



Bolsa de Comercio de Santa Fe



# ICASFe

## Monthly Composite Coincident Index for the province of Santa Fe

Monday, October 21, 2013. Monthly digest Nº 10, year 7.

**Bolsa de Comercio de Santa Fe**  
(Santa Fe's Chamber of Commerce)

President

**Dr. Eduardo González Kees**

**Fundación Bolsa de Comercio**

President

**Dr. Eduardo González Kees**

Executive Director

**Dr. Gustavo Vittori**

**Research and Services Center**

Director

**CPN Fabio Arredondo**

Coordinator

**Lic. María Lucrecia D'Jorge**

Researchers

**Lic. Pedro P. Cohan**

**Lic. Carolina E. Sagua**

**Lic. Roberto Miola**

### E-mail and contact information

ces@bolcomsf.com.ar

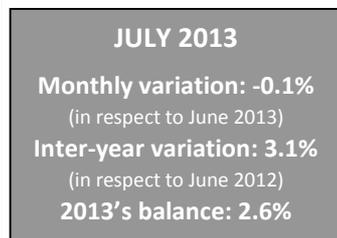
### Websites

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

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

### THE PROVINCE'S ECONOMIC EXPANSION GETS WEAKER.

Santa Fe's economic activity declined -0.1% in July and although its general trend is still positive, 2013's net growth projections are being lowered.



### JULY 2013'S MAIN RESULTS

ICASFe's level was measured in **159.7**, presenting a monthly variation of **-0.1%** in respect to June 2013.

Inter-year variation rates reached **2.6%** (comparing July 2013 vs. July 2012).

Between January and July 2013 Santa Fe's economic activity grew **2.6%**.

### ¿What is ICASFe for?

The Composite Coincident Index for the province of Santa Fe (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.

As indicator, It provides a reliable source of information appropriate to support decision makers of public and private institutions. ICASFe was developed by a technical agreement with the *Universidad Nacional de Tucumán* (UNT).

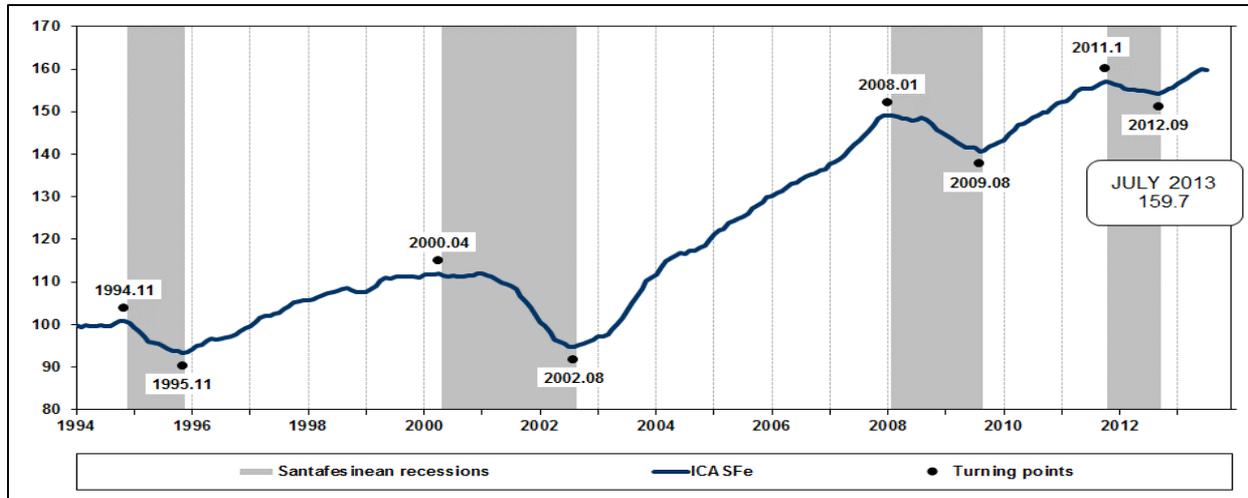
### Output data considerations

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 our indicator. Time series are handled in real terms and filtered by seasonality and outliers with the X12-ARIMA software.

