

# THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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BCSF

## ICASFe

Base 1994=100

SEPTEMBER 2023

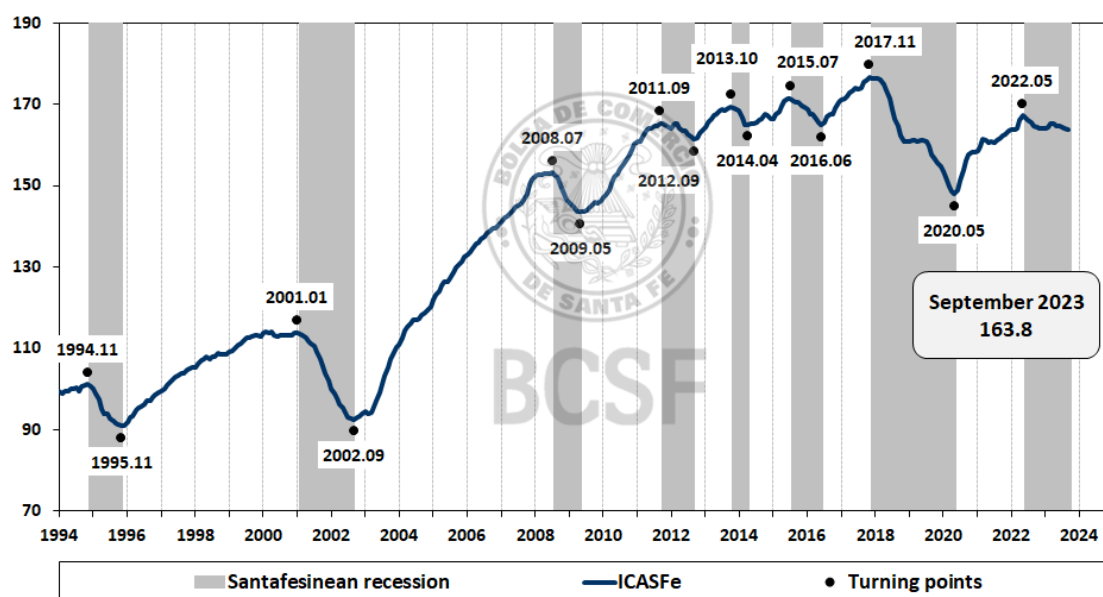
Level: 163.8

Monthly variation: -0.1%  
Inter-year variation: -0.5%  
Accumulated during 2023: -0.1%

## Negative result for the 3<sup>rd</sup> quarter

In September 2023, Santa Fe's economic activity signaled a monthly decline of **-0.1%**, accumulating a net contraction of **-0.4%** during the 3<sup>rd</sup> quarter. To this regard, a moderate recession persists, reaching a partial balance of **-0.1%** for 2023's nine consolidated months.

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



Source: Research and Services Center, Santa Fe's Chamber of Commerce (Digital Graph | [Go to website](#)).

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### 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 *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>

All series are filtered by seasonality and extreme values, using the X-13 ARIMA-SEATS program of the United States Census Bureau. In addition, information is always presented free of inflationary effects. The last twelve-monthly results exposed in this document are based on preliminary information and hence subject to further revisions.

