

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

Monthly publication Nº 8 / Year 13

ISSN 2362-48784

Date: 08/27/2019



CENTRO DE ESTUDIOS Y SERVICIOS

Positive boost from the agribusiness sector in the 1st semester

Between April and June Santa Fe's economic activity registered an increase of 0.7%, driving a positive balance for the first half of the year.

ICASFe

June 2019

Level:

158.7

Monthly variation:

0.4%

Inter-year variation: -4.3%

2019's partial result: 0.2%

MAIN RESULTS

ICASFE's level was located in **158.7**, presenting a monthly variation of **0.4%** respect to May 2019.

Inter-year variation rates descended to **-4.3%** (comparing June 2019 vs. June 2018).

Cumulated results during 2019's were measured in **0.2%**

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>



BCSF
135 AÑOS

President

Mr. Ulises Mendoza

Research and Services Center

Executive Director

Dr. Gustavo Vittori

Director

Lic. María Lucrecia D'Jorge

Coordinator

Mg. Pedro P. Cohan

Researchers

Lic. Lautaro Zanini

María Florencia Camusso

Ignacio Francisco Falco

Ramiro Jorge

Franco Riottini

E-mail and contact information

ces@bolcomsf.com.ar

Websites

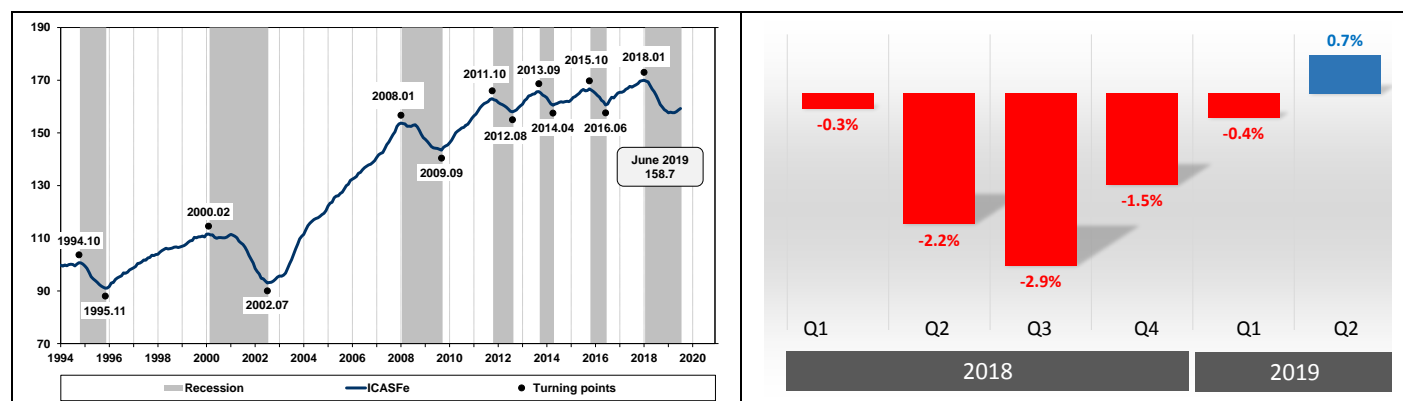
<http://ces.bcsf.com.ar> or

<http://www.bcsf.com.ar>

Province of Santa Fe's economic activity

ICASFe improved 0.7% in 2019's second quarter, obtaining the first positive result after five consecutive periods of decline. Its better performance was registered in June, within a monthly increase of 0.4%, which led to a slightly positive balance during the first six months of year (+0.2%).

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



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

Indicator by indicator

During 2019's first half seven included indicators accumulated positive variations. However, only two of them improved in terms of 2018's level; in regard to the remaining cases, those series only recovered part of their accumulated decline.

Graph 2: Santa Fe's economic activity series. Cumulated variation during each period.

