

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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CENTRO DE ESTUDIOS Y SERVICIOS

Slight decline in Santa Fe's economic activity in May

This implies an interruption to the recovery process experienced since May 2020; a reasonable response considering economic restrictions imposed against covid-19 and, moreover, under current macroeconomic issues.

ICASFe

May 2021

Level:

162.5

Monthly variation:

-0.5%

Inter-year variation: 7.9%

2021 Accumulated: 1.9%

MAIN RESULTS

ICASFE's level was located in **162.5**, presenting a monthly variation of **-0.5%** in respect to April 2021.

Inter-year variation rates reached to **7.9%** (comparing May 2021 vs. May 2020).

The accumulated variation in 2021 is estimated at 1.9%.

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>
- Methodological documents | Go to <http://ces.bcsf.com.ar>



BCSF

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

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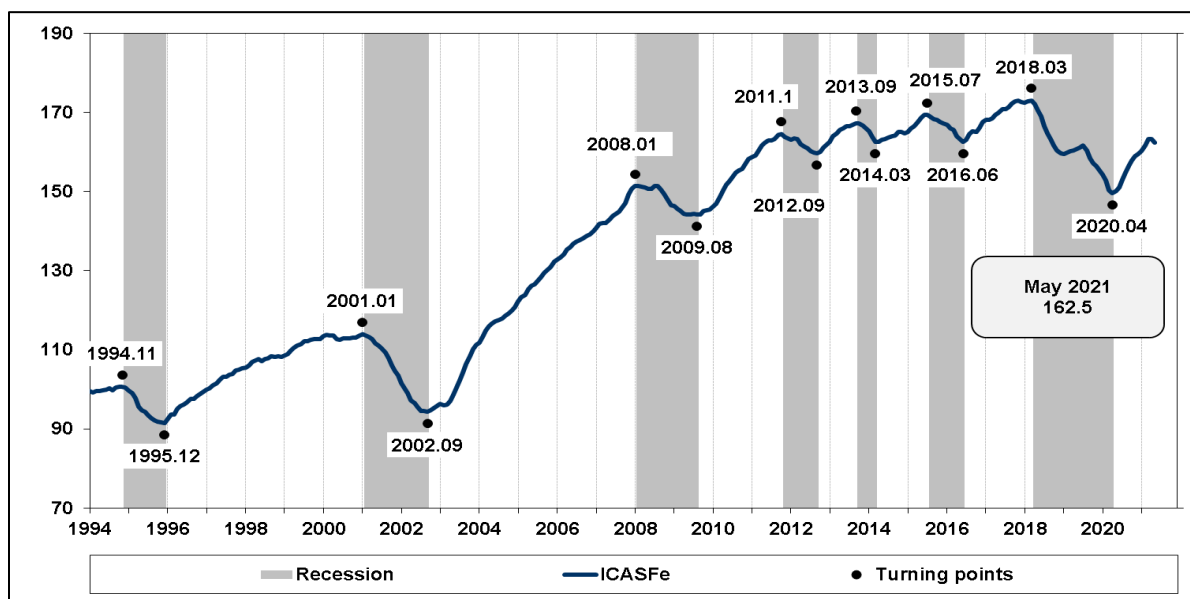


[Bolsa de Comercio de Santa Fe](#)

Province of Santa Fe's economic activity

In May 2021, Santa Fe's economic activity fell by 0.5%, pausing the recovery process sustained by previous twelve months. Within this results, ICASFe's accumulated increase during the first five months of the year reached 1.9%.

Graph 1: Composite Coincident Index for the Province of Santa Fe (ICASFe). Base 1994 = 100. May 2021.

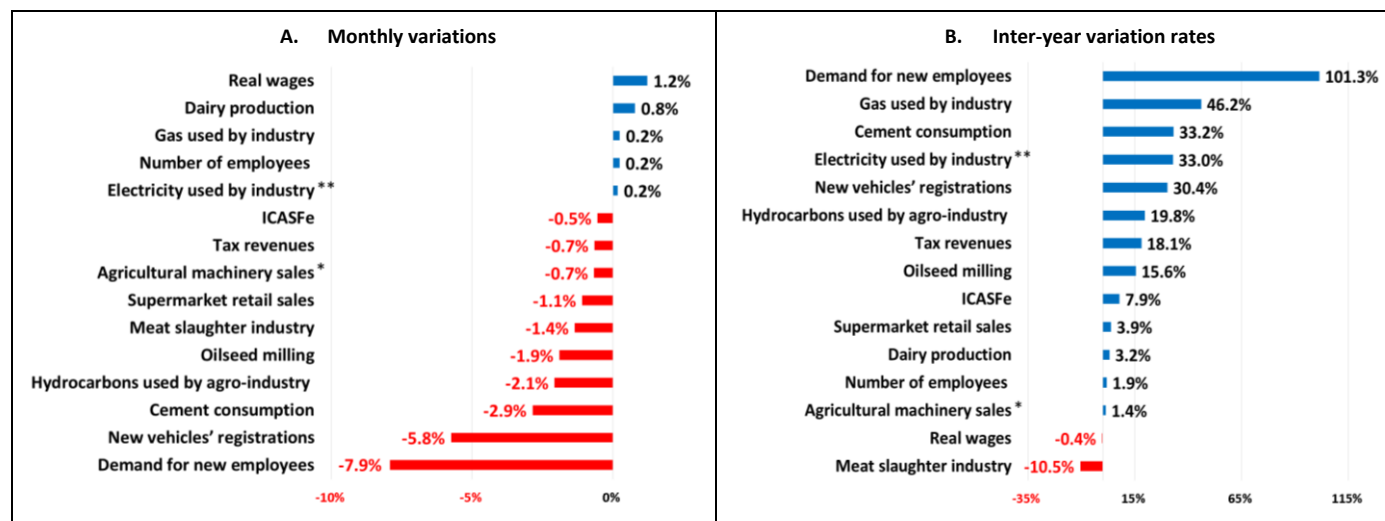


Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

In regard to the variables considered to determine Santa Fe's business cycle, in May only five series obtained positive monthly variations; whereas the remaining nine sub-indicators declined. On inter-year terms, most improvements were driven by a historical low benchmark, related to hard-measures adopted in 2020 against COVID (see Graph N° 2).

