

# THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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CENTRO DE ESTUDIOS Y SERVICIOS

## The rebound begins to outpace the contraction caused by rigid isolation against COVID.

Although there is still another 14 percentage points to recover to reach 2018's level, November 2020's data indicates that Santa Fe's economy is close to reach pre-pandemic activity levels.

### ICASFe

November 2020

Level:

**159.9**

Monthly variation:

**0.7%**

Inter-year variation: 2.0%

2020's accumulated: 2.8%

### MAIN RESULTS

ICASFE's level was located in **159.9**, presenting a monthly variation of **0.7%** in respect to September 2020.

Inter-year variation rates reached to **2.0%** (comparing November 2020 vs. November 2019).

Cumulated results during 2020 were measured in **2.8%**.

### 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>
- To expand, see methodology at: <http://ces.bcsf.com.ar>



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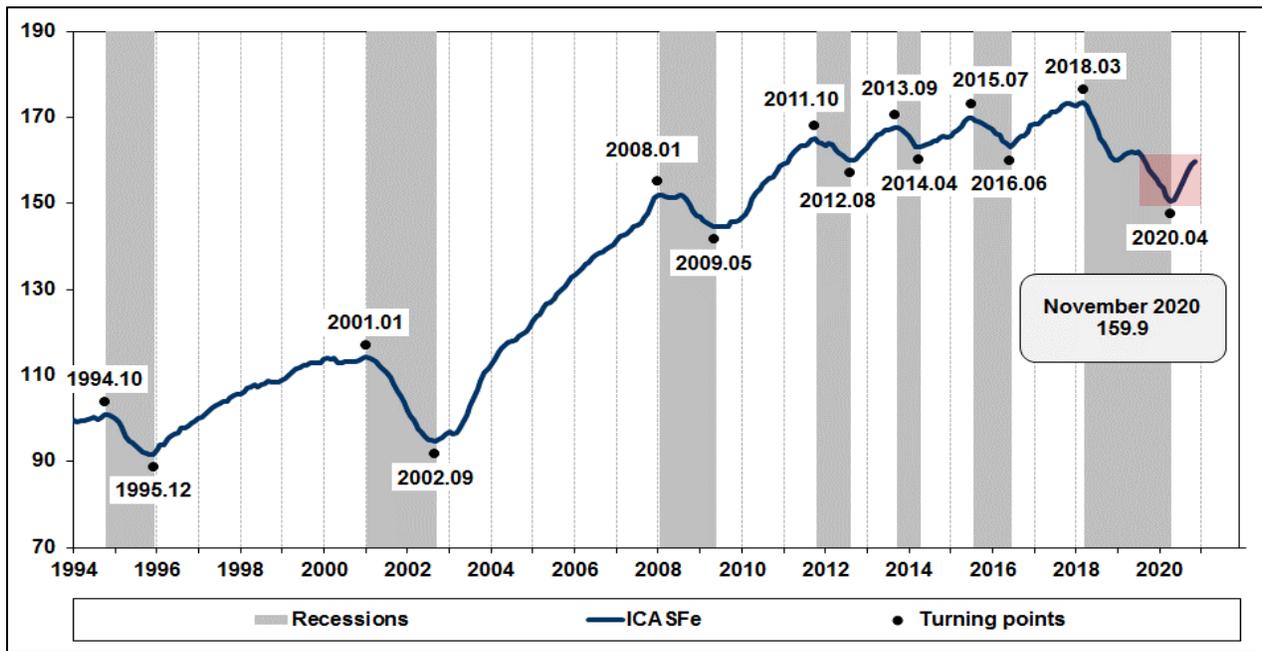


[Bolsa de Comercio de Santa Fe](http://www.bolsa.comercio.com.ar)

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

In November Santa Fe's economic activity recovered another 0.7%, beginning to leave behind the contraction suffered as a response to the isolation established during 2020's 2nd quarter in order to face COVID-19 (see Graph 1).

