

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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ICASFe

Base 1994=100

JANUARY 2024

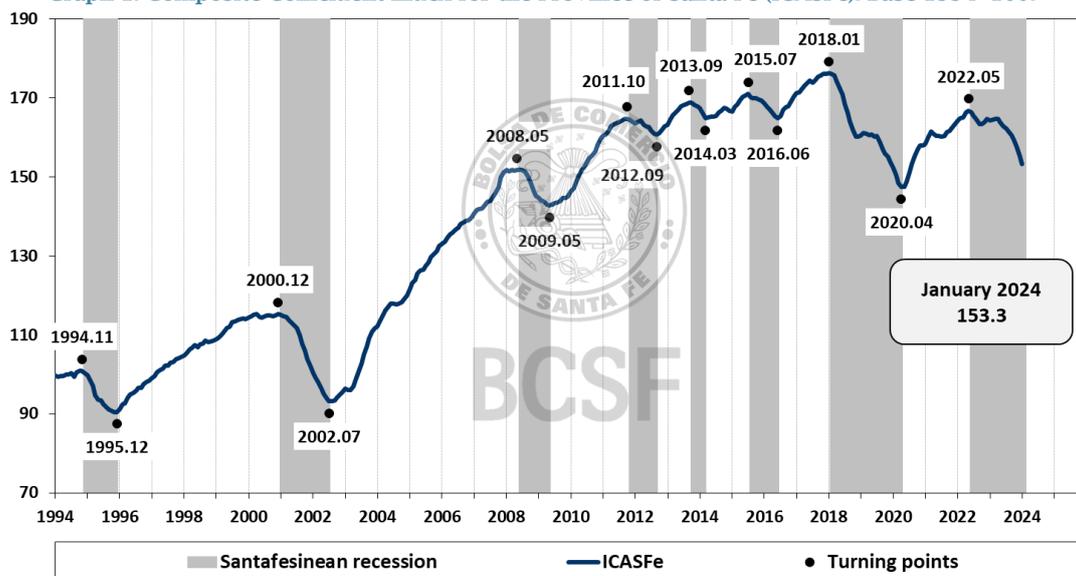
Level: 153.3

Monthly variation: -1.3%
Inter-year variation: -6.9%

The recession remains prevalent across all economic sectors

Throughout the first month of the year, Santa Fe's economic activity contraction continued to worsen, registering a rate of **-1.3%**.

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 (Digital Graph | [Go to website](#)).

✉ ces@bolcomsf.com.ar

🌐 ces.bcsf.com.ar

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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 *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>

All series are filtered by seasonality and extreme values, using the X-13 ARIMA-SEATS program of the United States Census Bureau. In addition, information is always presented free of inflationary effects. The last twelve-monthly results exposed in this document are based on preliminary information and hence subject to further revisions.

As of publication No 3, Year 17, improvements in data's structure were incorporated in order to gain precision over the industrial production component (see academic document at https://www.bcsf.com.ar/ces/pdf/2022_Cohan-Zanini.pdf)

