

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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CENTRO DE ESTUDIOS Y SERVICIOS

Stagnant economic recovery

Between January and October 2021, Santa Fe's economic activity accumulated an increase of 3.1%. This implies a net recovery of only 9.0% in terms of 2020's valley, leaving an important gap ahead in order to regain last peak's level, reached in November 2017.

ICASFe

October 2021

Level:

156.5

Monthly variation:

0.1%

Inter-year variation: **3.5%**

2021's partial result: **3.1%**

MAIN RESULTS

ICASFE's level was located in **156.5**, presenting a monthly variation of **0.1%** in respect to September 2021.

Inter-year variation rates reached to **3.5%** (comparing October 2021 vs. October 2020).

Cumulated results during 2021's were measured in **3.1%**.

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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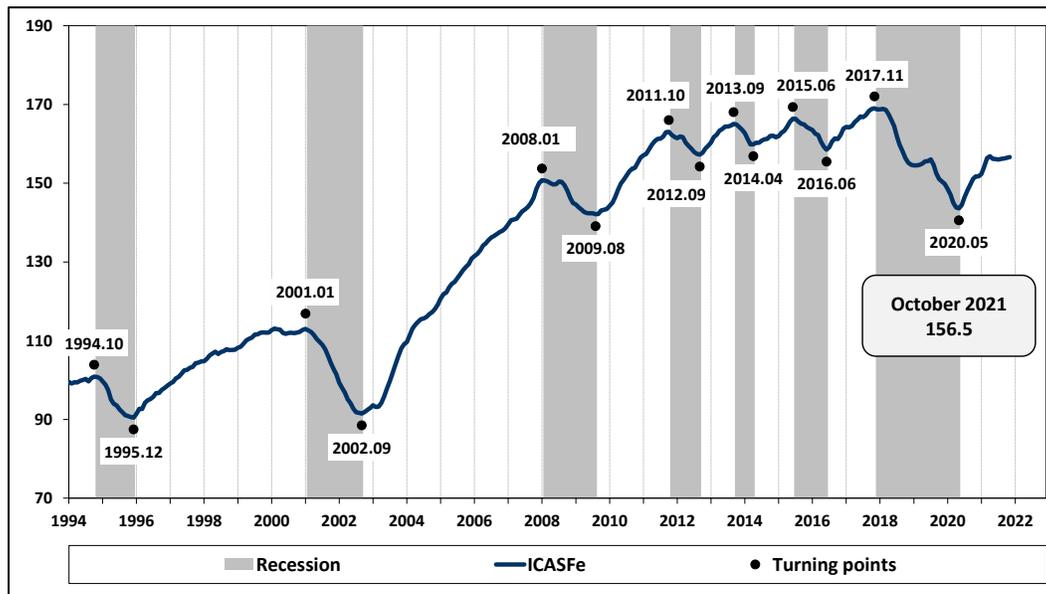
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Province of Santa Fe's economic activity

In October 2021 Santa Fe's economic activity registered a slightly positive monthly rate of 0.1% compared to September. Within this result, accumulated recovery achieved during 2021's first ten months is calculated around 3.1% (see Graph 1).

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

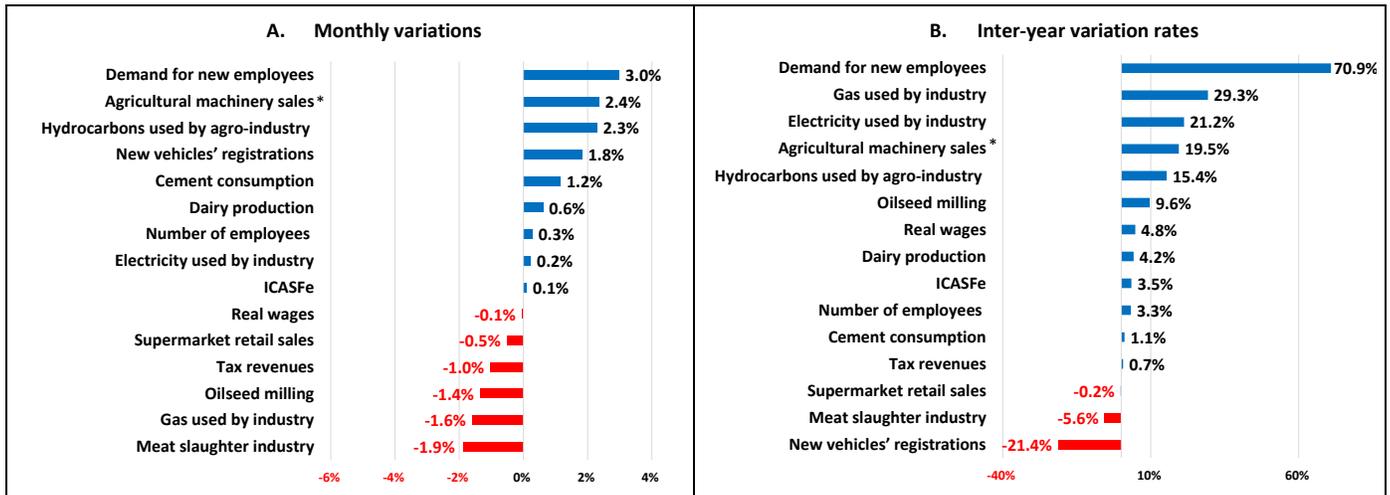


Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

Eight series presented positive monthly variations in October, whereas the remaining six went on the opposite direction. In regard to interannual movements, it is worth noting that favorable results predominated as well (see Graph 2).

