

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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CENTRO DE ESTUDIOS Y SERVICIOS

Twenty-three consecutive months of recession

And 64.2% of ICASFe's sub-indicators experienced new monthly contractions.

ICASFe

November 2019

Level:

158.2

Monthly variation:

-0.2%

Inter-year variation: -0.8%

2019's partial result: -0.3%

MAIN RESULTS

ICASFE's level was located in 158.2, presenting a monthly variation of -0.2% in respect to October 2019.

Inter-year variation rates descended to -0.8% (comparing November 2019 vs. November 2018).

Cumulated results during 2019 were measured in -0.3%.



BCSF
135 AÑOS

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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 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.

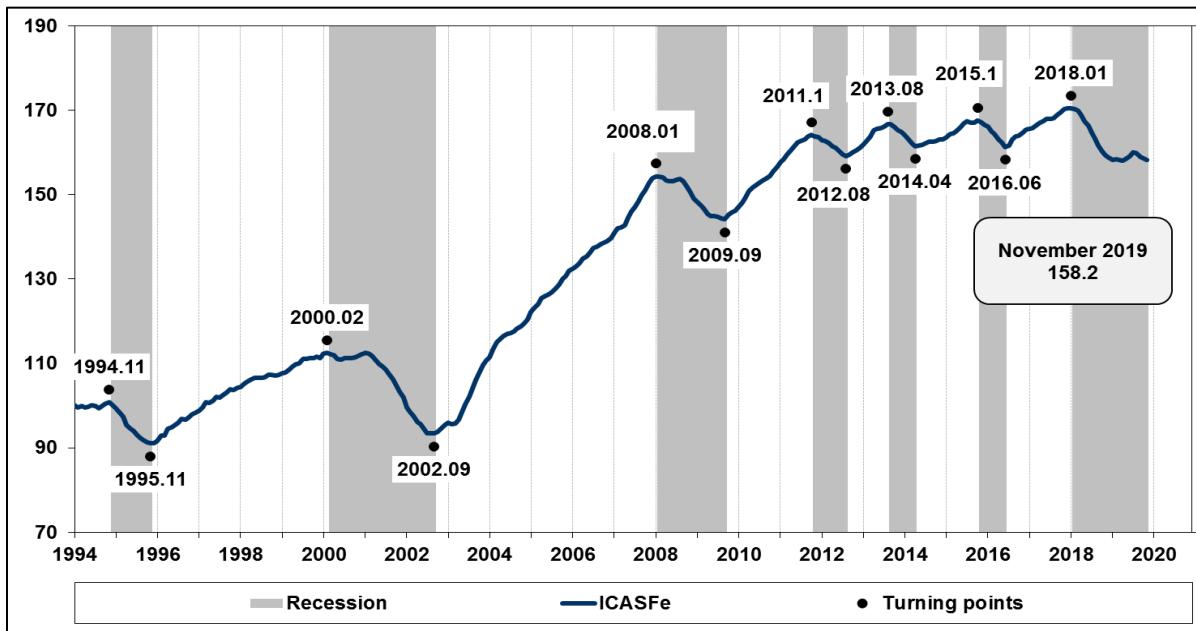
In order to download or get access to:

- 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>

Province of Santa Fe's economic activity

In November 2019, economic activity in Santa Fe contracted again, **0.2%** compared to October. This results in a **-0.3%** rate for the first eleven months of the period and implies that the recession has been going on for almost two consecutive years.

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



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

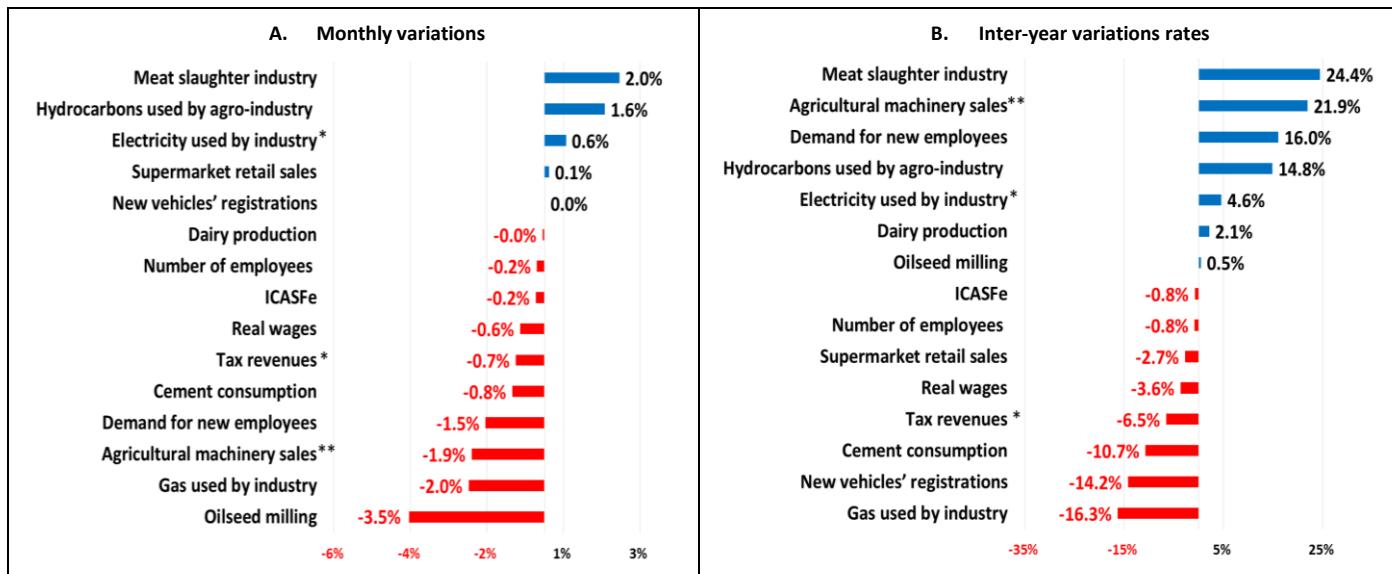
Indicator by indicator

Within just one month left to end 2019, only four of the fourteen indicators considered by the coincident index presented positive monthly variation rates. However, seven series improved in respect to November 2018.

