

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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CENTRO DE ESTUDIOS Y SERVICIOS

Economic activity recovers for the 4th quarter in a row

Along more flexibility for retailers, March 2021's output signaled additional favorable results.

ICASFe

March 2021

Level:

160.9

Monthly variation:

0.7%

Inter-year variation: **6.2%**
2021's accumulated: **1.4%**

MAIN RESULTS

ICASFE's level was located in **160.9**, presenting a monthly variation of **-0.7%** in respect to February 2021.

Inter-year variation rates reached to **6.2%** (comparing Mar 2020 vs. Mar 2019).

Cumulated results during 2021 were measured in **1.4%**.

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.

Additional information and downloads

- 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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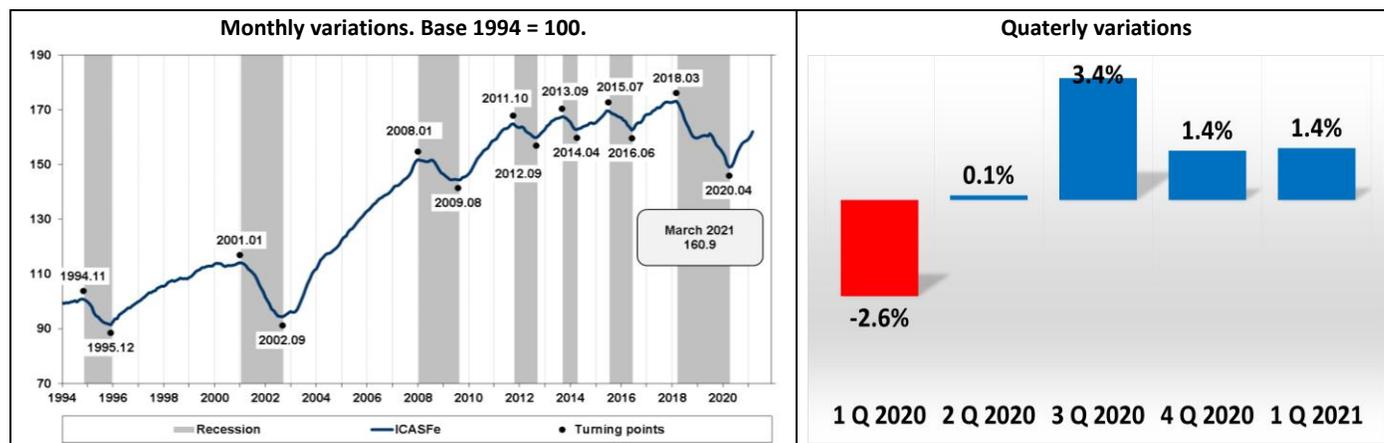


[Bolsa de Comercio de Santa Fe](http://www.bolsa.com.ar)

Province of Santa Fe's economic activity

In March, the coincident index presented a positive variation of 0.7% compared to February. Consequently, the accumulated increase for 2021's first quarter was estimated at 1.4%, a figure similar to that obtained in the previous quarter C

Graph 1: Composite Coincident Index for the Province of Santa Fe (ICASFe).

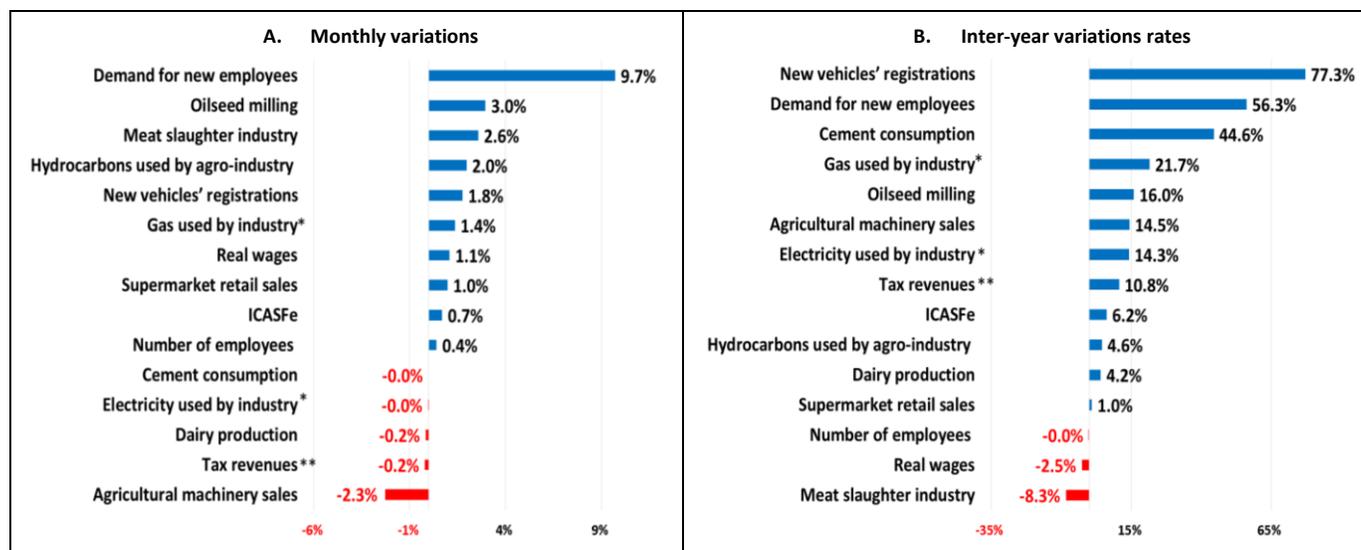


Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

In relation to the variables considered to measure Santa Fe's economic cycle, in March, nine series obtained positive monthly variations, two of them a null one, whereas the remaining three decreased. In addition, most interannual variations were rather positive, driven by March 2020's particular low level (see Graph 2).