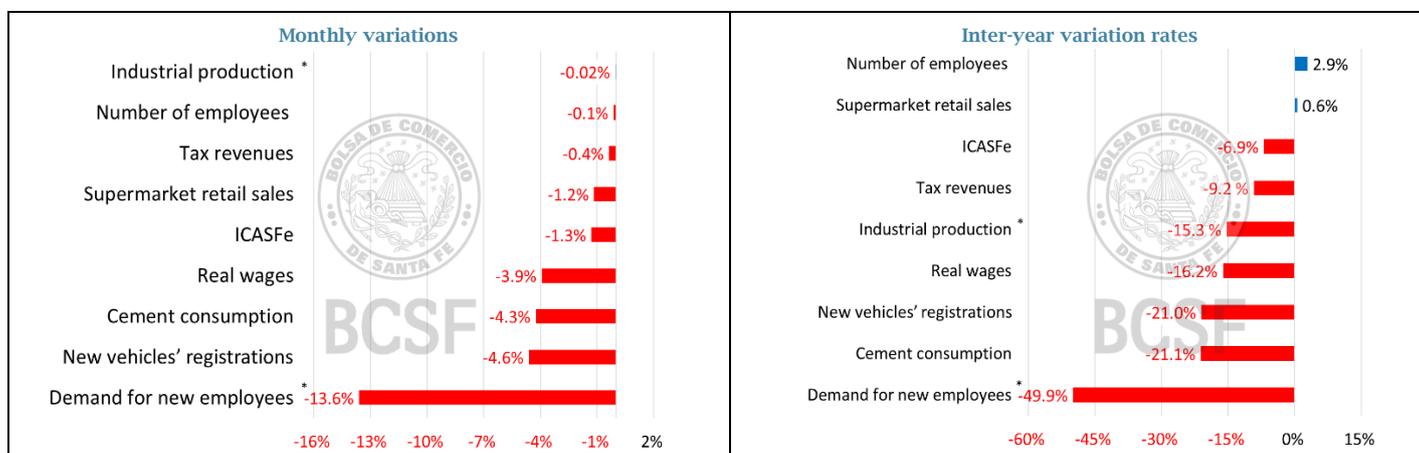
Santa Fe's business cycle indicators

In January 2024, all sub-indicators experienced negative variations. Furthermore, on a year-on-year basis, the series featuring red bars intensified their decline.

Supermarket retail sales in the province of Santa Fe (large commercial areas) accumulated four consecutive monthly negative variations, standing at **-1.2%** in January. After reaching values close to 10.0% during 2023's second half, the latest year-on-year increase was practically null (0.6%), signaling a significant deceleration in consumption. In the medium term, sales are returning to the range of values recorded in 2019/22 period, without having recovered from 2018's recession.

Registered jobs decreased by **0.1%** during January 2024, primarily driven by a slowdown in private sector's employment generation, which has been experiencing negative rates since October 2023 onwards. In year-on-year terms, this series remains in positive territory, signaling an increase of 2.9% compared to January 2023. An important concern for this year is the decline in **real wages** of registered employees in the province, within a contraction of **-3.9%** in January 2024, accumulating a total loss of **-16.2%** over the past year. This situation is evident in both public and private sector.

Graph 2: Economic activity's indicators for the Province of Santa Fe. January 2024.



(*) Latest data available: December 2023. Missing figures were estimated.

See each series' individually evolution at <https://www.bcsf.com.ar/ces/base-datos/>

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

Business expectations to increase personnel (**demand for new employees**) continued without rising in January 2024, ranking at the bottom of the list both in monthly and year-on-year variations. Obtained rates were **-13.6** and **-49.9%** monthly and year-on-year, respectively.

New vehicles' registrations showed a slowdown over its monthly decline, recording a rate of **-4.6%**. Meanwhile, the year-on-year decrease was **-21.0%**. Although this series remains within its range from the last 5 years, it is noteworthy that current level is only 9.5% above 2020's trough.

Cement consumption in the province, an indicator associated with the construction sector, experienced a monthly contraction of **-4.3%**, whereas the year-on-year comparison shows a variation of **-21.1%**.

In addition, **industrial production** recorded a nearly null monthly variation, accumulating a total decline of **15.3%** between January 2023 and January 2024. The following section details particular aspects that allow a full-scale analysis of manufacturing sector's development. Information regarding to February 2024 is included if available.

Finally, the representative series of **local tax revenues (in real terms)** continues to decrease, showing a monthly variation of **-0.4%** in January 2024. Moreover, its year-on-year rate stood at **-9.2%**, indicating a worsening impact of changes recorded in federal tax revenues, coupled with the national and provincial recessive context.

Industrial sector's complementary indicators

Consumption of liquid hydrocarbons in the province of Santa Fe (excluding naphtha and fuel oil) decreased by **0.8%** in January 2024, after a slight negative balance in 2023. This occurred in a context of demand's significant drop in reaction to higher prices, and in line with main agro-industrial activities' production decline.

