

# THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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CENTRO DE ESTUDIOS Y SERVICIOS

## Economic growth begins a 2<sup>nd</sup> phase

Thirteen consecutive months of recovery open up the chance of going beyond 2015 pre recession's activity benchmark.

### ICASFe

JULY 2017

Level:

**162.4**

Monthly variation:

**0.1%**

Inter-year variation: **3.3%**  
2017's partial result: **1.1%**

### MAIN RESULTS

ICASFE's level was located in **162.4**, presenting a monthly variation of **0.1%** in respect to June 2017.

Inter-year variation rates reached **3.3%** (comparing July 2017 vs. July 2016).

Partial cumulated expansion during 2017's was measured in **1.1%**.

### 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>



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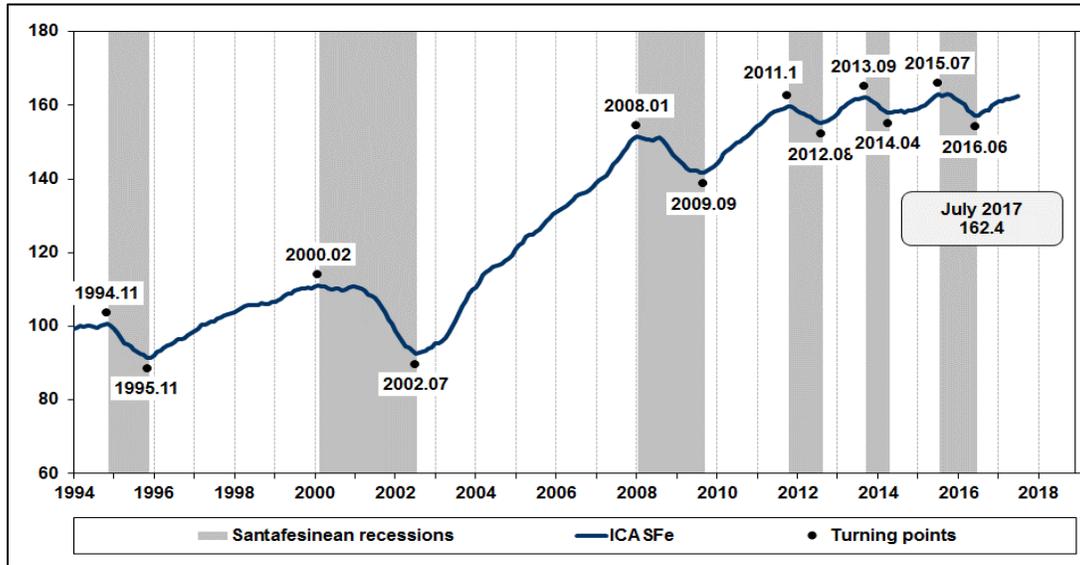
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**Province of Santa Fe's economic activity**

In July 2017 Santa Fe's coincident index grew 0.1% in terms of June. Within this increment, the province's economy registered its 13<sup>th</sup> positive variation rate, and cumulated a partial expansion of 1.1% during 2017. Interyearly, the recovery process was measured in 3.3%.

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

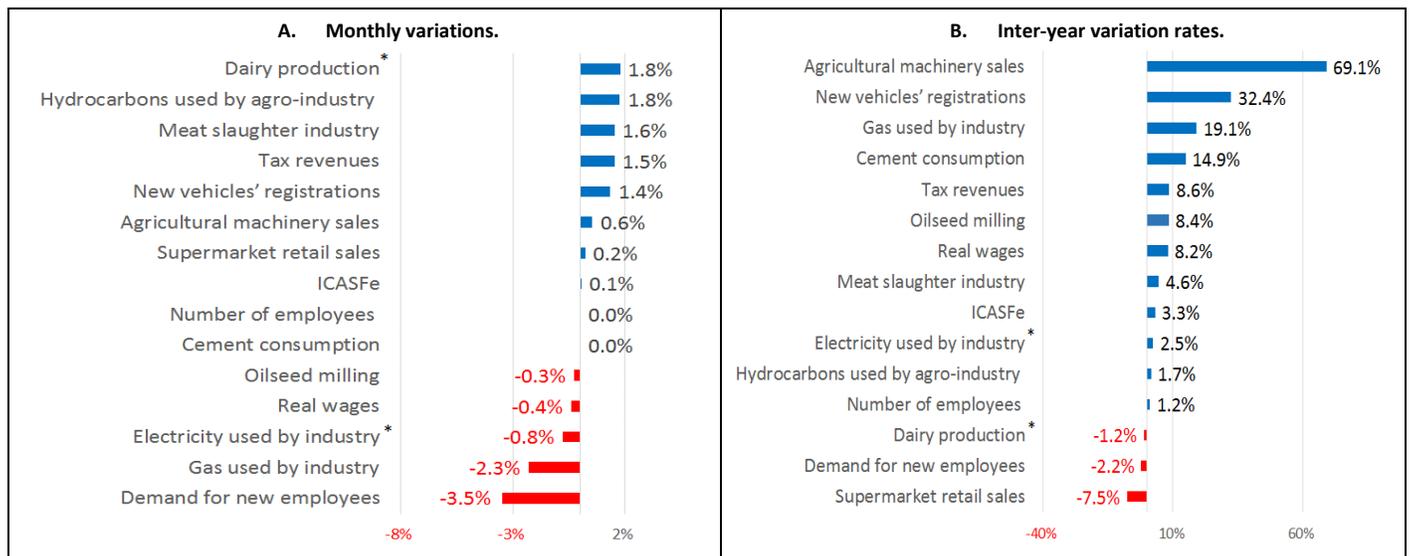


Source: Research and Services Center, Santa Fe's Chamber of Commerce.