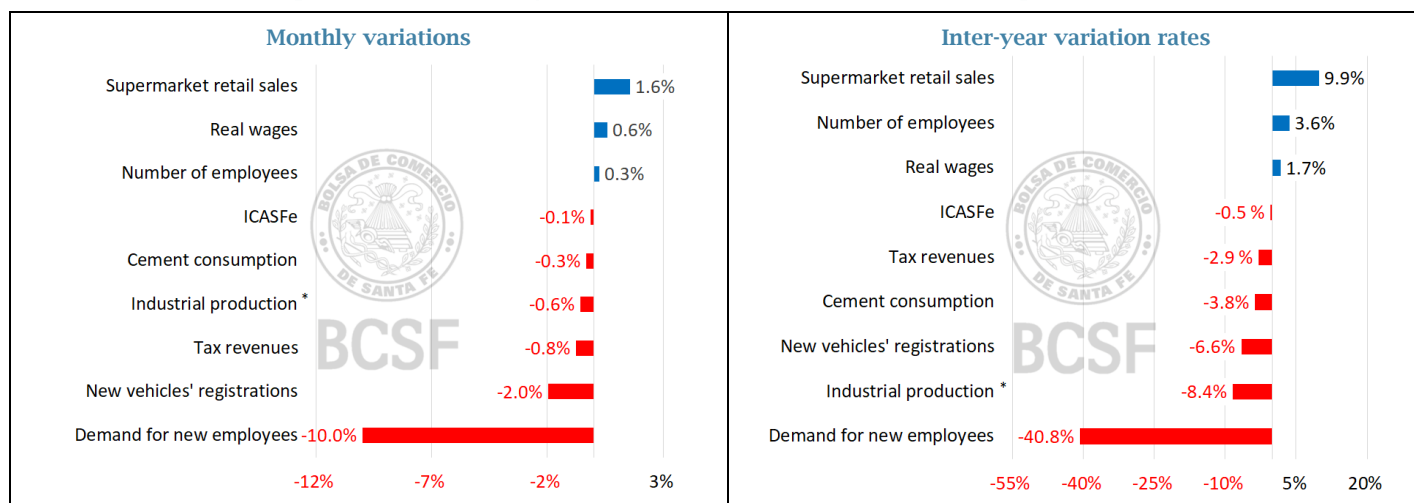
As of publication No 3, Year 17, improvements in data's structure were incorporated in order to gain precision over the industrial production component (see academic document at [https://www.bcsf.com.ar/ces/pdf/2022\\_Cohan-Zanini.pdf](https://www.bcsf.com.ar/ces/pdf/2022_Cohan-Zanini.pdf))

## Santa Fe's business cycle indicators

*In September 2023, only three of the eight sub-indicators showed positive monthly and year-on-year variations.*

Consistently within a recessive and an inflationary process, where few options appear to preserve the value of money, **supermarket retail sales** in the province of Santa Fe (large commercial areas) improved in September 2023. Moreover, the series ranked at the top of both tables, registering a monthly variation of 1.6% and an interannual one of 9.9%. In respect to August, the other two indicators that operated in positive territory, although milder, were **real wages** (+0.6%) and **number of registered jobs** (+0.3%). In addition, their year-on-year variations were 1.7 and 3.6%, respectively.

**Graph 2: Economic activity's indicators for the Province of Santa Fe. September 2023.**



(\*) Latest data available: June 2023. Missing figures were estimated.

See each series' individually evolution at <https://www.bcsf.com.ar/ces/base-datos/>

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

By the contrary, business expectations to increase personnel (**demand for new employees**) went down again, recording a monthly variation of **-10.0%** in September 2023 and accumulating a drop of **-40.8%** over the last twelve months. This clear contrast highlights the positive effect from short-term programs over consumption, although, at the same time, they represent further pressure to a fragile underlying economic structure, pushing-up an increasing fiscal deficit.

On the other hand, durable goods' consumption indicators kept falling. **Cement consumption** in the province, an indicator associated with the construction sector, experienced a monthly decline of **-0.3%**, whereas its year-on-year comparison shows a variation of **-3.8%**. As for **new vehicles' registrations**, the series decreased by **-2.0%** in September, accumulating a total fall of **-6.6%** compared to its year-on-year benchmark.

**Industrial production** also obtained negative results: a monthly decrease of **-0.6%**, and an inter-year drop of **-8.4%**. The following section details particular aspects that allow a full-scale analysis of the manufacturing sector development.

Finally, the representative series of **local tax revenues (in real terms)** accumulated a decline of **-2.9%** over the last twelve months, whereas its variation compared to August was **-0.8%**. To this regard, decreases are observed in both local stamp tax collection and federal resources (**-5.9** and **-1.3**). Although Gross Income's revenues shows a slight upward performance since March 2023, it fails to compensate aggregate's contraction.

## Industrial sector's complementary indicators

**Industrial energy consumption** in Santa Fe (which does not include cooperatives) showed a positive monthly variation in September, around 2.8%; after three consecutive months of contraction. However, under a medium-term perspective, the series continues within an unfavorable behavior since August 2021, showing a negative year-on-year variation of **-11.7%**. **Consumption of liquid hydrocarbons** in agribusiness and transportation of the province (excluding gasoline and fuel oil) fell in monthly terms, after obtaining six positive seasonally adjusted rates (**-0.1%** compared to August 2023). Furthermore, in year-on-year terms, it remained in positive territory (+3.9%).

