

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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CENTRO DE ESTUDIOS Y SERVICIOS

Contraction moderates in first quarter

The economic slowdown lessened, as ICASFe decreased **0.3%** in first quarter of 2019.

ICASFe

March 2019

Level:

155.5

Monthly variation:

-0.2%

Inter-year variation: **-7.0%**

2019's partial result: **-0.3%**

MAIN RESULTS

ICASFe's level was located in **155.5**, presenting a monthly variation of **-0.2%** respect to February 2019.

Inter-year variation rates descended to **-7.0%** (comparing March 2019 vs. March 2018).

Cumulated results during 2019's were measured in **-0.3%**.

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>



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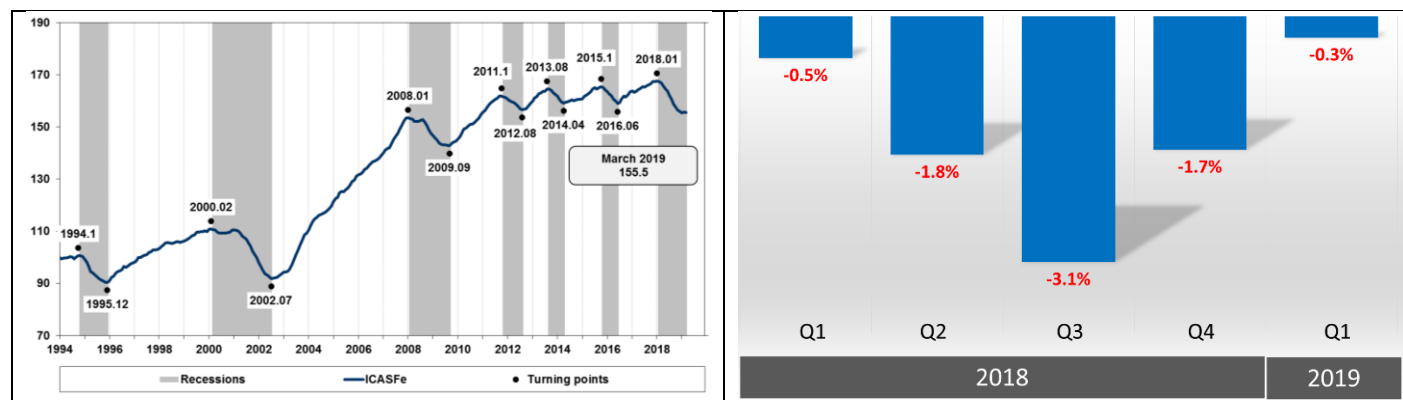
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Province of Santa Fe's economic activity

In March 2019 Santa Fe's economic activity fell **0.2%** in respect to February. As a result, the economy contracted **0.3%** in the first quarter of the year.

Graph 1: Composite Coincident Index for the Province of Santa Fe (ICASFe). Base 1994 = 100. March 2019.



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

Indicator by indicator

Last measurement shows that five out of fourteen indicators considered by ICASFe reported positive variations in first quarter of 2019, but they could not recover yet from the drop registered in 2018 (see Graph 2). The rest of series kept contracting.

Graph 2: Santa Fe's economic activity series. Percent change over each period.

	2018	2019 Q1
Agricultural machinery sales	-18.1%	10.9%
Cement consumption	-25.9%	8.2%
Hydrocarbons used by agro-industry	-9.0%	3.6%
Electricity used by industry (*)	-7.9%	0.7%
Tax revenues	-7.0%	0.0%
Supermarket retail sales (*)	-3.2%	-0.1%
ICASFe	-6.9%	-0.3%
Number of employees	-1.1%	-0.3%
Dairy production	-2.3%	-0.3%
Demand for new employees	-21.0%	-0.6%
Gas used by industry	-1.9%	-1.1%
Oilseed milling	-0.1%	-2.6%
Real wages	-11.1%	-2.9%
Meat slaughter industry	5.2%	-4.0%
New vehicles' registrations	-51.6%	-10.9%

Last available data from: (*) February 2018. Unavailable data was estimated.