**Graph 1: Composite Coincident Index for the Province of Santa Fe (ICASFe). Base 1994 = 100. November 2020.**

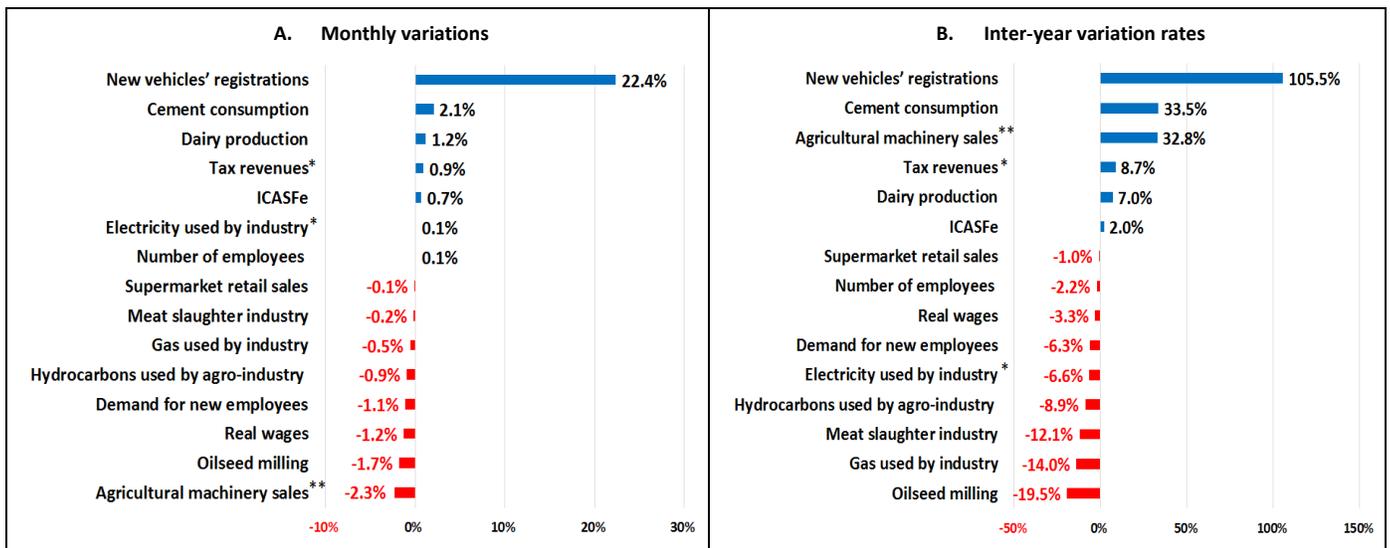


Source: Research and Services Center, Santa Fe's Chamber of Commerce.

**Indicator by indicator**

In regard to the fourteen representative indicators of Santa Fe's economic activity, during November, six series achieved positive variation rates and five improved in inter-year terms (see Graph 2).

**Graph 2: Economic activity's indicators for the Province of Santa Fe. November 2020.**



Last available data from: (\*) October 2020, (\*\*) September 2020. Unavailable data was estimated.

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

**New vehicles' registrations** led both rankings within an increase of 22.4% compared to October and an interannual advance of 105.5%. **Cement consumption** also showed a significant recovery with rates of 2.1 and 33.5%, respectively. Regarding to **agricultural machinery sales**, despite a monthly decline, the series increased 32.8% in terms of November 2019.

**Demand for new employees** failed to rebound and decreased another **1.1%**, which implies a cumulative total contraction of **6.3%** during the last year. In line with expectations, **number of employees** improved slightly (**0.1%**), whereas the gauge suffered an annual drop of **-2.2%**. Moreover, in regard to purchasing power, **real wages** kept losing against inflation: **-1.2%** monthly and **-3.3%** year-on-year.