Graph 2: Economic activity's indicators for the Province of Santa Fe. March 2021.



Last available data from: (*) February 2021, (**) January 2021. Unavailable data was estimated.

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

Oilseed milling continued recovering part of 2020's drop, within increases of 3.0 and 16.0%, monthly and year to year, respectively. **Meat slaughter industry** also improved in March, showing a monthly rate of 2.6%, although it continues in negative territory in the interannual comparison (-8.3%). Regarding to **dairy production**, obtained rates were -0.2 and 4.2%, respectively. In this context, **hydrocarbons used by agro-industry** registered rises of 2.0% monthly, and 4.6% inter-yearly.

Demand for new employees was on top of the ranking, within an expansion of 9.7% in terms of February and one of 56.3% considering the last twelve months. Nonetheless, it is worth noting once again, that this indicator is still at very low historical levels.

Moreover, **total employment** improved slightly in March (0.4%), showing a practically null annually variation. In addition, **real wages** also regained 1.1%, although the series is still below its inter-year benchmark (-2.5%). In this context, **supermarket retail sales** registered an improvement of 1.0%.

Similarly, **new vehicles' registrations** signaled an increase of 1.8% compared to February, and the series led the table of inter-year variations, within an expansion of 77.3%. For its part, **cement consumption** remained without a monthly variation, linked to an increase of 44.6% in terms of March 2020. **Agricultural machinery sales** experienced a monthly drop of 2.3% and an inter-year growth of 14.5%.

Electricity used by industry was another variable within null monthly variations, whereas its interannual recovery was measured in 14.3%; **gas consumption** presented positive rates of 1.4 and 21.7%, respectively.

Finally, **tax revenues** fell by 0.2% compared to February, although it maintained an improvement in terms of March 2020 (10.8%).

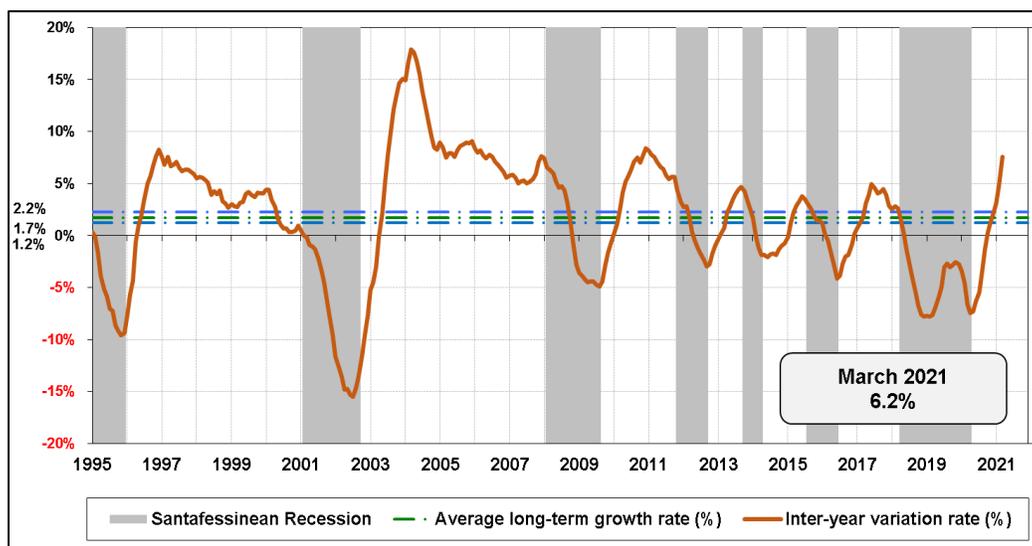
Summary and perspectives

During 2021's first quarter economic recovery accelerated, reaching an interannual figure of 6.2% (see Graph 3). Nevertheless, this improvement was mainly explained on the comparison benchmark and its proximity to April 2020's trough. It should also be noted that during March the Government allowed more commercial activities and citizens' circulation – this "opening" was discontinued in April and May -.

In terms of diffusion, most improvements were registered in indicators related to the manufacturing sector in general and from agrobusiness in particular; in addition, a better perspective was captured by labor demand. On the other hand, despite the acceleration of the inflationary index, a slight increase was simultaneously registered in the set of real wages and sales in supermarkets.

However, from a less conjunctural angle, present scenario continues to be worrying. Activity levels remain 11.3 points below 2018's records and Argentina is going through its tenth consecutive year of stagnation in a context of economic and sanitarian fragility. To this regard, creating a national economic plan is once again imperative, encouraging the development of sectors that can sustain activity's recovery and promoting private investment. At the same time, it is essential to structure a solid strategy to address the difficulties faced by urban agglomerates in terms of unemployment and social issues.

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



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