	2018	2019's 1st half
Agricultural machinery sales	-18.2%	16.9%
Oilseed milling	4.3%	12.3%
Demand for new employees	-20.9%	9.6%
Cement consumption	-26.6%	6.9%
Meat slaughter industry	5.2%	4.0%
Dairy production	-3.2%	2.2%
Electricity used by industry	-8.0%	2.1%
ICASFe	-6.8%	0.2%
Number of employees	-1.1%	-0.4%
Gas used by industry	-1.8%	-0.9%
Hydrocarbons used by agro-industry	-9.0%	-1.1%
Tax revenues	-6.9%	-2.5%
Supermarket retail sales	-4.9%	-2.8%
Real wages	-11.6%	-3.3%
New vehicles' registrations	-52.0%	-6.3%

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

Among the group with positive results most indicators were related to the agro-industrial sector. **Agricultural machinery sales** led the table within an increase of 16.9% during the first half of the year. This means a recovery of around 90.0% of what was lost during 2018. Despite of that, the series is still far away from its historic peak (reached at the beginning of 2008). **Oilseed milling** registered an increase of 12.3% reaching a new record although a low capacity utilization explained by over-investment. In regard to **meat slaughter industry**, the series gained other 4.0% in 2019, keeping up with a favorable performance that began in 2017. Moreover, **dairy production** grew 2.2% which represents a partial recovery from last year's decline.

Cement consumption showed strong departures during the first quarter of the year which declined during the second one. In addition, its positive net balance for the first six months of the year (6.6%) represents a partial relief from 2018's drop (-26.6%). In contrast, **new vehicles' registration** have fallen 6.3% between January and June.

Hydrocarbons used by agro-industry registered a cumulated fall of 1.1% during the first half of the year. **Gas used by industry** decreased -0.9% in that period and **electricity used by industry** grew 2.1%, recovering most part of 2018's registered fall.

In relationship to the labor market, **total number of jobs** suffered a contraction of 0.4% between January and June despite the fact that **demand for new employees** grew 9.6%. **Real wages** cumulated a total loss of 3.3%, less than half of previous' year.

Supermarket retail sales also declined (-2.8%) despite of June's monthly recovery (see Annex on page 4).

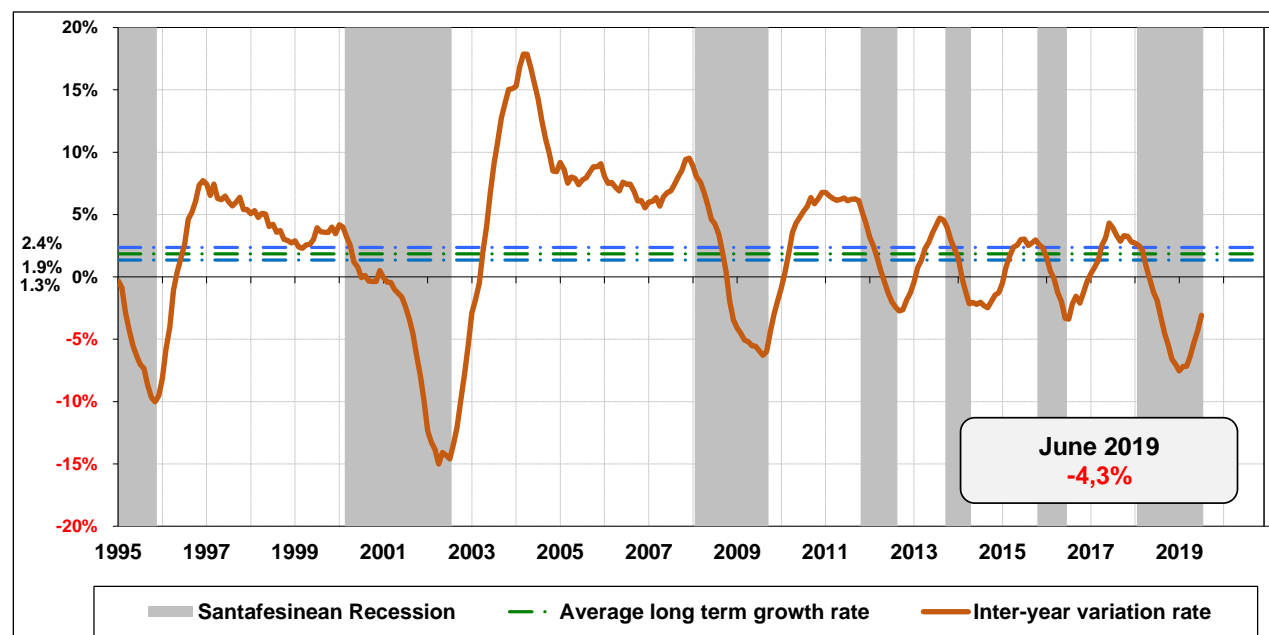
Finally, **tax revenues** lost 2.5% in the semester mainly explained by a retraction of local funds. In fact, the contraction was partially compensated by a better performance from national revenues.

