

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

Monthly publication Nº 7 / Year 13

ISSN 2362-48784

Date: 07/30/2019



CENTRO DE ESTUDIOS Y SERVICIOS

Activity level shows a slight improvement

In May, Santa Fe's economy recovered 0.2% driven, mainly, by the agro-industrial sector. However, its inter-year balance is negative and the overall situation is still delicate.

ICASFe

May 2019

Level:

155.2

Monthly variation:

0.2%

Inter-year variation: -5.6%

2019's partial result: -0.1%

MAIN RESULTS

ICASFE's level was located in **155.2**, presenting a monthly variation of **0.2%** respect to April 2019.

Inter-year variation rates descended to **-5.6%** (comparing May 2019 vs. May 2018).

Cumulated results during 2019's were measured in **-0.1%**.

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 at <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 nothing 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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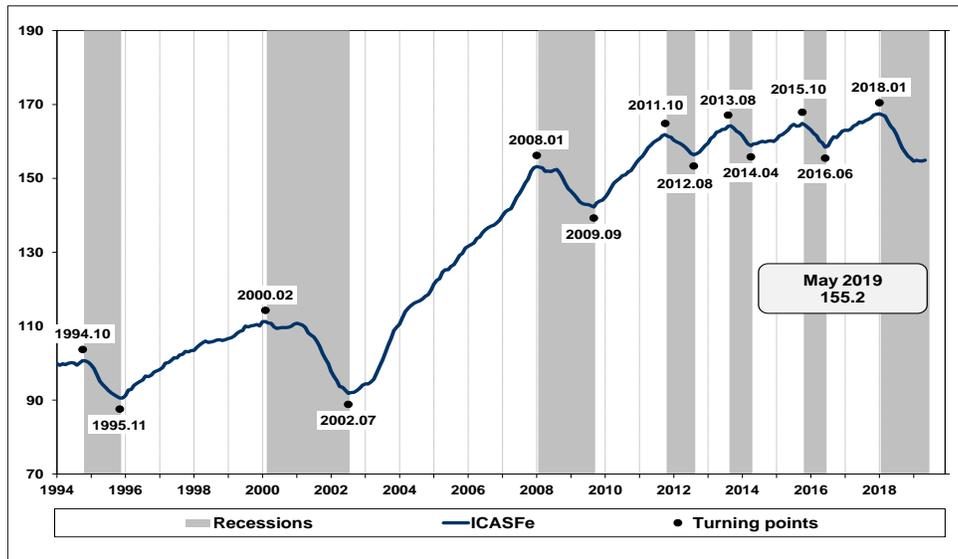
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Province of Santa Fe's economic activity

During the fifth month of the year the coincident index registered a monthly increment of 0.2% although Santa Fe is still under recession since January 2018. This result slightly reduces the accumulated drop during 2019, reaching a total variation of **-0.1%**.

Graph 1: Composite Coincident Index for the Province of Santa Fe (ICASFe). Base 1994 = 100. May 2019.