**Hydrocarbons used by agro-industry** also continued to decline: **0.9%** monthly and **8.9%** year-on-year. **Oilseed milling** and **meat slaughter industry** moved in the same direction, contracting both in monthly and inter-annual terms. On the other hand, **dairy production** registered rates of **0.2** and **7.0%**, respectively.

Industrial energy consumption has not yet accomplished to return to pre-pandemic levels. **Electricity used by industry** signaled an inter-annual drop of approximately **6.6%**; whereas for **gas used by industry** the figure was **-14.0%**.

**Supermarket retail sales** went down other **0.1%** compared to October and **1.0%** compared to its inter-annual benchmark. Finally, **tax revenues** increased **0.9%**, which implies an improvement of **8.7%** during the last twelve months.

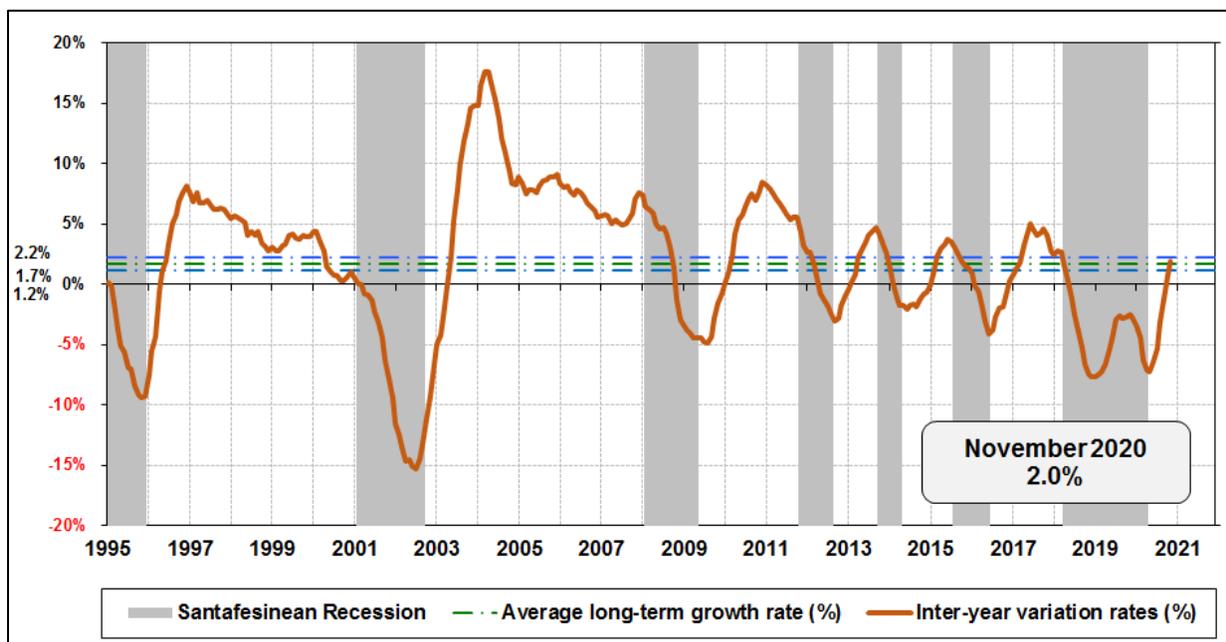
**Summary and perspectives**

In November 2020 the coincident index intensified recovery's rhythm and its inter-year variation rates reached **2.0%** (see Graph 3). To this regard, Santa Fe's activity certainly restored economic losses caused by the pandemic and, since present levels are being compared to a very low benchmark, results show positive figures.

However, macroeconomic scenario continues to be delicate after a 2020 that will be remembered as a milestone over the timeline, and that has left many key sectors in extreme fragility.

Within inflation on the rise again, higher levels of poverty and informality, and tax burden at historical records, it is hard to think that local economy is going to be able to return to pre-recession levels from 2018. Even more, considering that the public sector has increased its budget deficit to the limit and that sooner or later it will have to take measures more oriented to the medium/long term, aimed to normalizing and promoting markets.

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



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