

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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CENTRO DE ESTUDIOS Y SERVICIOS

Third quarter with practically null growth

The end of last restrictions over certain sectors helped boosting a positive result in September (+0.2%). However, in general, economic activity's recovery process continues losing strength.

ICASFe

September 2021

Level:

157.9

Monthly variation:

0.2%

Inter-year variation: 4.0%

2021's accumulated: 1.9%

MAIN RESULTS

ICASFE's level was located in **157.9**, presenting a monthly variation of **0.2%** in respect to August 2021.

Inter-year variation rates reached to **4.0%** (comparing September 2021 vs. September 2020).

Cumulated results during 2021 were measured in **1.9%**.

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>



BCSF

President

Eno. Martin Vigo

Research and Services Center

Executive Director: **Eno. Martin Vigo**

Director: **Lic. María Lucrecia D'Jorge**

Coordinator: **Mg. Pedro P. Cohan**

Researchers: **Lic. Lautaro Zanini, María Florencia Camusso, Lic. Ramiro Jorge, Franco Riottini, Camila Tonetti, Abog. Eugenia Veglia**

E-mail and contact information

ces@bolcomsf.com.ar

Websites

<http://ces.bcsf.com.ar> or

<http://www.bcsf.com.ar>

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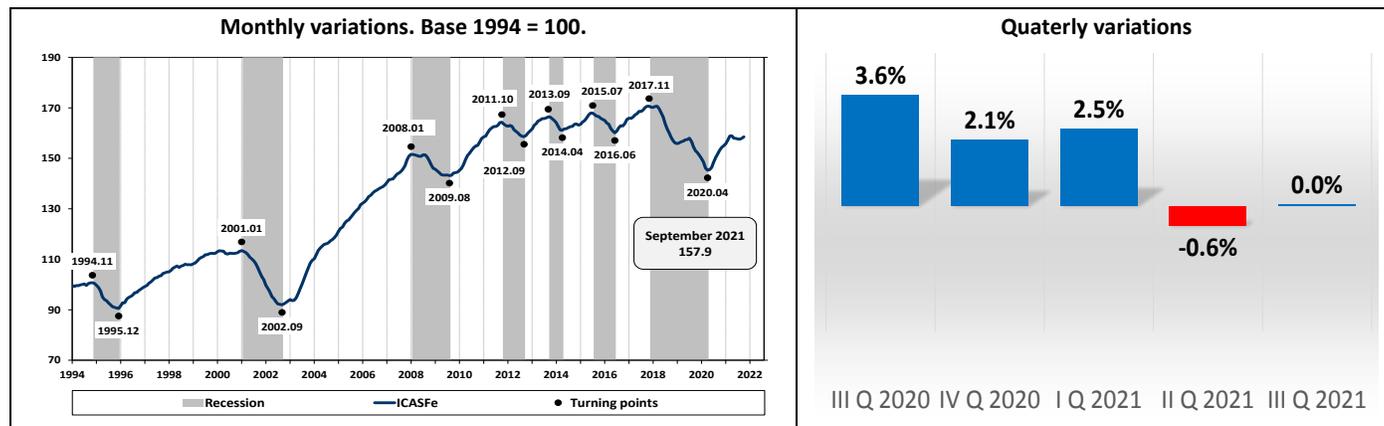


[Bolsa de Comercio de Santa Fe](http://www.bolsa.com.ar)

Province of Santa Fe's economic activity

During September 2021, Santa Fe's economic activity registered a positive monthly rate of 0.2%, offsetting both preceding previous drops, but showing a practically null balance for the third quarter of the year (see Graph 1, second quadrant).

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

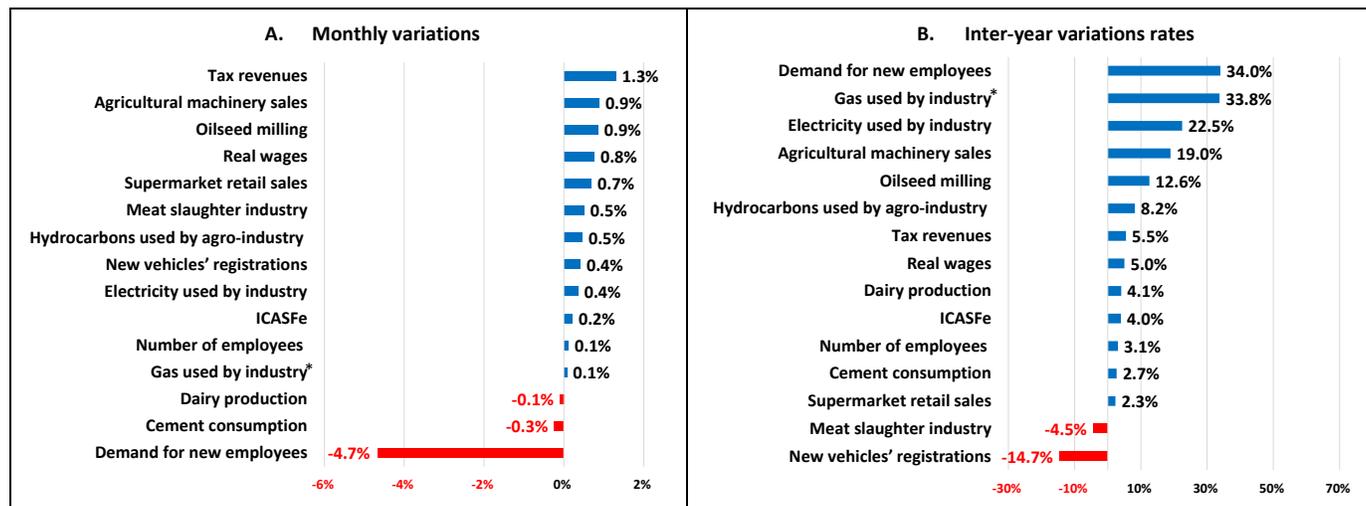


Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

Unlike lately outcomes, in September 2021 positive rates prevailed in most considered series. In fact, these results were observed over both tables for monthly and inter-annual variations (see Graph 2).