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



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

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

Cement consumption registered a monthly recovery of 1.2%, cumulating a total 1.1% in terms of October 2020. **New vehicles' registrations** improved again (+1.8%), but continues at the bottom of inter-year variations' table (-21.4%).

Tax revenues decreased during October (-1.0% per month), mainly due to federal resources' real contraction. In relation to October 2020, the series signals a slight increase of 0.7%.

Oilseed milling presented a monthly decrease of **1.4%**, improving 9.6% in terms of its inter-year benchmark. For **dairy production** rates were 0.6 and 4.2%, respectively. **Meat slaughter industry** registered falls in both comparisons: **-1.9%** monthly and **-5.6%** annually. Moreover, **agricultural machinery sales** obtained rates of 2.4 and 19.5%, respectively.

Hydrocarbons used by agro-industry registered variations of 2.3% in respect to September, and 15.4% in regard to October 2020. **Electricity used by industry** also experienced improvements: 0.2 monthly, and 21.2% in its annual comparison. For its part, **gas used by industry** registered rates of **-1.6** and 29.3%, respectively.

Demand for new employees, measured by the business expectations index, registered a monthly rate of 3.0%, and an inter-year one of 70.9%. **Number of employees** also gained 0.3%, keeping up within the recovery on inter-year terms (+ 3.3%). **Real wages** contracted **0.1%** in relation to September, whereas it remained in positive territory in the inter-year comparison (4.8%). On the other hand, **supermarket retail sales** fell by **0.5%** and **0.2%**, respectively.

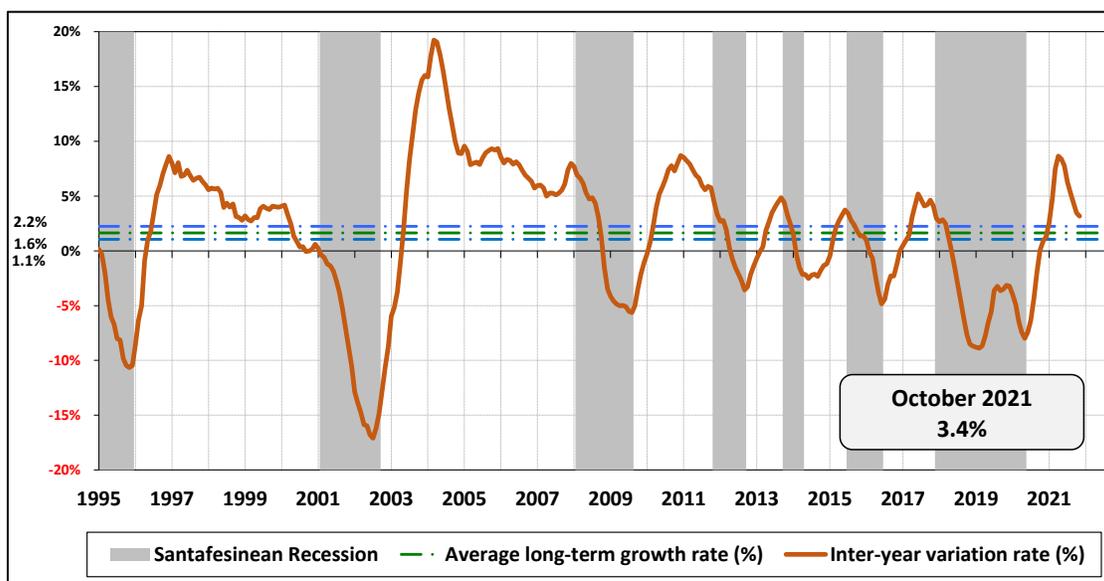
Summary and perspectives

Coincident index's interannual variations reached 3.5% in October 2021, reinforcing the economy's slowdown during present recovery process.

In regard to series' diffusion performance, a certain intermittence between positive and negative results are being observed. In fact, only particular sectors registered favorable rates continuously during the year. This domestic output was configuring a global result lower than expected in spite international prices for Argentinean exports had a strong boost during 2021. Considering the maximum reached by local economic activity in November 2017, its current level is still 12.6 percentage points below.

Looking up for 2022, a low investment rate and Argentina's inflationary process are still the most sensitive macro-variables in order to keep the recovery; actually, both issues are closely related, signaling the necessity of generating a proper scenario for private sector's development, linked to a sustainable macroeconomic strategy.

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



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