

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

Monthly publication Nº 5/ Year 14

ISSN 2362-48784

Date: 06/10/2020



CENTRO DE ESTUDIOS Y SERVICIOS

The province's economic activity dropped 3.4% during the first quarter

Between January and March 2020, the recession registered since the beginning of 2018 intensified.

ICASFe

March 2020

Level:

150.2

Monthly variation:

-1.7%

Inter-year variation: -5.4%

2019's accumulated: -3.4%

MAIN RESULTS

ICASFE's level was located in **150.2**, presenting a monthly variation of **-1.7%** respect to February 2020.

Inter-year variation rates reached to **-5.4%** (comparing March 2020 vs. March 2019).

Cumulated results during 2020's were measured in **-3.4%**.

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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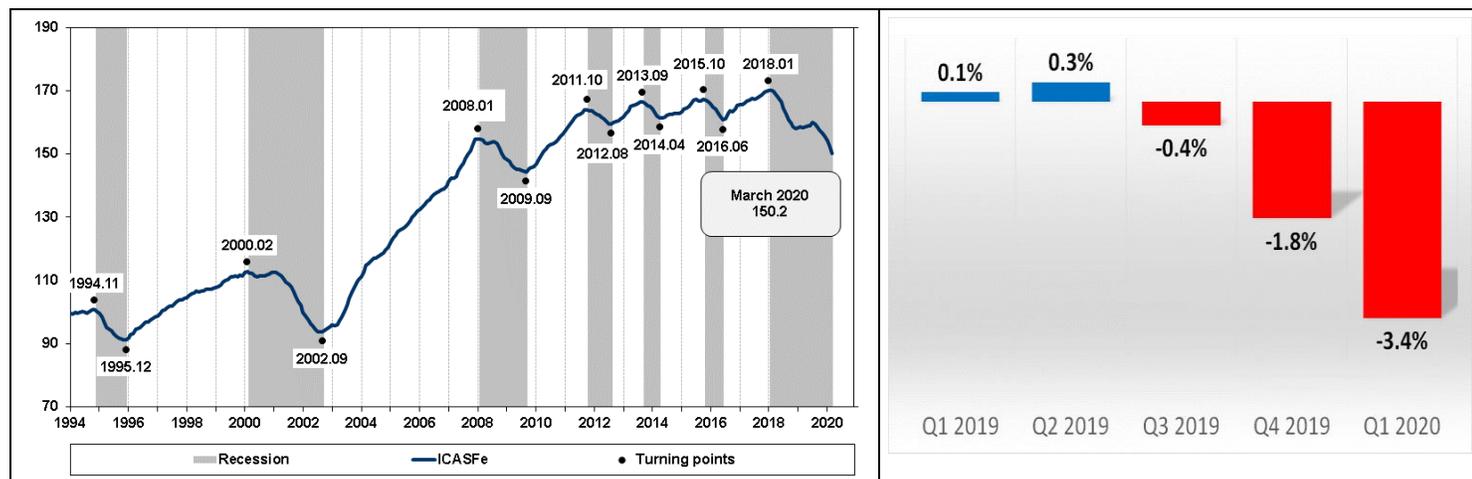
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Province of Santa Fe's economic activity

In March 2020, economic activity in the province of Santa Fe declined **1.7%**, reaching 26 consecutive months of recession. The accumulated variation for the first quarter of the year was measured in **-3.4%**.

Graph 1: Composite Coincident Index for the Province of Santa Fe (ICASFé). Base 1994 = 100. March 2020.

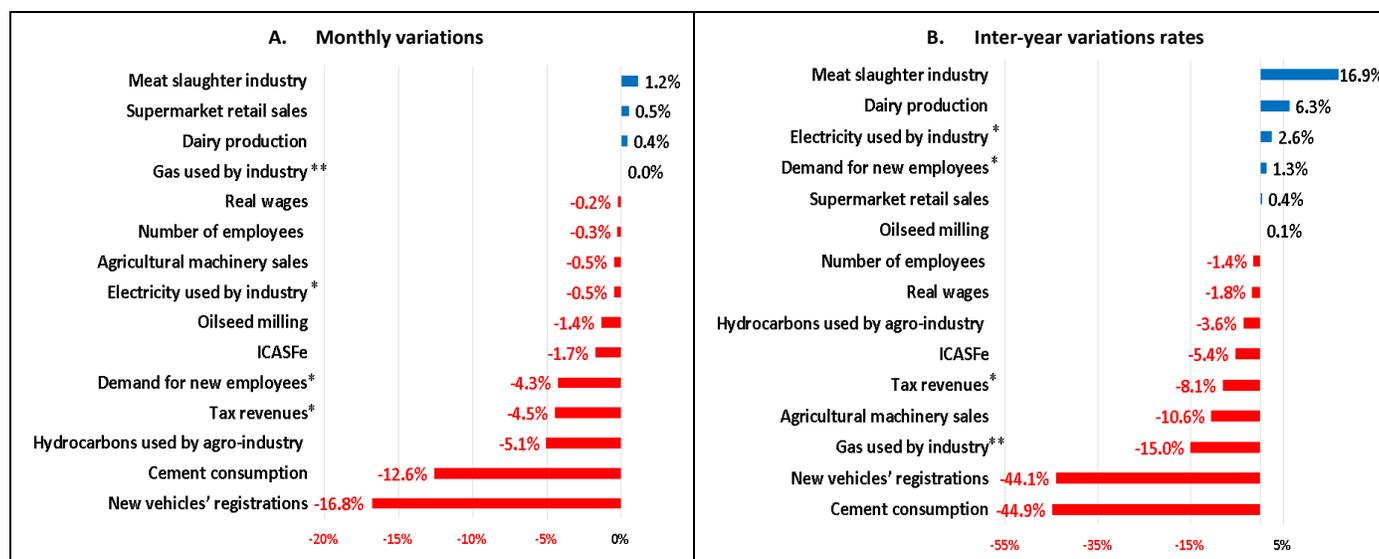


Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

Only three of the fourteen economic sub-indicators presented slightly positive monthly variation rates in March. One remained constant and the other ten were located in negative terrain. In the year-over-year comparison, six indicators still show relative improvements.

