Santa Fe's economy fails to get out of recession

The contractive phase continues for the second year in a row despite a slight improvement between May and June 2019.

ICASFe
October 2019

Level:
159.4

Monthly variation:
-0.03%

Inter-year variation: -0.6%
2019's partial result: 0.4%

MAIN RESULTS

ICASFE's level was located in **159.4**, *presenting a monthly variation of* **-0.03%** *in respect to September 2019.*

Inter-year variation rates descended to **-0.6%** *(comparing October 2019 vs. October 2018).*

Cumulated results during 2019 were measured in **0.4%**.

BCSF
135 AÑOS

President
Mr. Ulises Mendoza

Research and Services Center

Executive Director
Dr. Gustavo Vittori

Director
Lic. María Lucrecia D´Jorge

Coordinator
Mg. Pedro P. Cohan

Researchers
Lic. Lautaro Zanini

María Florencia Camusso

Ramiro Jorge

Franco Riottini

Camila Tonetti

Eugenia Veglia

E-mail and contact information
ces@bolcomsf.com.ar
Websites
http://ces.bcsf.com.ar or
http://www.bcsf.com.ar

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

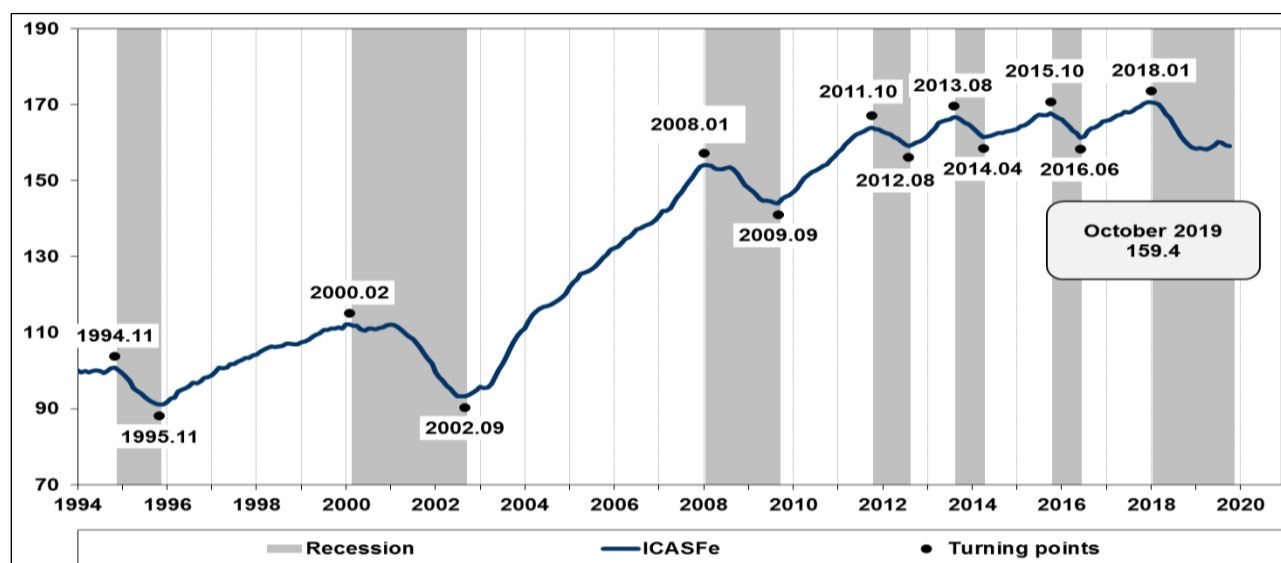• An on-line graphical tool to access historical data | Go to http://www.bolcomsf.com.ar/ces/icasfe.php

Province of Santa Fe's economic activity

The coincident index registered a monthly contraction of -0.03% in October, extending the recessionary phase that began in January 2018.

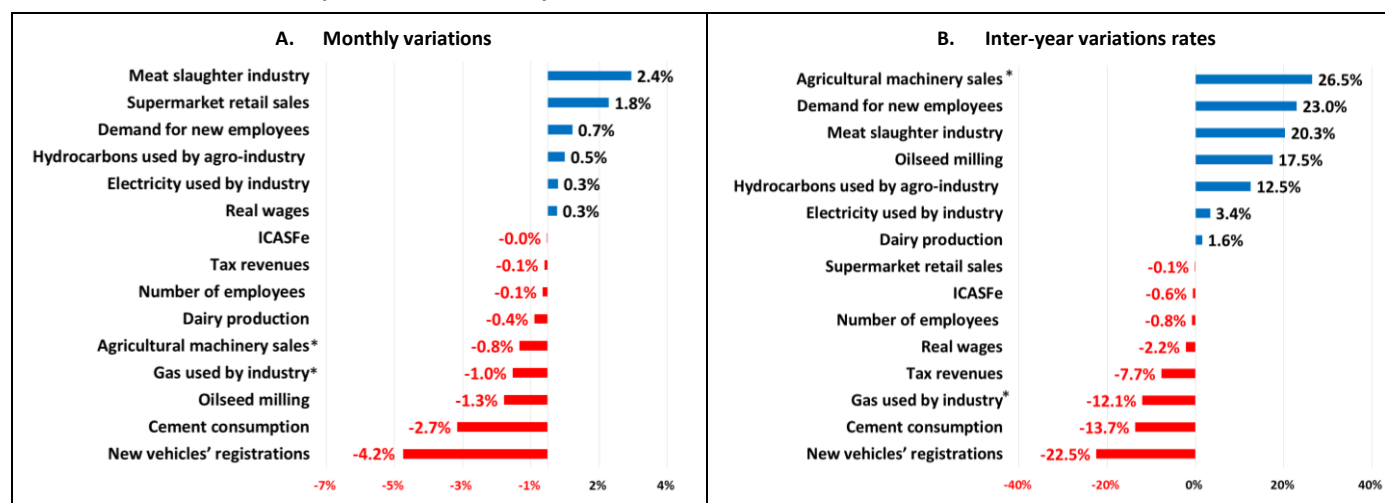**Graph 1: Composite Coincident Index for the Province of Santa Fe (ICASFe). Base 1994 = 100. October 2019.**

