

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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CENTRO DE ESTUDIOS Y SERVICIOS

The province's economic recovery slows down

In July 2021, ICASFe experienced its fourth monthly contraction, reducing its year-on-year rates to 5.4%.

ICASFe

July 2021

Level:

161.7

Monthly variation:

-0.1%

Inter-year variation: 5.4%

2021 Accumulated: 1.4%

MAIN RESULTS

ICASFE's level was located in **161.7**, presenting a monthly variation of **-0.1%** in respect to June 2021.

Inter-year variation rates reached to **5.4%** (comparing July 2021 vs. July 2020).

The accumulated variation in 2021 is estimated at 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.

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>
- Methodological documents | Go to <http://ces.bcsf.com.ar>



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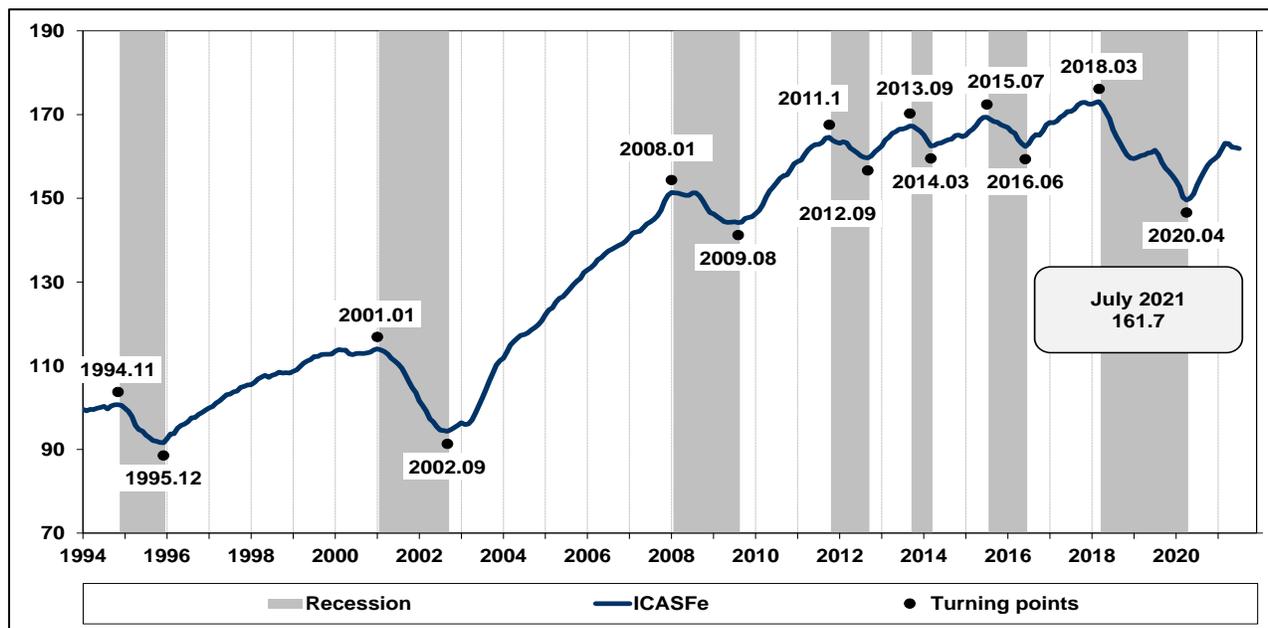
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Province of Santa Fe's economic activity

Santa Fe's economic activity registered a slight monthly decrease of **-0.1%** in respect to June. Within this result, between January and July 2021 was reduced to 1.4%.

Graph 1: Composite Coincident Index for the Province of Santa Fe (ICASFe). Base 1994 = 100. July 2021.

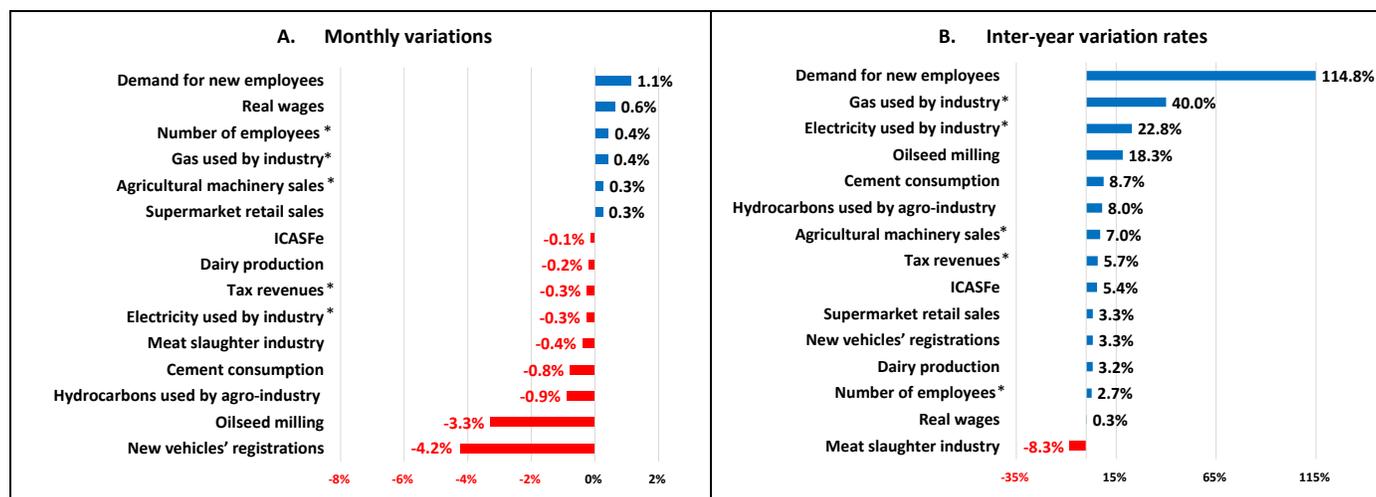


Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

In regard to the variables considered to define Santa Fe's economic cycle, six series registered positive monthly variations whereas the remaining eight, negative ones. Moreover, in the table of inter-year variations, positive results are still predominating, driven mostly by low benchmarks (see Graph 2, right side).