Meat slaughter industry leads both tables of monthly and interannual variations, showing rates of 2.0 and 24.4%, respectively.

Dairy production signaled an almost null monthly movement, whereas the series grew 2.1% compared to November 2018. **Oilseed milling** fell back in **-3.5% in respect to October** and significantly reduced its year-on-year balance to 0.5%. **Agricultural machinery sales** showed rates of **-1.9** and 21.9%, respectively.

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



Last available data from: (*) October 2019, (**) September 2019. Unavailable data was estimated.

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

Hydrocarbons used by agro-industry increased 1.6%, reaching a total recovery of 14.8% during the last twelve months. In reference to **electricity used by industry**, the rates were 0.6 and 4.6%, respectively. Moreover, regarding to **gas used by industry**, November's results were -2.0 monthly and -16.3% year-on-year.

Cement consumption, the most representative indicator from construction's performance, fell 0.8% in terms of October and -10.7% inter-yearly. Another gauge related to investment in durable goods, **new vehicles' registrations**, signaled a null monthly rate and therefore its interannual balance stayed at -14.2%.

Total number of employees experienced a monthly decrease of -0.2% and an inter-year one of -0.8% (mainly explained by a contraction over the private sector). On the other hand, **demand for new employees** presented a 1.5% decrease in relation to October, although its level is still higher than November's 2018 (16.0%). **Real wages** recorded a new monthly loss in the purchasing power of 0.6%, which means a decline of 3.6% in terms of its inter-year benchmark.

Regarding to **supermarket retail sales**, the series showed a slight monthly recovery of 0.1%, reducing its inter-year contraction to -2.7%.

Finally, **tax revenues** added a negative variation of -0.7% in November, decreasing -6.5% across the last year.

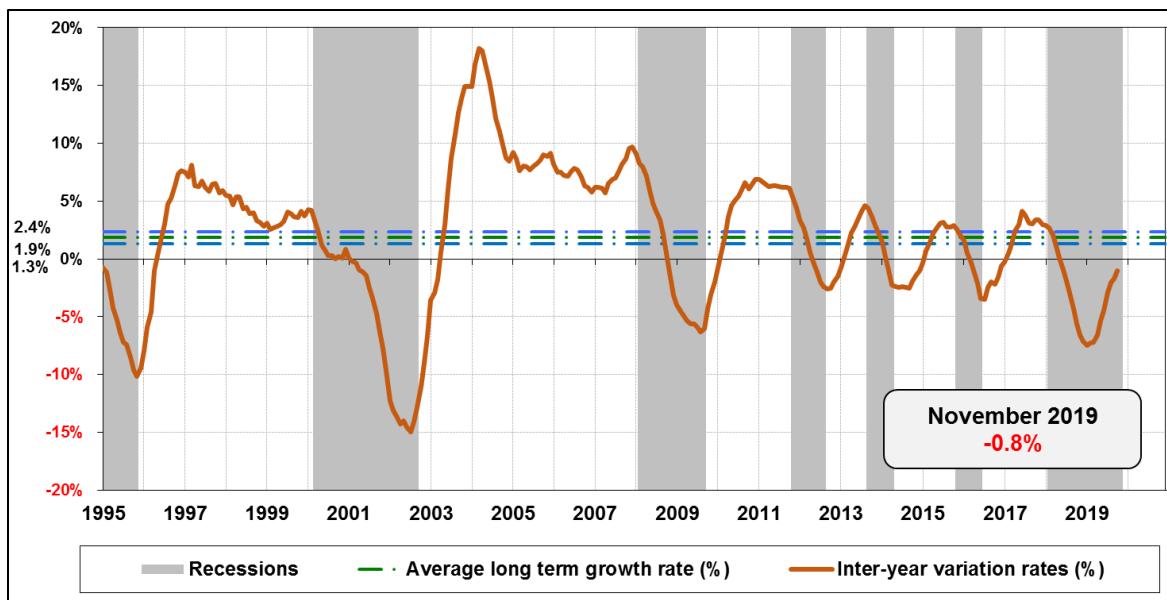
Summary and perspectives

One month before the end of the year, ICASFe's inter-annual variation rates reached -0.8%. This result was in line with the persistence of the recessive phase recorded by Santa Fe's economic activity since January 2018.

It is worth noting that November was the precedent month before new political authorities assume at both provincial and national levels. To this regard, during this period the agricultural sector had already ceased to figure as the engine of the provincial economic activity. Only meat slaughter industry improved, whereas the rest of the sub-indicators began to consolidate a fall. In addition, most related companies are having financial issues and all the productive chain is facing restrictions.

On the other hand, a new acceleration of inflation hits on purchasing power, causing a continuity in the decline of retail consumption as well as in the levels of investment in durable goods.

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



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