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

Indicator by indicator

Present report's measurements indicate that six of the fourteen representative series obtained positive monthly variations. Moreover, there were other seven that also improved on interannual terms.

Meat slaughter industry presented rates of 2.4 and 20.3% in terms of October 2018. **Oilseed milling** fell back again in October (-1.3%) although it is 17.5% above its inter-year benchmark. For **Dairy production** the variations were -0.4 and 1.6%, respectively. **Agricultural machinery sales** registered a monthly contraction of 0.8% but continues to lead the table of interannual comparisons with a recovery of 26.5%.

Graph 2: Economic activity's indicators for the Province of Santa Fe. October 2019.

Last available data from: (*) September 2019. Unavailable data was estimated.
Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Hydrocarbons used by agro-industry increased 0.5% in respect to September and 12.5% during the last twelve months. Similar behavior showed **electricity used by industry** with rates of 0.3 and 3.4%, respectively. Regarding to **gas used by industry**, the series experienced decreases of -1.0 monthly and -12.1% inter-year.

Cement consumption fell 2.7%, emphasizing its inter-year declined (-13.7% in relation to October 2018). In regard to **new vehicles' registrations**, the sub-indicator dropped other 4.2%, reaching an inter-year variation rate of -22.5%.

In relation to the labor market, **number of employees** showed a monthly decrease of -0.1% and an interannual one of -0.8%. As for **demand for new employees**, the figures were 0.7 and 23.0%, respectively. **Real wages** showed an increase of 0.3% in October as a result of a lower rate in inflation in that month, whereas the loss of interannual purchasing power was around -2.2%.

Regarding to **supermarket retail sales**, the indicator recovered 1.8% compared to September, reducing its interyear fall to -0.1%.

Finally, **tax revenues** decreased by -0.1% monthly and -7.7% interyearly, mainly pushed down by less federal resources.
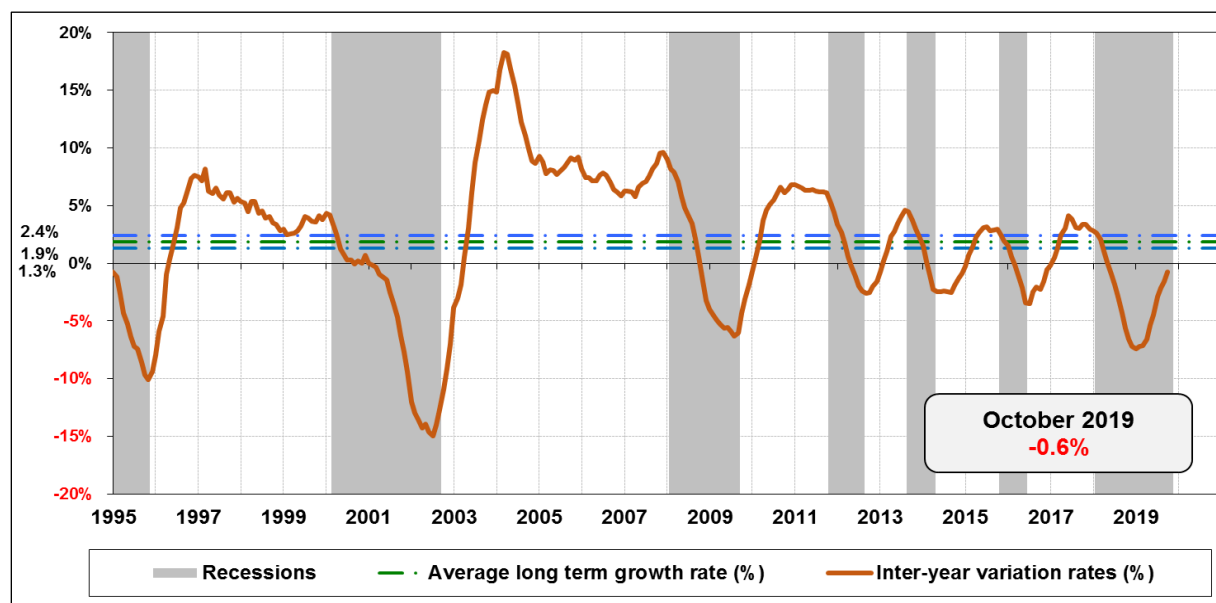
Summary and perspectives

In October 2019, ICASFe's interannual variation rates reached -0.6%, remaining in negative territory at the tenth month of the year.

Moreover, available data at the beginning of the fourth quarter indicates the continuity of the recession. This phase, which began in January 2018, already lasted 21 months and implied a 7.1% net decrease over economic activity. To this regard, national macroeconomic conditions did not allow the short recovery recorded during 2019's second quarter to be consolidated.

A persistent fall in private sector's jobs, retail consumption and investment in durable goods are the most representative features of the current recession; therefore, policies related to these matters will be priority on new authorities' agenda.

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

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