Graph 2: Economic activity's indicators for the Province of Santa Fe. May 2021.



Last available data from: (*) March 2021, (**) April 2021. Unavailable data was estimated.

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

In the fifth month of the year, **demand for new employees** registered a monthly drop of -7.9%, although the series remains well above the value registered in May 2020 (101.3%). **Number of employees** showed a slight monthly increase of 0.2%, and 1.9% in the inter-year comparison. **Real wages** also improved in respect to April (1.2%), but was one of the two series which declined in

year-on-year terms (-0.4%). **Supermarket retail sales** registered a negative monthly variation (-1.1%). However, the gauge stayed 3.9% above its inter-year benchmark.

Similarly, **oilseed milling** experienced a monthly fall of 1.9%, but stood 15.6% over May 2020's level. **Dairy production**, which has been registering a significant recovery, obtained rates of 0.8 and 3.2%, respectively. Moreover, **meat slaughter industry** decreased 1.4% in May, and 10.5% during the last twelve months. **Hydrocarbons used by agro-industry** registered contractions of 2.1% monthly, and 19.8% inter-yearly.

Industrial energy consumption keeps up within a significant recovery. **Electricity used by industry** obtained rates of 0.2% monthly, and 33.0% interannual; whereas **gas used by industry** got rates of 0.2 and 46.2%, respectively.

New vehicles' registrations fell by 5.8% in May 2021, and its inter-year variation slowed down again (30.4%). **Cement consumption** registered a similar behavior, with rates of -2.9% and 33.2%, respectively. For **sales of agricultural machinery**, obtained rates were -0.7% monthly and 1.4% year-on-year.

Tax revenues also declined 0.7% compared to April, particularly pushed backwards by federal resources. However, it continues in positive territory in the inter-year comparison (18.1%).

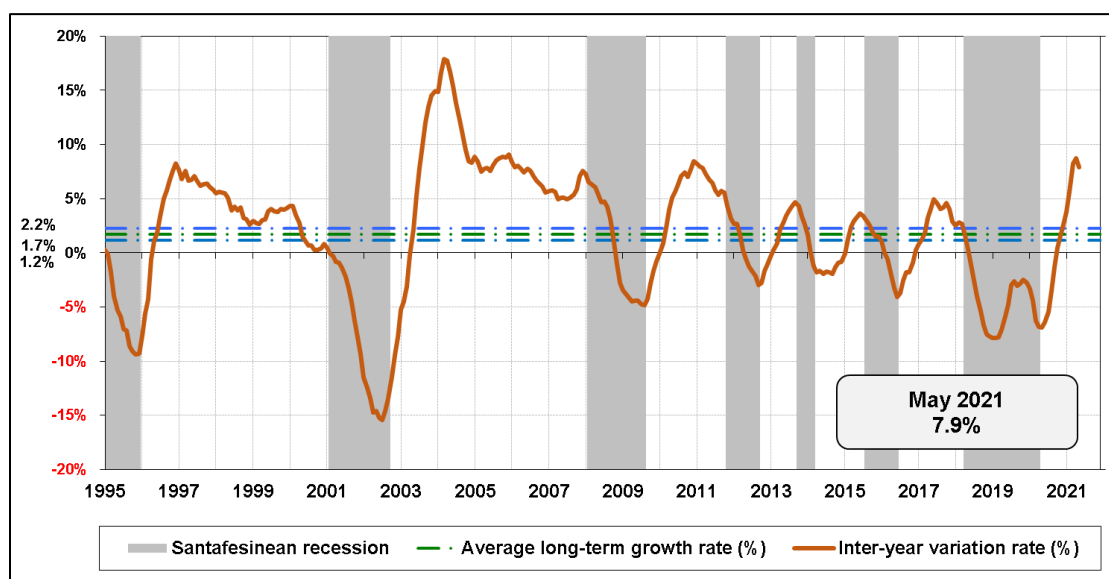
Summary and perspectives

The coincident index's interannual variations decreased to 7.9% in May 2021. The gauge was still located over the confidence bands that signal the average growth of domestic economy (dotted lines in Graph 3), but felt approximately one percentage point in regard to the value registered in April (8.7%).

During the fifth month of the year, a period in which restrictions against the pandemic were intensified once again, most economic activities experienced negative effects. In fact, Santa Fe's diffusion index, which indicates the proportion of series that contributed positively during the last six months, was measured in just 50,0%.

On the other hand, Argentina's macroeconomic context, characterized by a persistent inflation added to many recent controversial policies, is definitely distressing many sectorial activities. In order to mention some of the most significant ones, series related to consumption, both to retail sales and durable goods, decreased in respect to April. In addition, even indicators related to agribusiness, such as oilseed milling and meat slaughter industry, showed negative results in May.

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



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