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

Agricultural machinery sales improved in first quarter, increasing 10.9%, but stayed behind the level registered before the start of recession. Indicators related to agroindustry presented negative variations. **Oilseed milling** dropped **2.6%** in Q1, after rising 0.9% in March. Similarly, **dairy production** rose 3.4% in March, but remained in negative territory in Q1 (**-0.3%**). **Meat slaughter industry** decreased **1.9%** in March, and **4.0%** over the last three months. However, in the midst of sector's contractions, **hydrocarbons used by agroindustry** improved 3.6%

Electricity used by industry gained 0.7%, whereas gas consumption shrank **1.1%**. The rally in **cement consumption** in Q1 (8.2%) constitute less than one third of the fall recorded in 2018 (**25.9%**). The other indicator related to consumption of durable goods, **new vehicles' registrations**, dwindled 10.9%, strengthening the negative trend seen since the beginning of recession.

Real wages fell sharply in March (2.6%), and 2.9% in first quarter. Nevertheless, supermarket retail sales remained unchanged, decreasing 0.1% over the last three months.

Labor market continued to show signs of weakness. **Number of employees** went down 0.3% in first quarter, as **demand for new employees** dropped 0.6%. It is noteworthy to mention that this indicator contracted 1.1% in March.

Finally, **tax revenues** fell 0.2% in the last month, and was unchanged in first quarter.

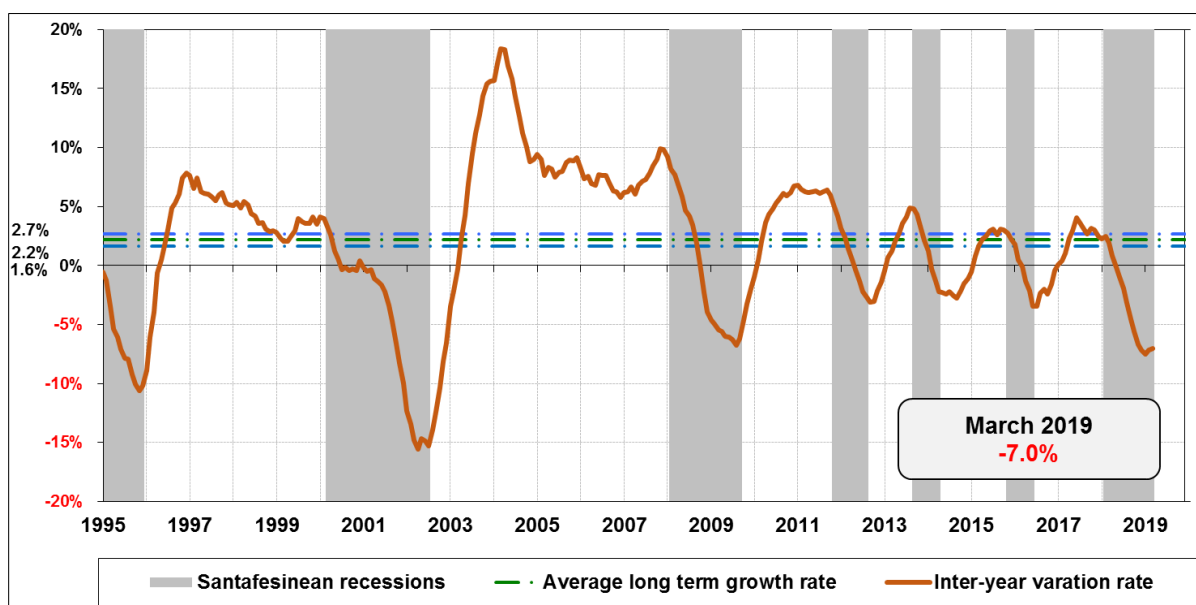
Summary and perspectives

In first quarter, ICASFe fell 7.0% on a year over year basis. March's results revealed a modest economic improvement.