Summary and perspectives

Economic contraction continued moderating, pushed forward by the agro-industrial sector. To this regard, inter-year variation rates went from -7.5% in January to -4.3% in June 2019. Although some indicators showed a better performance, improvements have not yet generalized in a context within increasing socioeconomic issues.

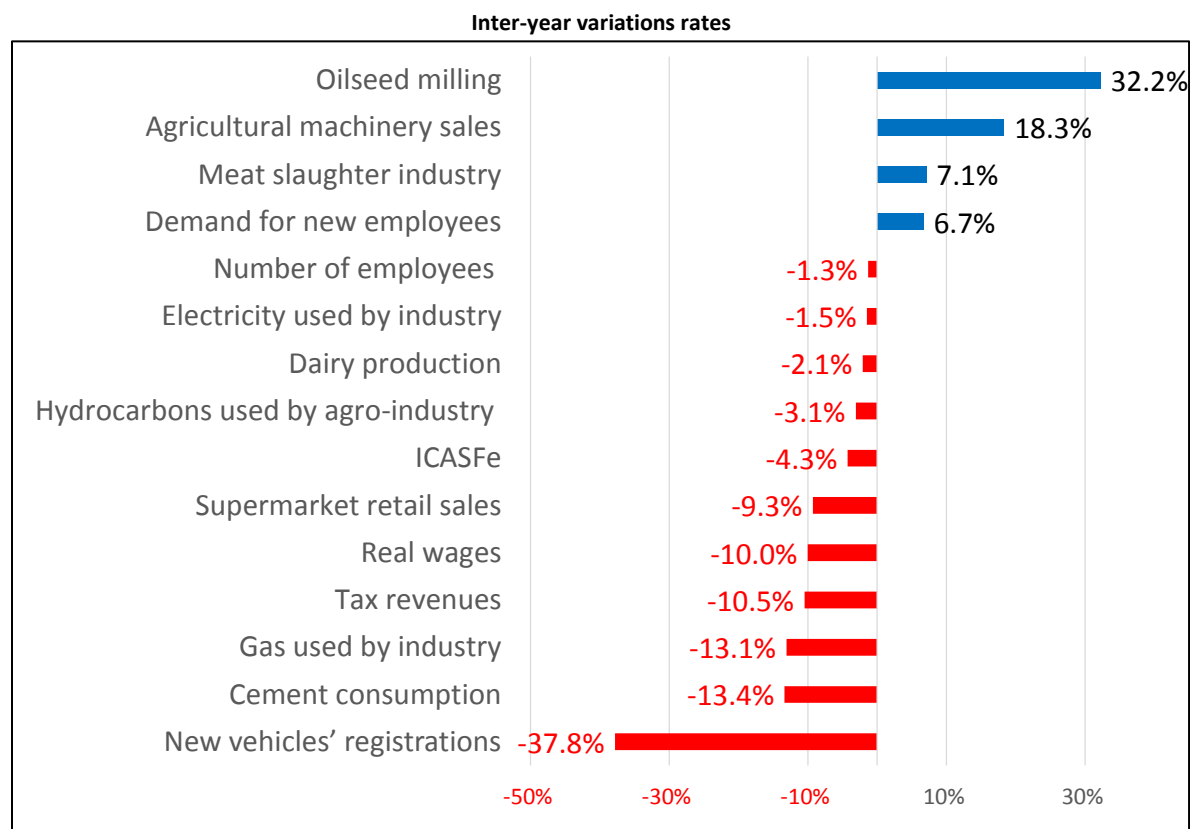
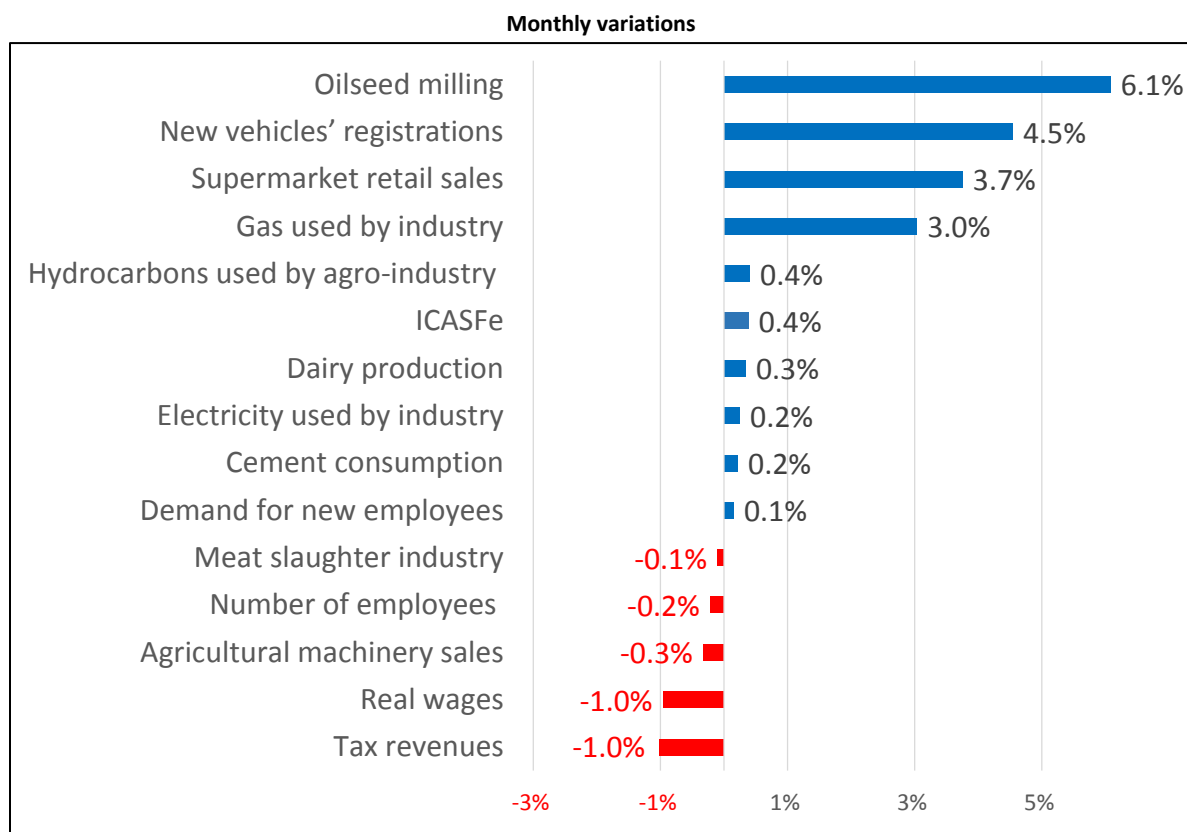
In other circumstances, available data considered in this report would unquestionably indicate an imminent beginning of a new expansionary phase. However, the uncertainty caused by the local political context as well as the international situation, implies a strong conditioning to the recovery process.

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



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

ANNEX. Series of economic activity of Santa Fe. Data for the month of June 2019.



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