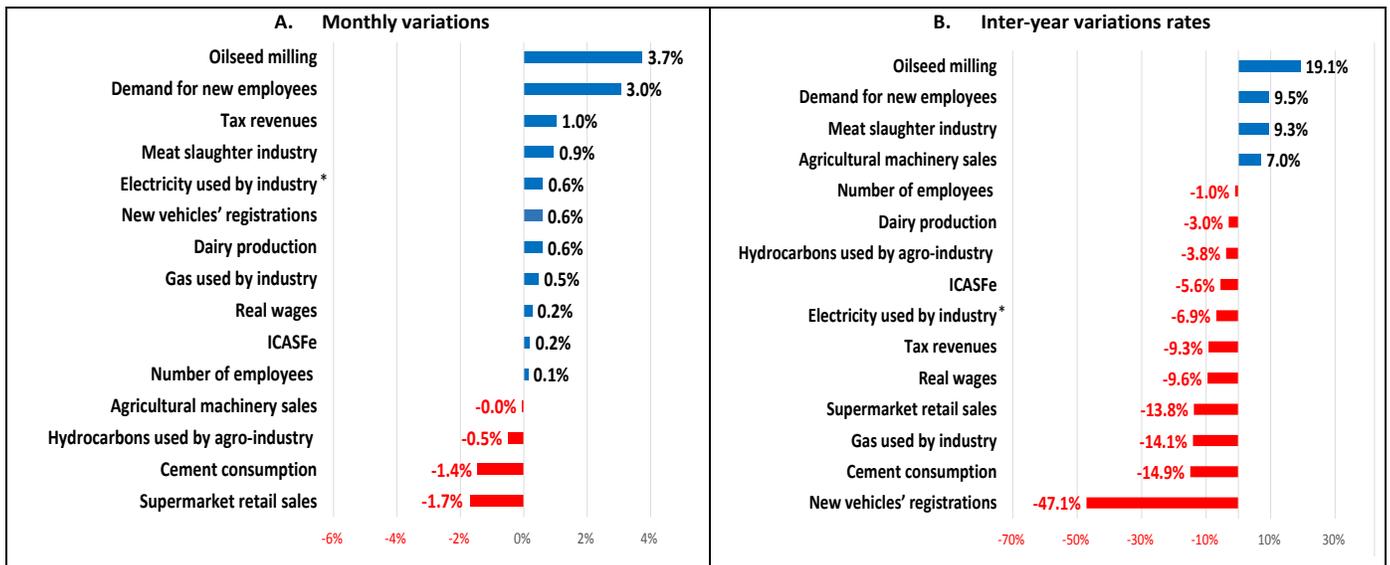


Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

In May, ten of the fourteen included indicators obtained positive monthly variations rates (Graph N°2, left quadrant). In regard to the inter-year comparison, there are four indicators showing a recomposition (Graph N°2, right quadrant).

Graph 2: Economic activity's indicators for the Province of Santa Fe. May 2019.



Last available data from: (*) April 2019. Unavailable data was estimated.

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

Sub-indicators related to agro-industrial activities were listed among the group within favorable variations. **Oilseed milling** registered a monthly rate of 3.7%, recovering 19.1% since May 2018. **Meat slaughter industry** showed a monthly increment of 0.9% and an inter-year one of 9.3%. Moreover, **dairy production** recovered 0.9% however it is still under May 2018's level (-3.0%). On the other side, **hydrocarbons used by agro-industry** contracted 0.5 and 3.8%, respectively.

In relationship to investments in durable goods, **new vehicles' registrations** presented its first positive rate over sixteen months. It is worth noting that its inter-year variation is **-47.1%**. In despite of showing a null monthly variation, **agricultural machinery sales** exposed a positive interannual performance (7.0%). In contrast, **cement consumption** in the province had negative results both in monthly terms (**-1.4%**) as compared to May 2018 (**-14.9%**).

Electricity used by industry incremented 0.6% but continues within a strong inter-year contraction (**-6.9%**). In the same direction, **gas used by industry** shows a slight monthly increment (0.5%) although its interannual behavior is negative (**-14.1%**).

In relation to the job market, **registered employees** recovered 0.1% and stayed **-1.0%** behind their inter-year benchmark. Similarly, **demand for new employees** grew up 3.0% and registered an inter-year variation of 9.5%. In addition, **real wages** presented a hike of 0.2% accumulating a total loss in purchase power of **-9.6%** during the last year.

Supermarket retail sales decreased again both in monthly and inter-year terms (**-1.7** and **13.8%**, respectively).

Finally, **tax revenues** grew up 1.0% in May although the series lost **9.3%** of its monetary value across the last year.

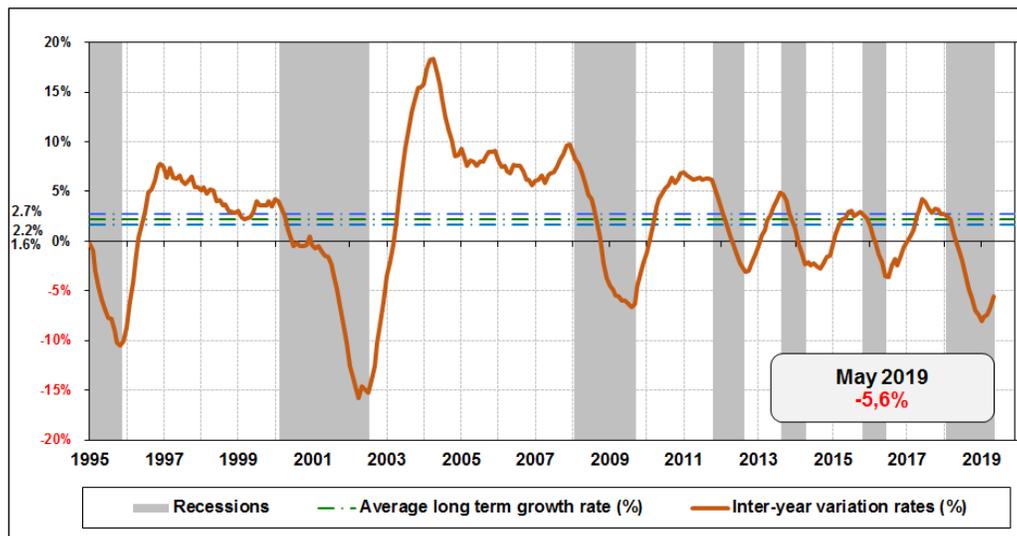
Summary and perspectives

The rhythm over ICASFe's inter-year variation rates is still high: **-5.6%**. However, certain recomposition has taken significance during 2019 (see Graph N°3). This improvement is being driven, mainly, by indicators related to the agro-industrial sector.

In terms of sectorial diffusion, present economic situation shows different scenarios. New vehicles' registration showed preliminary favorable results but in the opposite side construction has fallen again, so did retail sales.

Taking this into account, in order to accomplish a solid recovery, economic activity is still in need of a proper macroeconomic environment.

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



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