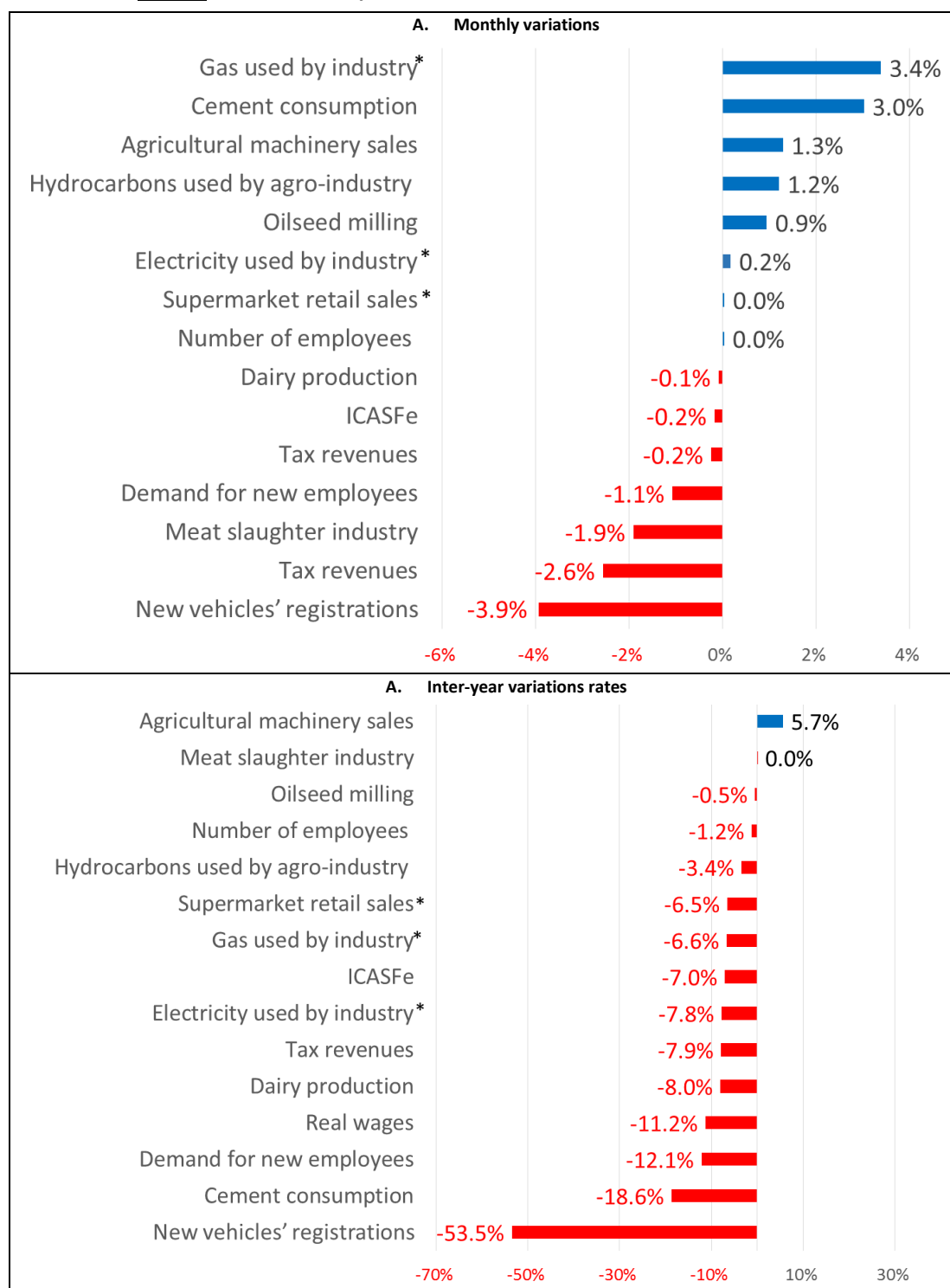
Economic activity showed a better performance during first quarter, but remains to be seen if this is a turning point indicating the economy has bottomed out. In the first place, there are sectors that are still on a downtrend since the beginning of recession. In the second place, the the growing sectors have not recovered from the slump in 2018.

Therefore, second quarter performance will give crucial signs of the future of province's economy.

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



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

Graph 4: Economic activity's indicators for the Province of Santa Fe. March 2019.

Last available data from: () February 2018. Unavailable data was estimated.*

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