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

After nine month of consecutive expansion Santa Fe's economic activity experienced a mild negative variation of **-0.1%** in July 2013. Within this result cumulated growth between January and July stepped back to 2.6%.

**Graph 1 - ICASFe - Monthly Composite Coincident Index for the Province of Santa Fe -**



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

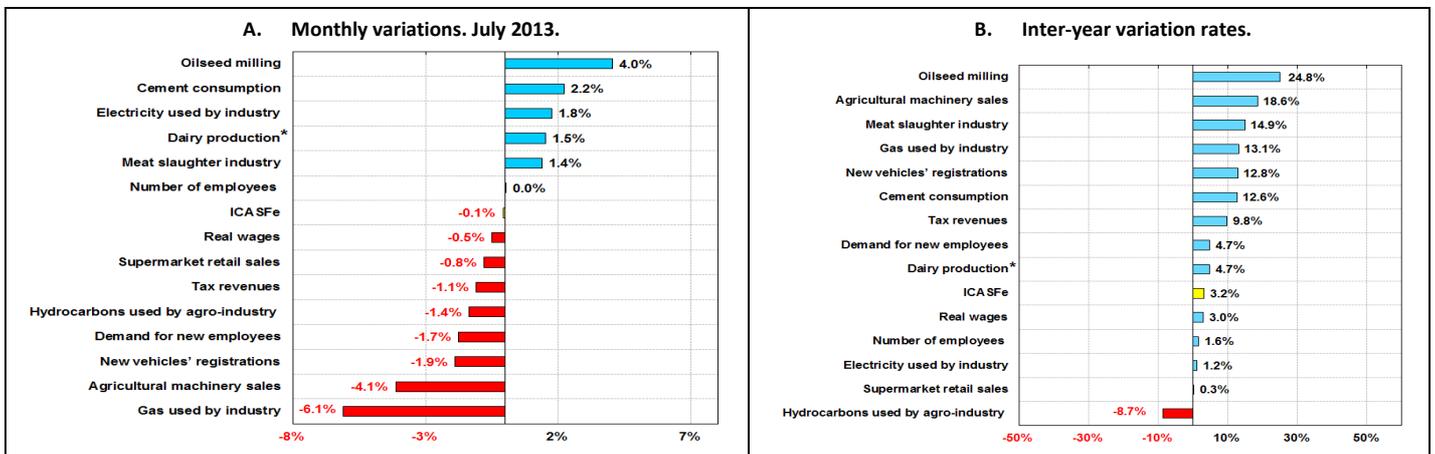
**Indicator by indicator**

In July 2013 only five of the fourteen sub-indicators which are applied in order to calculate the coincident index registered positive variation rates. **Oilseed milling** led both monthly (4.0%) and inter-year rates (24.8%) due to a recovery process which started at the beginning of the year and managed to persist.

Another sub-indicator which improved its performance along the year is **cement consumption**, presenting rates of 2.2 and 12.6%, respectively. However, it is worth noting that historically speaking the sector has not yet recovered the dynamism showed until the end of 2007. This shrinking scenario is being confirmed by both the total number of public authorizations for new buildings and the total surface declared by families and companies to these regards.

In relationship to the secondary sector, **electricity used by industry** registered a positive monthly variation rate of 1.8% and an inter-year one of 1.2%. **Gas consumption** also improved in an inter-year comparison (13.1%) in spite of its monthly decline of **-6.1%**. Considering agro-industrial sub-indicators specifically, **dairy production** grew 1.5 and 4.7%, respectively; so did **meat slaughter industry** showing rates of 1.4 and 14.9%. This last gauge was strongly pushed forward by the porcine sector which reached a new historical record in July. In fact, bovine's slaughter also increased but based on stock reduction. Moreover, **hydrocarbons used by agro-industry and transportation** signaled a monthly decline of **-1.4%** staying behind its inter-year benchmark (**-8.7%**).

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



References: (\*) Contains estimated data for July.

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

All sub-indicators related to the labor market presented negative monthly results in July 2013 but are still above July 2012's numbers.

