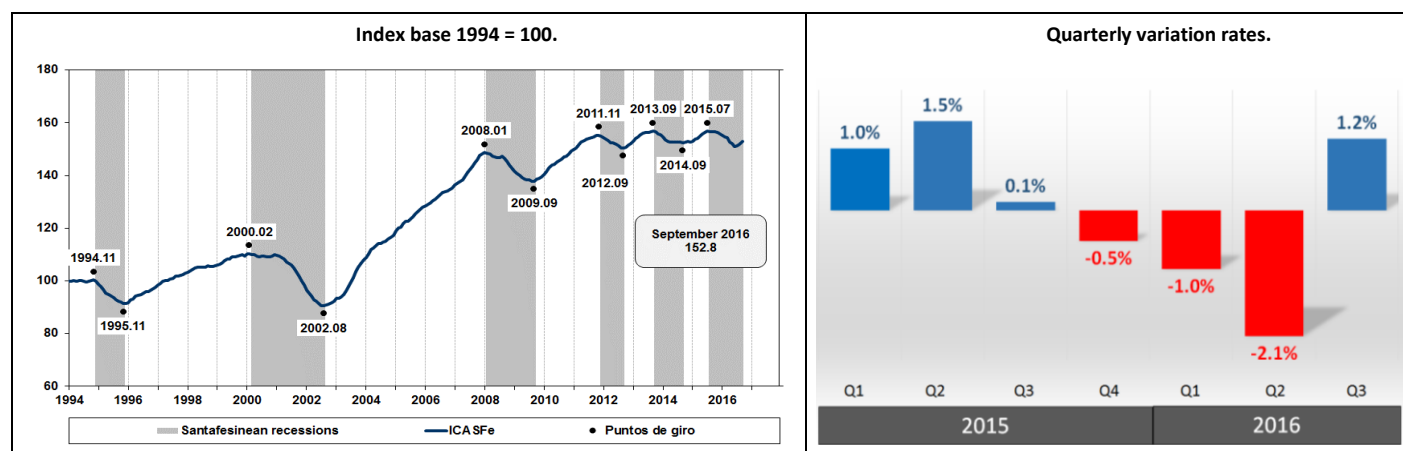
Researchers
Melisa B. Lazzaroni
Alfonso Cherri

Province of Santa Fe's economic activity

During 2016's third quarter Santa Fe's economic activity cumulated a positive variation rate of 1.1%. Nevertheless, these favorable results were not strong enough to plenty recover from first semester's drop. Considering the period January-September the coincident index's net balance was measured in -1.9%.
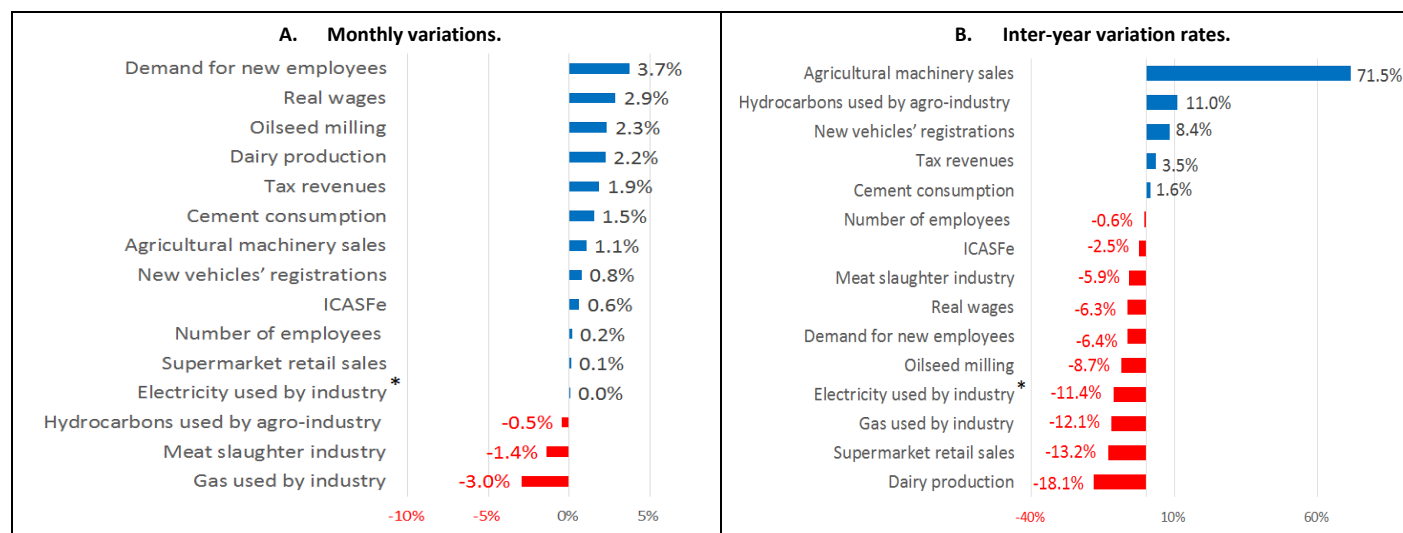
Graph 1: Composite Coincident Index for the Province of Santa Fe (ICASFe). Base 1994 = 100.