Graph 2: Economic activity's indicators for the province of Santa Fe. September 2021.



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

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

Tax revenues rebounded, registering a monthly increase of 1.3% and an inter-year one of 5.5%. These figures were mainly supported by Gross Income Tax, which grew over its level prior to 2018-2020's recession.

In addition, released data signals that **agricultural machinery sales** registered an increase of 0.9% in respect to August, accumulating a total expansion of 19.0% during the last twelve months; which implies the series' present level is 29.0% above its historical peak registered in 2017.

Oilseed milling showed improvements of 0.9 and 12.6% monthly and interannual, respectively. As for **dairy production**, a monthly decrease of 0.1% was observed, although it continued in positive territory on its interannual analysis (+4.1%). By the contrary, **meat slaughter industry** showed a slight monthly increase of 0.5%, but stayed behind its interannual benchmark (-4.5%).

Hydrocarbons used by agroindustry registered variations of 0.5% per month, and 8.2% year-on-year. **Electricity used by industry** also experienced improvements: 0.4% compared to August, and 22.5% in annual bases. Within a similar behavior, **gas used by industry** registered rates of 0.1 and 33.8%, respectively.

Number of employees presented a monthly increase of 0.1%, keeping up within its year-on-year recovery (+ 3.1%). Notably, although languid, the recovery is being led by formal private sector. **Demand for new employees**, measured by the business expectations index, fell again in relation to August (-4.7%), although it is still remained in positive territory in the year-on-year comparison (34.0%). **Real wages** (regarding to registered employees) also indicates both monthly and interannual improvements: 0.8 and 5.0%, respectively. On the other hand, **supermarket retail sales**, although depressed, registered rates of 0.7 and 2.3%, respectively.

In addition, **new vehicles' registrations** achieved a slight improvement between August and September 2021 (+0.4%), but it continues at the bottom of the inter-year variations' table (-14.7%). On the opposite direction, **cement consumption** decreased by 0.3% monthly, but remained above its interannual parameter (+2.7%).

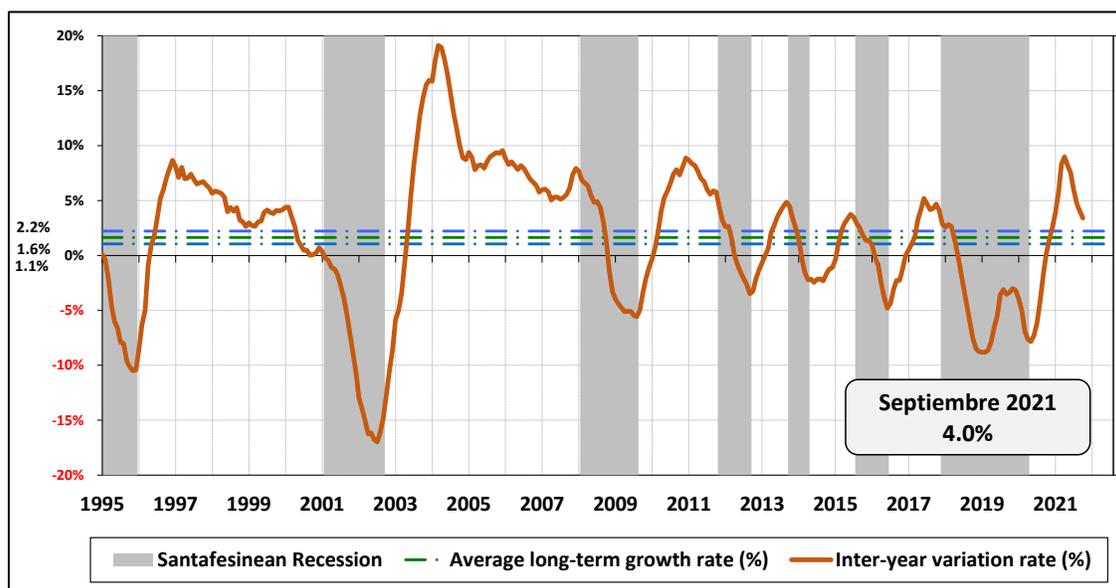
Summary and perspectives

The coincident index' inter-year variations stood at 4.0% in September 2021, which implies a new slowdown in economic activity's recovery process.

In the ninth month of the year, a favorable result was achieved thanks to the suspension of the strictest restrictions that were still affecting an important group of economic sectors, mainly linked to gastronomy and services. On the other hand, in an economy particularly linked to agro-industrial production, it is worth noting a proper performance of these sectors, which explains September's general result and also the recovery of registered private employment (although slight). This scenario, shows an economy that has the capacity to react, but which is also affected by unfavorable conditions of national macroeconomy and by the uncertainty caused by the lack of long-term policies.

In this context, 2021 is expected to end within a mild recovery, hard to extend for 2022 considering its pour foundations.

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



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