

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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CENTRO DE ESTUDIOS Y SERVICIOS

A new favorable output

In spite of closing 2016 within a negative net balance, Santa Fe's economic activity registered its fifth monthly recovery.

ICASFe

NOVEMBER 2016

Level:

153.7

Monthly variation:

0.6%

Inter-year variation: -2.0%

2016's partial result: -1.6%

MAIN RESULTS

ICASFE's level was located in 153.7, presenting a monthly variation of 0.6% in respect to October 2016.

Inter-year variation rates reached -2.0% (comparing November 2016 vs. November 2015).

Partial cumulated contraction during 2016's was measured in -1.6%.



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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.

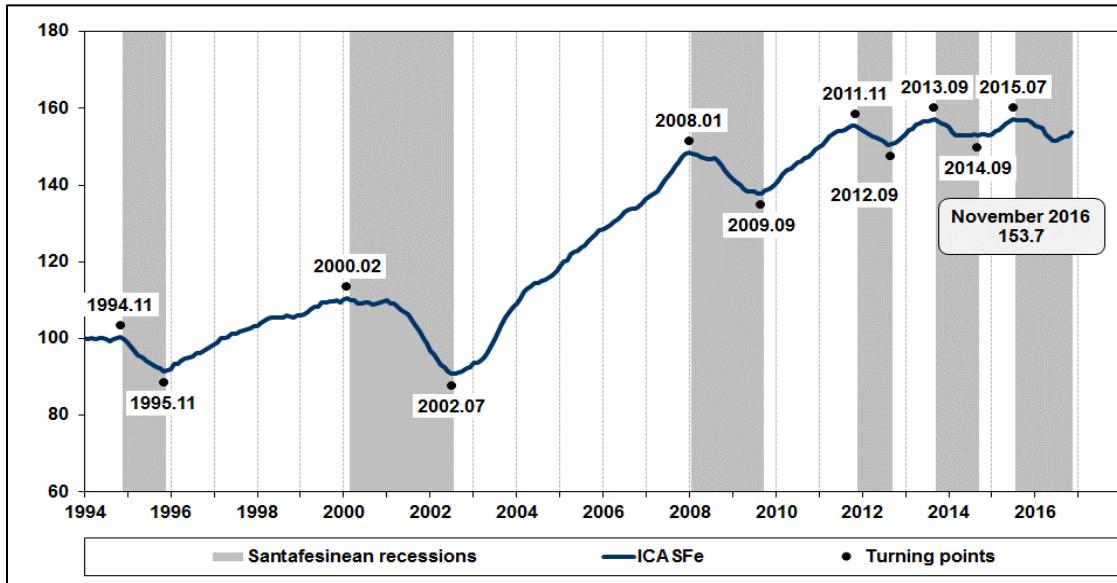
In order to download or get access to:

- 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>

Province of Santa Fe's economic activity

Even though, technically, Santa Fe's economy is still under recession, 2016's fourth quarter set up the bases for an incoming expansion phase. To this regard, cumulated contraction for 2016 went down to **-1.6%** pushed by the second semester's recovery of 1.3% - December was not yet considered -. In addition, it is worth noting that November's monthly variation was 2016's highest rate.

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

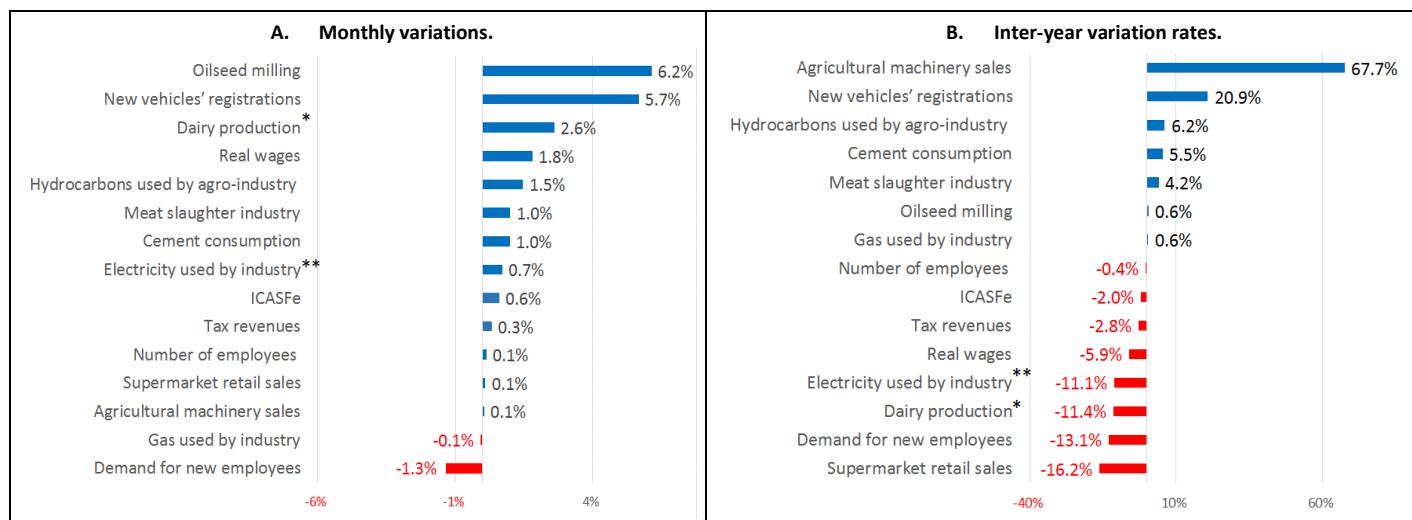


Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

This month twelve of the fourteen series considered by ICASFe experienced positive variations in respect to October (see Graph 2). Moreover, in terms of November 2015 improvements were captured by seven sub-indicators.

