

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

Monthly publication Nº 6 / Year 14

ISSN 2362-48784

Date: 07/01/2020



CENTRO DE ESTUDIOS Y SERVICIOS

Recessive effects are generalizing

In line with a plenty implementation of Social, Preventive and Mandatory Isolation (ASPO for its Spanish acronym), the province's economic activity suffers a decline within a wide sectorial diffusion and an inter-year contraction of -7.4% (compared to April 2019).

ICASFe

April 2020

Level:

147.8

Monthly variation:

-1.2%

Inter-year variation: -7.4%

Accumulated 2020: -5.2%

MAIN RESULTS

ICASFE's level was located in **147.8**, presenting a monthly variation of **-1.2%** in respect to March 2020.

Inter-year variation rates descended to **-7.4%** (comparing April 2020 vs. April 2019).

The accumulated variation for 2020 was estimated in **-5.2%**.

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>



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

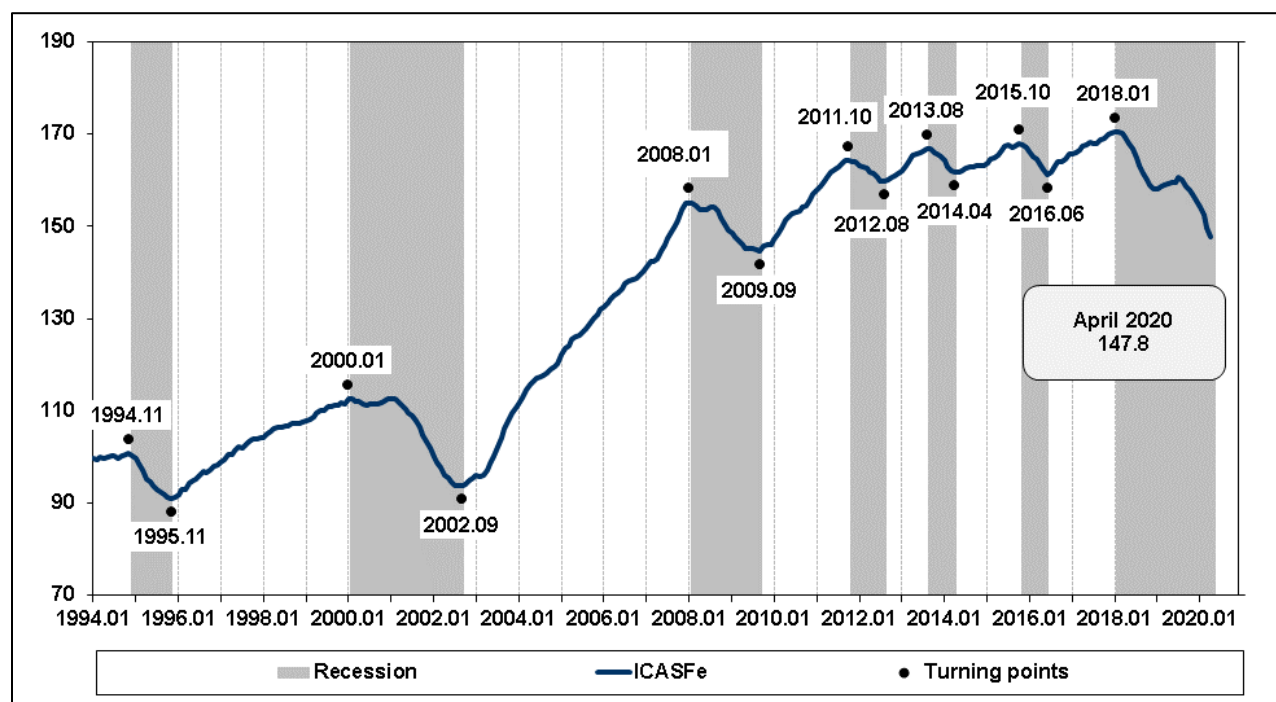
<http://ces.bcsf.com.ar> or

<http://www.bcsf.com.ar>

Province of Santa Fe's economic activity

In April 2020 Santa Fe's economic activity developed under the full implementation of a Social, Preventive and Mandatory Isolation against COVID-19. In this context, the coincident index lost other **1.2%** in terms of March and **5.4%** during 2020's first four months.