Diary production in Santa Fe continued to decrease during the first month of the year, accelerating its contraction process registered in recent months, and computing a contractionary phase lasting two years. This situation reflects the severe drought's impact, lack of inputs' availability, and difficulties in sustaining its activity due to financial conditions that must be faced, which would also be promoting a process of production concentration in medium and large dairy farms.

The representative series of **agricultural machinery production** in the province of Santa Fe registered its third monthly variation in negative territory, presenting a rate of **-4.2%** between January and February 2024. In interannual terms, it experienced the 17th negative variation, accumulating a total drop of **-33.5%** during last year.

Updated information for February 2024, signals that **bovine slaughters** in Santa Fe registered an increase of 1.3% monthly, and 1.6% in relation to February 2023. On the other hand, regarding to **pig slaughters**, a downward silhouette is observed, presenting negative seasonally adjusted monthly rates since October 2023.

Finally, **soybean and sunflower seeds milling** incipient recovery in the first months of the year stands out. After a significant drop, in February 2024 it registered an increase of 5.4% compared to January, and 16.9% in relation to February 2023.

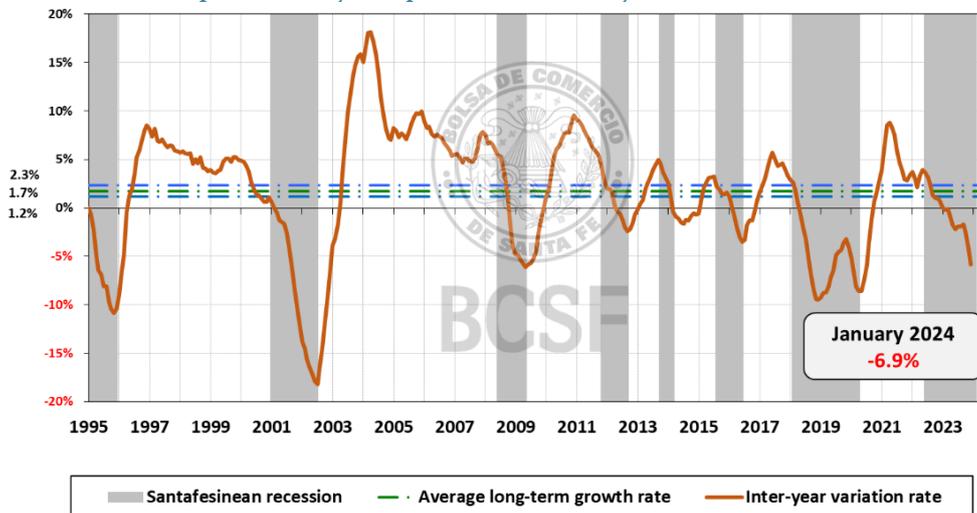
Summary and perspectives

Coincident index's interannual variation rates reached **-6.9%** in January 2024 (see Graph 3), continuing a worsening process of Santa Fe's economy recession (which started in May 2022). In medium terms, current contractionary phase already accounts 20 months, a longer period than previous seven recessions (average 15 months). However, in terms of amplitude, accumulated decline until January 2024 is similar to historical average (8.1% versus 8.6%). Now, focusing on immediate situation, only between October 2023 and January 2024, accumulated decline represents 65.0% of total decrease computed across the entire phase.

Among Santa Fe's business cycle indicators, significant loss of purchasing power of all registered employees stands out, which accounts for new jobs stagnation, as well as persistent inflationary context.

Although there are some scattered positive rates in agribusiness indicators, most of other activities do not show clear signs to expect a recovery in short terms. In this context, it becomes imperative to help up and answer each productive sector's demand, in order to be able to overcome prevailing macroeconomic context.

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



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

Santa Fe's Chamber of Commerce

President

Escribano Martín Vigo Lamas

Research and Services Center

Executive Director

Escrib. Martín Vigo Lamas

Director

Lic. María Lucrecia D'Jorge

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<https://www.bcsf.com.ar/ces/quienes-somos.php>