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



Last available data: (*) October and November 2016 were estimated (**) November was estimated.

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

Oil-seed milling was in top of the ranking once again within a monthly rate of 6.2% and, therefore, its inter-year variations started to gain positions (0.6%). **Meat slaughter industry** increased 1.0% in November and 4.2% in terms of its inter-year benchmark. **Dairy**

production improved in respect to October but could not yet fully recover from last year's drop. In regard to **agricultural machinery sales**, the series grew 0.1% in November and achieved an inter-year expansion of 67.7%.

Gas consumption presented a monthly decline of 0.1% and slipped around November 2015's level. Furthermore, **hydrocarbons used by agro-industry and transportation** lost 1.5% monthly and 6.2% inter-yearly. But the sector's most negative signal was captured by **electricity used by industry**. Estimations for November indicate a mild recovery but its inter-year contraction was measured in -11.1%.

Cement consumption kept showing favorable results within a monthly rate of 1.0% which implies an inter-year recovery of 5.5%. In the same direction, **new vehicles' registrations** obtained rates of 5.7 and 20.7%, respectively.

Registered jobs mildly increased for the third time in a row, in this case 0.1%. However the series' inter-year gauge remains negative in -0.4%. **Demand for new employees** also presented unfavorable results of -1.3 and -13.1%, respectively. **Real wages** grew 1.8% in November and purchasing power's contraction dropped to 5.9%. To this regard, **supermarket retail sales** increased only 0.1% and stayed at the end of inter-year variation rates' ranking.

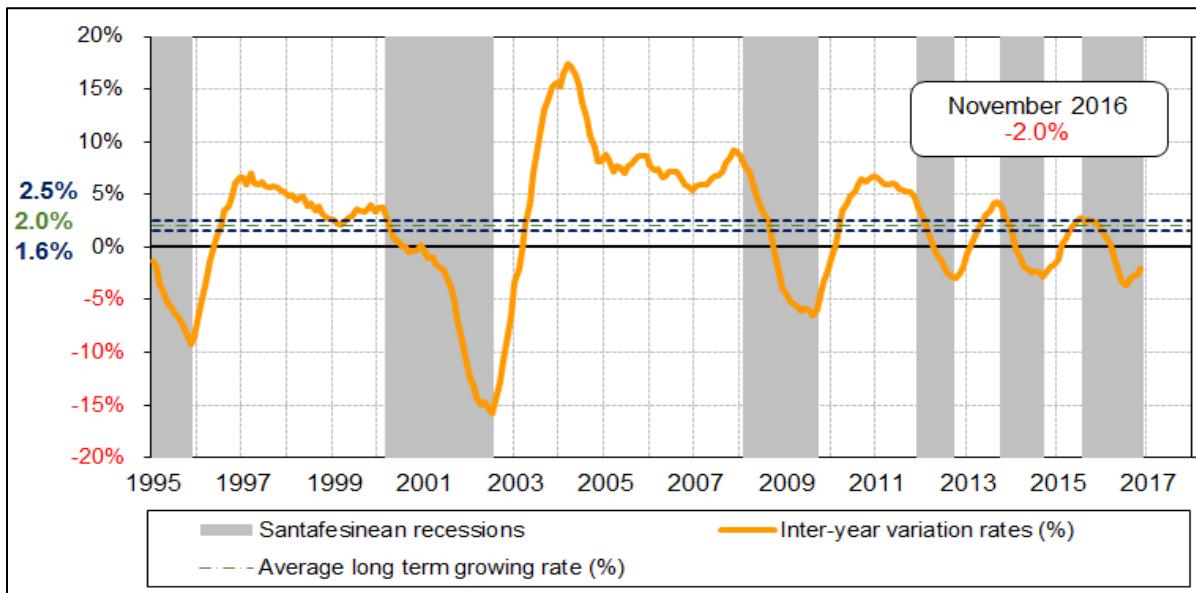
Finally, helped by federal resources **tax revenues** regained 0.3% in November. Considering the last 12 months this sub-indicator fell down 2.8%.

Summary and perspectives

Based on positive results from the last five measurements, ICASFe's inter-year variations turned forward, cutting up to -2.0% in November 2016 (in July 2016 the gauge was located at -3.6%).

The recovery experienced by Santa Fe's economy during the second semester was centered in variables related to durable goods, construction and, mostly, agricultural activities. On the other hand, the province's labor market, real wages, consumption and certain industrial branches kept facing complications. In fact, recent improvements were not strong enough to compensate the recession's effects and economic activity is going to finish the year within a negative net balance.

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



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