**Soybean and sunflower seeds milling** in Santa Fe maintained an uninterrupted decline through September 2023. Its seasonally adjusted monthly variation was located around **-0.8%** and, in the same direction, its year-on-year gauge recorded the 21st

consecutive negative variation, standing at **-31.6%** in this report. Looking towards the end of the year, this representative series does not present signs of recovery, forecasting even lower levels than those from 2008-2009's drought.

In regard to **dairy production**, the series remained on a downward trend which began in November 2021. In August and September, monthly variations stood at **-0.8%**, whereas the year-on-year rate for September was **-3.5%**.

Complementary, some series already have updated information for October 2023. **Industrial energy consumption** in the province obtained negative monthly variations in September and October (**-2.5** and **-1.4%**, respectively). Moreover, its year-on-year comparison deeply emphasized an unfavorable behavior since January 2023. Specifically, September and October exposed annual rates of **-9.1** and **-10.7%**.

As for representative series of **cattle slaughtering** in the province, a decline that was already evident got even tougher, within six consecutive months of negative monthly rates. In October, the sub-indicator decreased by **-1.2%** compared to September and **-9.4%** compared to October 2022 (the largest drop in the last four months). On the other hand, as regards to **pigs**, a significant growth has been observed during the last five months.

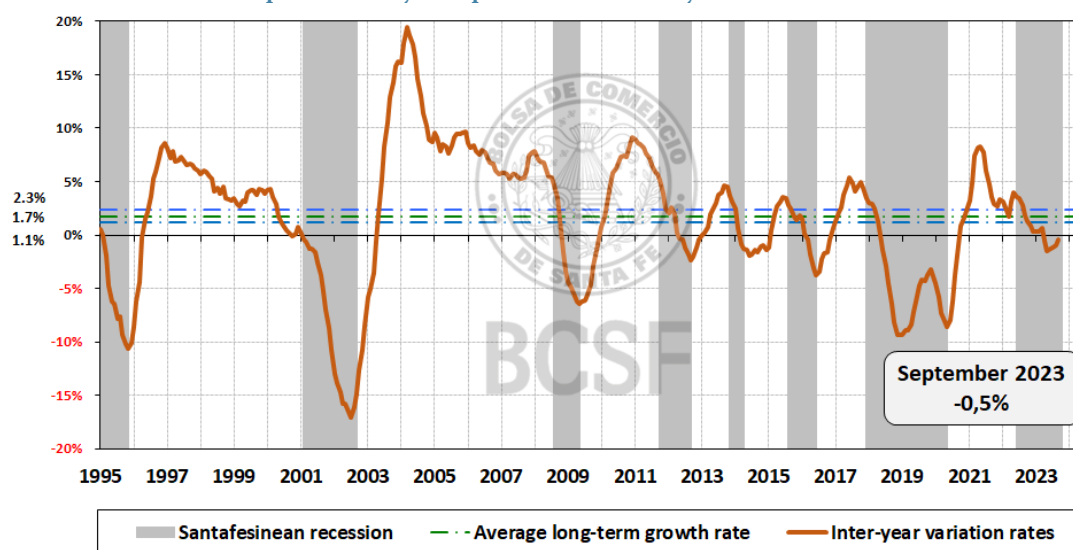
## Summary and perspectives

**Local economic activity's** interannual variation rates, measured by the coincident index, remained in negative territory, standing at **-0.5%** in September 2023 (see Graph 3).

These results internalize sixteen consecutive months of stagnation for the province during the current economic cycle's contraction phase, which began in June 2022. In fact, recession's effects already harmed almost all sectors of economic activity. However, in macroeconomic terms, present economic contraction is rather moderate when compared to the magnitude of previous seven recessions (dated in Santa Fe since 1994). In this sense, whereas the average annualized rate of decline recorded for all recessions is **-6.1%**, between May 2022 and September 2023, the annualized variation was only **-1.5%**. But this happens on the context of an economic stagnation that has persisted for over fifteen years.

Finally, short-term programs aimed to capture voters for presidential elections, which lasted until the end of November, far from improving projections for productive sectors, are likely to generate a deeper contraction during the fourth quarter of the year.

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



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

## Santa Fe's Chamber of Commerce

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