**Total registered jobs** obtained a poor monthly rate (close to zero) but increased 1.6% on an inter-year comparison. Similarly, **real wages** declined **-0.5%** in July and reached a 3.0% inter-year expansion. Finally, **demand for new employees** also presented a negative monthly rate (**-1.7%**) and a positive inter-year one (4.7%).

**Supermarket retail sales** went down **-0.8%** in July and also signaled a 0.3% inter-year expansion. It is worth noting that this series is based on hypermarkets' information since there is no other official statistical database available. However, *Confederation Argentina de la Mediana Empresa* (CAME) has been signaling that small scale businesses could be actually experiencing a sharper contraction.

**New vehicles' registrations**, as proxy of durable goods' consumption, decreased **-1.9%**. Nevertheless, the series is still presenting a positive inter-year result of 12.8% and it is considered one of the key economic sectors behind 2013's growth. Agricultural machinery sales shows an analogue behavior with rates of **-4.1** and 18.6%, respectively.

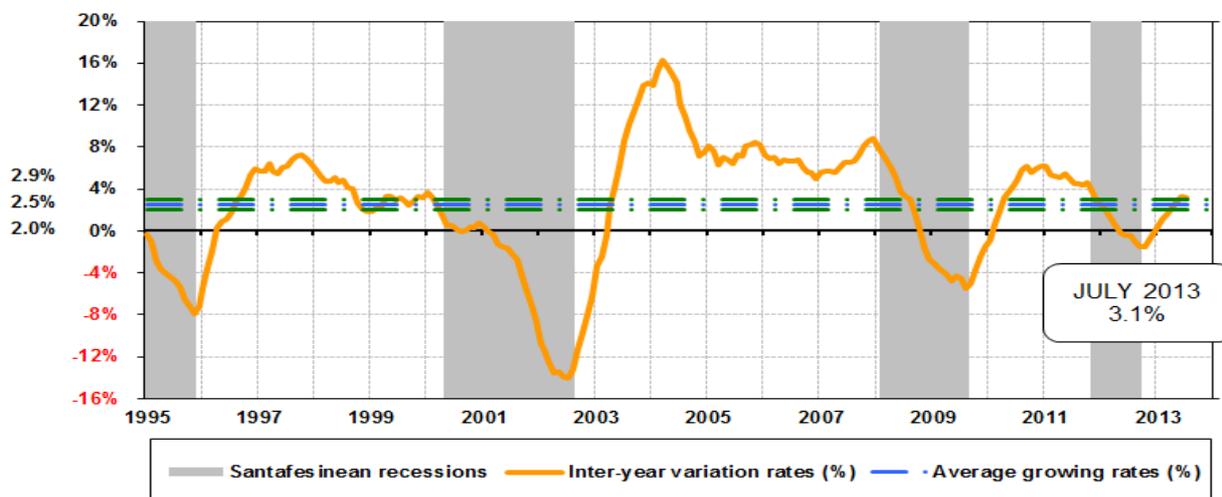
**Province's real fiscal incomes** in July 2013 were located 9.8% higher than during this period in 2012. This, in spite of presenting a negative monthly rate of **-1.1%** in accordance to the federal resources reduction that has been signaled during the last few months.

### Summary and perspectives

Santa Fe's economic activity presented a mild monthly contraction in July 2013 and therefore its inter-year variation rate was measured in 3.1%. To this regard, the gauge is still above its long-term established standard (see statistical bands in graph 3) but expectations for 2013's net growth keep deteriorating.

In general terms economic activity registers a modest inter-year expansion which is being decelerated by unfavorable macroeconomic conditions. International commerce's net balance is decreasing and so are reserved international monetary assets as costs keep raising and the country faces a US dollars' shortage as a result of an increasing inflation rate (24.6%). The group of series behind ICASFe's monthly contraction are somehow related to this scenario and although 2013 is surely going to end with a positive net growth, as mentioned before, what worries is the middle-term perspective.

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



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

#### In order to download or get access to:

- Statistical database, methodological documents and related publications | <http://ces.bcsf.com.ar>
- An on-line graphical tool to access historical data (series) | <http://www.bolcomsf.com.ar/ces/icasfe.php>