**Indicator by indicator**

In this opportunity, six of the fourteen series considered on the analysis presented favorable monthly results; two of them stayed neutral, whereas other four of them decreased (data related to the last two indicators was estimated). It is worth noting that only three series declined in respect to their interyear benchmark, which implies a solid relative recovery during the last twelve months. Beside **dairy production's** estimations, **hydrocarbons used by agro-industry** was on top of the list (see Graph 2, left side). The series grew 1.8% in terms of June and 1.7% in respect of July 2016. **Meat slaughter industry** was located in second place by improving 1.8%, monthly. In addition, its inter-year recovery reached 4.6%.

**Graph 2: Economic activity's indicators for the Province of Santa Fe - July 2017 -**



Last available data from: (\*) June 2017; (\*\*) April 2017. Further stats were estimated.

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

Related to agro-industry, **oilseed milling** signaled a negative monthly variation rate (-0.3%) although its inter-year gauge increased 8.4%. **Gas consumption** presented a similar behavior within rates of -2.3 and 19.1%, respectively.

**Agricultural machinery sales** are still leading the recovery and grew 69.1% across the last year. However, the series is slowing down and gained only 0.6% in July. **New vehicles' registrations** also achieved a significant inter-year growth (32.4%) in 2017 and, in fact, improved other 1.4% during this last measurement. Also related to durable goods, **cement consumption**, increased 15.9% in terms of July 2016.

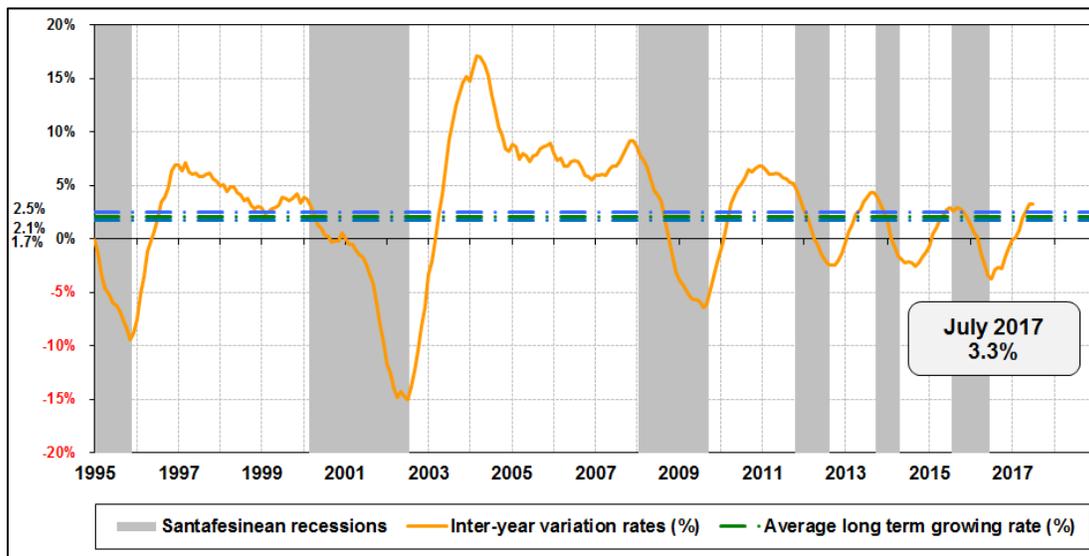
**Tax revenues** showed encouraging results in both variation rates: 1.5 and 8.6%, respectively. **Supermarket retail** improved as well. The series increased 0.2% in July and partially recovered from its interyear drop, which reached 7.5%. By the contrary, **real wages** went down in terms of June (-0.4%) but increased 8.2% during the last year. This situation is somehow related to **registered jobs**. The sub-indicator presented an almost null variation in July although it gained 1.2% interyearly. **Demand for new employees** declined both monthly (-3.5%), and compared to its interyear benchmark (-2.2%).

**Summary and perspectives**

ICASFe's inter-year variation rates were located at 3.3% in July 2017 (see Graph 3) and economic activity reached its highest historical since July 2015. These results put an end to present expansion's recovery process, starting up a 2<sup>nd</sup> phase usually called as "boom".

In terms of diffusion, in July 2017 most sub-indicators presented a good behavior in both monthly and interyear variation rates. Nevertheless, considering a mid-term horizon, series related to durable goods are experiencing the best cyclic dynamic. Employment, cement consumption and tax revenues also presented a favorable but milder performance, whereas other sector still have to walk a long way to plenty recover.

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



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