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



Last available data from: (*) June 2021. Unavailable data was estimated.

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

Number of employees improved 0.4%, sustaining the variable's inter-year recovery (+2.7%). Similarly, **demand for new employees** signaled a monthly rise of 1.1%, which implies an inter-year increase of 114.8%. **Real wages** also achieved a slight monthly growth of 0.6%, barely exceeding July 2020's level (0.3%). In the same direction, **supermarket retail sales** registered a positive monthly rate of 0.3%, maintaining a year-on-year growth of around 3.3%.

By contrast, **oilseed milling** went down again within a monthly rate of **-3.3%**. However, the indicator remained at suitable levels in its inter-year comparison (18.3% above July 2020's parameter). **Dairy production** registered a similar behavior, within rates of **-0.2** and 3.2%, respectively. **Meat slaughter industry** declined **0.4%** compared to June, and **8.3%** in inter-year terms, being the only series that experienced a negative year-on-year rate in July. To this regard, the bovine segment was the most affected; after an incipient recovery registered in the first months of the year, the indicator reversed its direction in May.

Hydrocarbons used by agro-industry experienced a monthly rate of **-0.9%**, reducing its inter-year growth to 8.0%. Furthermore, **electricity used by industry** obtained results of **-0.3** and 22.8%, monthly and interannual, respectively. For **gas consumption**, rates were 0.4 and 40.0%, respectively.

New vehicles' registrations was located at the bottom of monthly variations' table, within a rate of **-4.1%** in July 2021, strongly decelerating its inter-annual gauge (3.3%). **Cement consumption** showed a similar behavior, declining **-0.8%** in respect to June and maintaining a positive position in regard to July 2020 (+8.7%). **Agricultural machinery sales** got figures of 0.3% monthly and 7.0% inter-yearly.

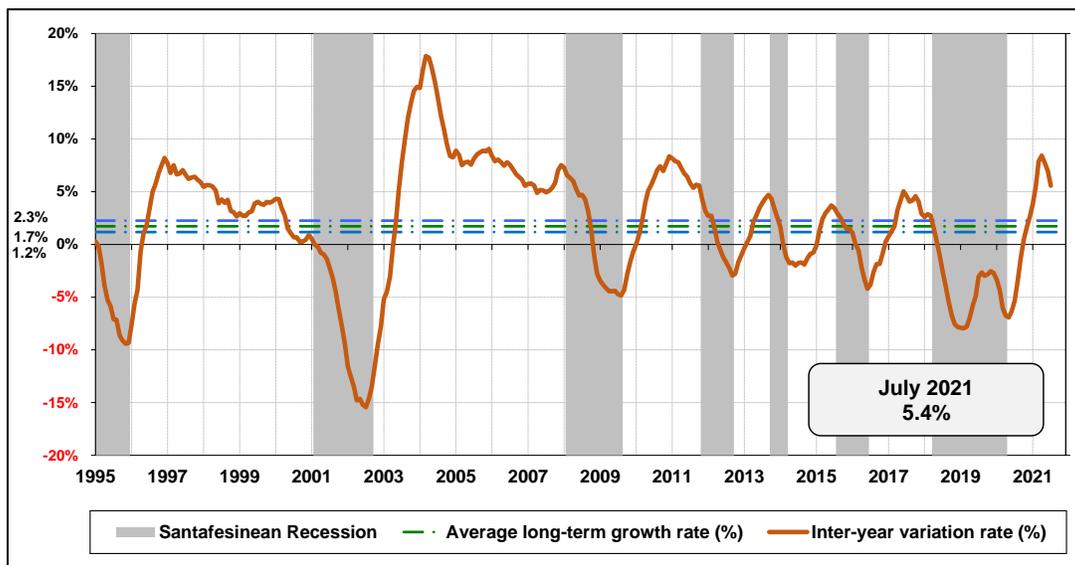
Finally, **tax revenues** fell by **0.3%** compared to June, whereas their inter-year growth rate was cut to 5.7%.

Summary and perspectives

ICASFe's interannual variations went from 8.5 to 5.4% between April and July 2021. This transition is explained by a good beginning in the first quarter of the year followed by four monthly consecutive periods of slight contractions (April-July). To this regard, compared to the floor that activity touched in April 2020, Santa Fe's economy achieved a significant recovery during the first 12 months, and then, certainly began to lose motion. As an explanatory factor, most affected indicators were those representing investment in durable goods (construction and automotive industry), to which some variables from the agro-industrial sector have recently been added.

Since August 2021, restrictions for circulation related to the pandemic context were reduced; nevertheless, an unfavorable macroeconomic context persists. In this sense, next measurements will be key to determine the unfolding of the current expansionary phase that, fifteen months after its beginning, is losing strength and seems to be moving away from the possibility of starting a more sustained growth path.

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



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