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

Indicator by indicator

In September 2016 eleven of the fourteen series considered by ICASFe presented positive monthly variation rates whereas only five of them improved on inter-year terms.

Graph 2: Economic activity's indicators for the Province of Santa Fe - September 2016 -

Last available data refers to: (*) June 2016.

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

This month all sub-indicators related to the labor market signaled positive variation rates in respect to August. **Demand for new employees** grew 3.7%, followed by a recovery of 2.9% in **real wages**, and a mild increment of 0.2% in **registered jobs**. However their inter-year comparisons were unlikely unfavorable: within rates of -6.4, -6.3 y -0.6%, respectively. **Supermarket retail sales** showed a slight improvement once again (0.1%) but are still 13.2% behind their inter-year benchmark.

Oil-seed milling intensified August's performance and increased 2.3% although the series stayed 8.7% below September 2015's level. **Meat slaughter industry** declined monthly (1.4%) and inter-yearly (5.9%); whereas **dairy production** increased 2.2% but

suffered an inter-year contraction of 18.1%. In regard to **agricultural machinery sales**, the series increased another 0.1% which implies a total expansion of 71.5% across the last twelve months.

Hydrocarbons used by agro-industry lost 0.5% although it represents one of the few sub-indicators within positive inter-year variation rates (11.0%). Moreover, **gas consumption** also went down in terms of August (-3.0%), reaching a total contraction of 12.1% in respect to September 2015. Official data was not published for **electricity used by industry**, but estimations indicate more negative variations for July, August and September.

Investment in durable goods showed certain improvements captured by **cement consumption** and **new vehicles' registrations**. The first gauge presented rates of 1.5 (monthly) and 1.6% (inter-yearly); whereas the second one increased 0.8 and 8.4%, respectively.

Pushed forward by local incomes and more federal resources, **tax revenues'** achieved a monthly variation rate of 1.9% and registered an inter-year increment of 3.5%. It is worth noting that during 2016 the province of Santa Fe already received an additional of $5.000 million after a favorable decision of Argentinean Supreme Court.
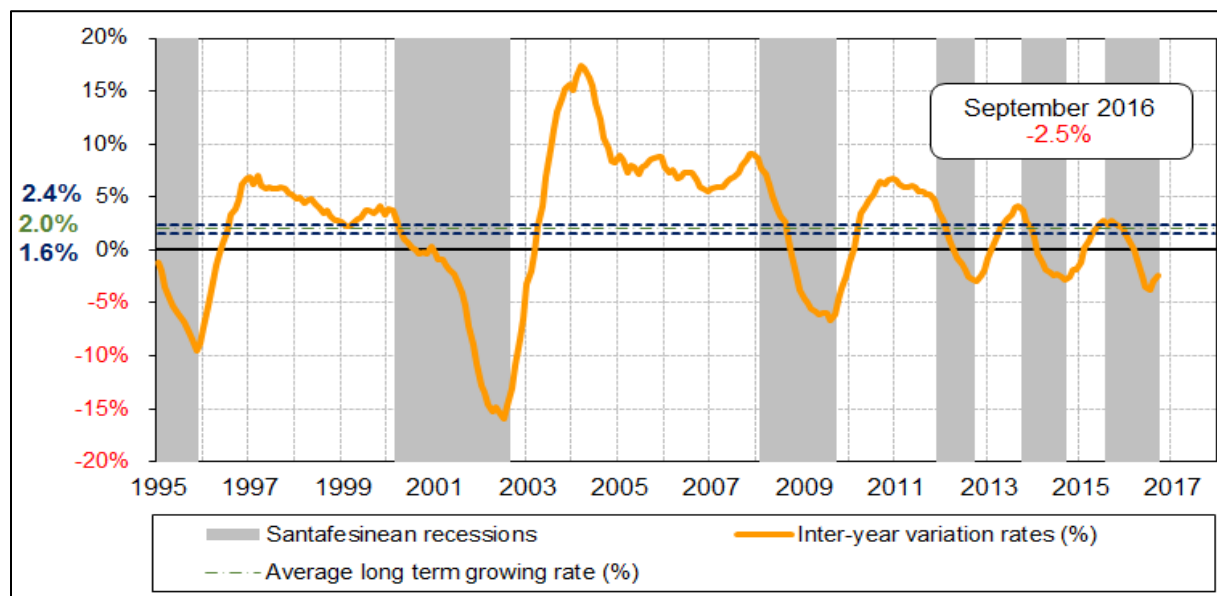
Summary and perspectives

During 2016's third quarter Santa Fe's economic activity signaled better relative results. However, ICASFe's inter-year variation rates stayed on negative terrain (-2.5%) in line within a high comparison benchmark.

On the other hand, only a few sub-indicators could plenty recuperate from first semester's drop. To this particular, it is important to look out on agro-industrial and construction's recent performance. In most optimistic forecasts, these two sectors are being considered 2017's growth engine. In the first case, in spite of internal differences, most activities linked to the agricultural sector did improve in terms of 2016's first half. So did activities related to construction which, in addition, are expected to receive a further boost from public infrastructure.

All said, is spite of this minor recovery it is still too soon to talk about a new expansion phase.

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

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