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

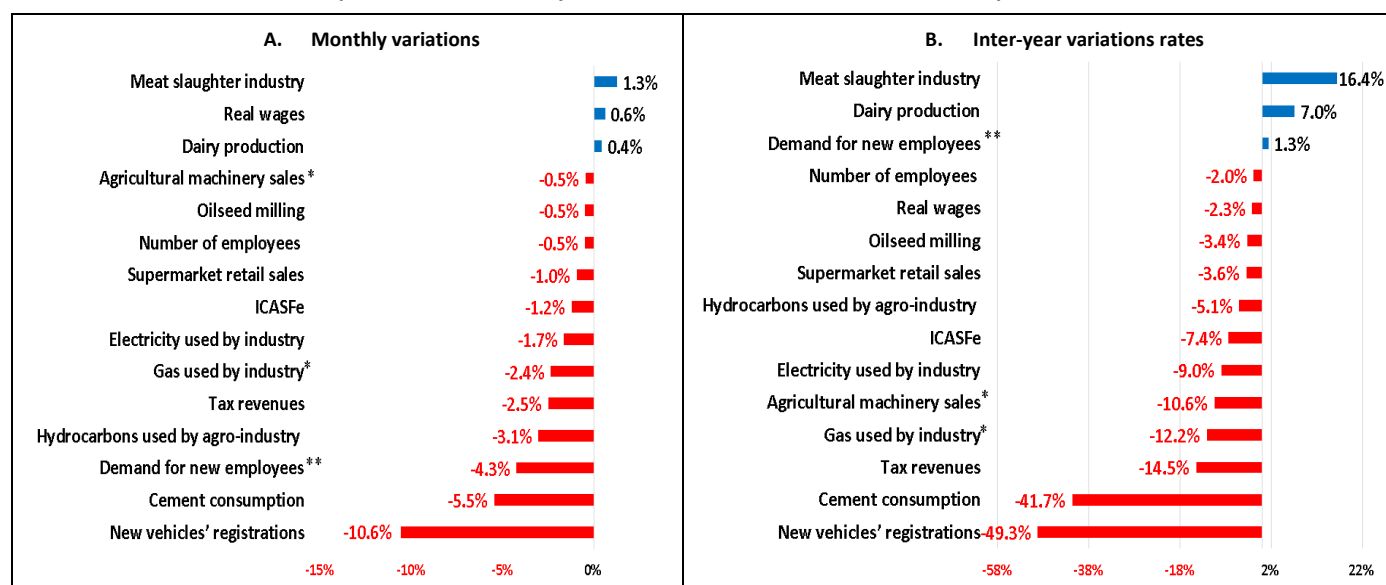


Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

As in March, in April 2020 only three series presented slightly positive variations; whereas the rest continued to decline. To this regard, the sharpening of economic contraction is most clearly seen by an inter-year comparison, where only three indicators achieved relative improvements.

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



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

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

Meat slaughter industry continues to lead the ranking of variations, both monthly and inter-yearly, within rates of 1.3 and 16.4%, respectively. For its part, **dairy production** registered an increase of 0.4 monthly and 7.0% year-on-year. Moreover, **oilseed milling** shows a drop of **0.5%** in respect to March, and **3.4%** in terms of April 2019. **Agricultural machinery sales** showed rates of **-0.5** and **-10.6%**, respectively; and for **hydrocarbons used by agro-industry**, they were **-3.1** and **-5.1%**, respectively.

On the other hand, **electricity used by industry** also intensified its fall, decreasing **1.7%** compared to March and **9.0%** compared to April of the previous year. In respect to **gas used by industry**, the rates were **-2.4** and **-12.2%**, respectively.

Cement consumption and new vehicles' registrations continued to be at the bottom of both tables. The first obtained variations of **-5.5** and **-41.7%**; whereas the second experienced drops of **-10.6** and **-49.3%**, respectively.

In addition, **number of employees** fell **0.5%** monthly, staying **2.0%** below its inter-year parameter. In the same direction, **demand for new employees** lost **-4.3%**. **Real wages** indicated a slight monthly increase of 0.6%, although purchasing power suffered a **-2.3%** contraction over the last twelve months.