Graph 2: Economic activity's indicators for the Province of Santa Fe. March 2020.



Last available data from: (*) February 2020, (**) January 2020. Unavailable data was estimated.

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

Meat slaughter industry leads the ranking of variations, both monthly and inter-year, with rates of 1.2 and 16.9%, respectively. Among the indicators of agroindustry, it is accompanied by **dairy production** with rates of 0.4 and 6.3%, respectively. For its part, **oilseed milling** registered a drop of 1.4% monthly, reaching almost the same level as in March 2019. **Agricultural machinery sales** decreased 0.5% monthly and 10.6% inter-yearly. For **hydrocarbons used by agro-industry**, the rates were -5.1 and -3.6%, respectively.

Electricity used by industry contracted **0.5%** in March, although it grew in the comparison with its inter-year benchmark (2.6%). In respect to **gas used by industry**, the series signaled an almost null monthly variation, and an interannual fall of **15.0%**.

Cement consumption and **new vehicles' registrations** continued to decline, ranking at the base of both tables. The first showed variations of **-12.6** and **-44.9%**, monthly and inter-year, respectively. Whereas the latter obtained rates of **-16.8** and **-44.1%**.

Number of employees fell by **0.3%** monthly, and were positioned **1.4%** below their interannual parameter. On the other hand, **demand for new employees** exposed rates of **-4.3** and **1.3%**, respectively. **Real wages** indicated a loss in purchasing power for the segment of registered employees of **0.2** and **1.8%**, monthly and inter-yearly.

Regarding to retail consumption, **supermarket sales** registered a slight increase of 0.5% monthly, and 0.4% in terms of March 2019. Finally, **tax revenues** available for the provincial administration lost **-4.5%** of their value compared to February, and **8.1%** compared to March of the previous year.

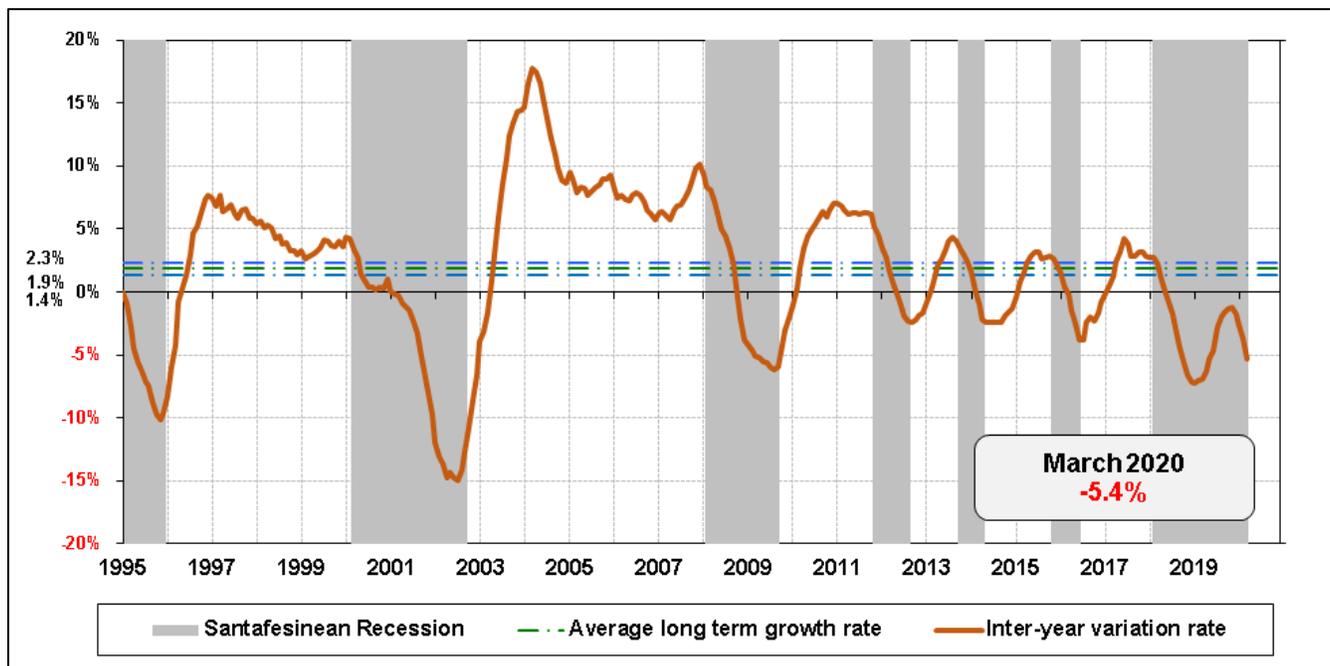
Summary and perspectives

The coincident index's inter-year gauge accelerated its decline towards March 2020, reaching **-5.4%**. This situation gets even clearly when comparing the result of the last three quarters (see Graph N° 1).

Moreover, 26 months after the start of the recession phase, the decline in investment in durable goods continues to stand out, presenting negative rates of two figures. On the other hand, the series that remain in positive terrain are mainly related to agribusiness, a sector that has been resisting but also externalizing profitability issues due to increasing taxes and lower international prices.

In terms of perspectives, the recession is expected to get harder during the next months due to the negative effects of isolation related to COVID-19.

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



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