Regarding to retail consumption, **supermarket sales** showed a new negative variation of **-1.0%**, reaching an accumulated drop of **-3.6%** in terms of its inter-year benchmark. Finally, **tax revenues** lost **-2.5%** in April, and **-14.5%** across the last year.

Summary and perspectives

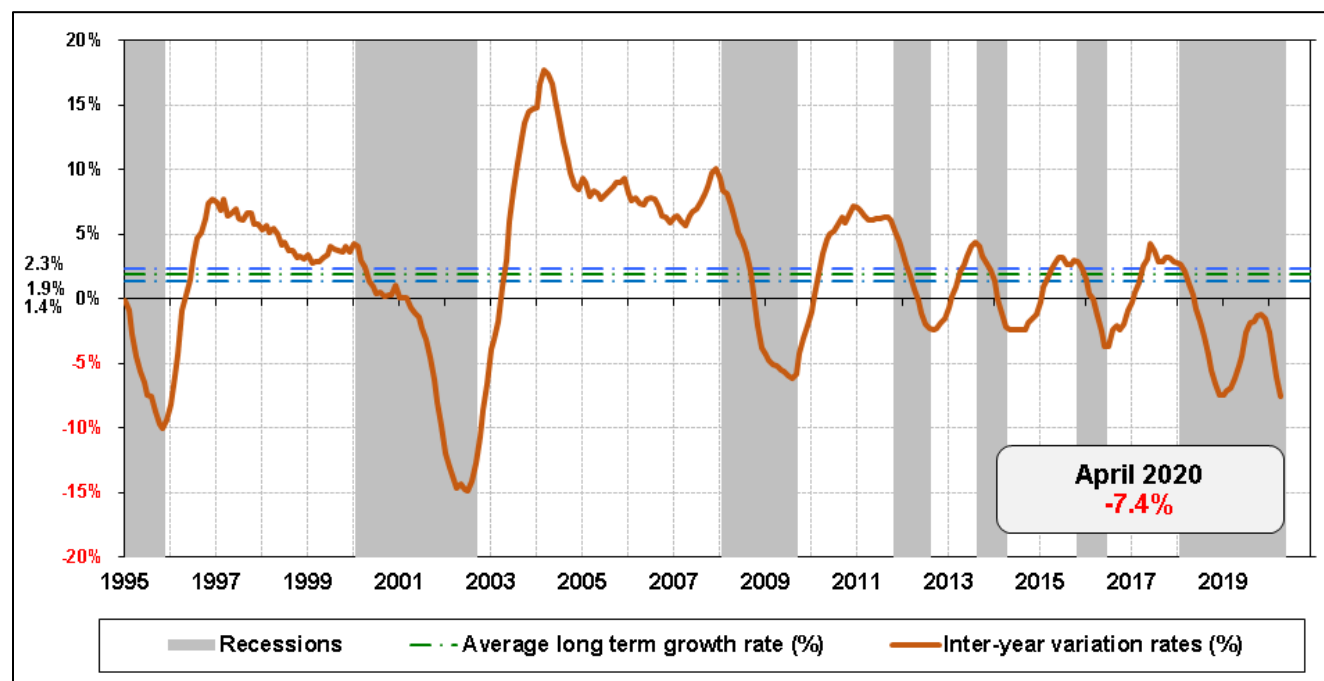
ICASFe's inter-year variation rates decreased to **-7.4%** in April 2020, signaling an acceleration of present recession of two percentage points (see Chart N° 3).

Furthermore, available data is signaling a wide generalization of the contraction in terms of economic sectors. In this sense, the coincident index's Diffusion Gauge, which indicates the weighted percentage of series that contribute positively, was **below 10.0%** in the measurements for February, March and April. This situation has not been recorded since the 2000-2002's recession.

In our opinion, new economic dynamics resulting from ASPO has ended a long period of stagnation in economic activity dated since October 2011. Unfortunately, the breakdown has taken place downwards, within a longer and deeper recession than those registered in the past years.

As for perspectives, in May the reopening of certain activities will slightly moderate the contraction's rate, although maintaining a great disparity between sectors. Nevertheless, nowadays is still very difficult to know for sure COVID-19's net economic effect; moreover if we take into account that local activity was already experiencing serious complications before isolation.

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



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