

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

Monthly publication Nº 08/ Year 15

ISSN 2362-4884

Date: 06/09/2021



CENTRO DE ESTUDIOS Y SERVICIOS

Recovery stopped, or paused?

After four quarters within positive results, a decrease of **-0.4%** was computed during 2021's second quarter.

ICASFe

June 2021

Level:

162.6

Monthly variation:

0.05%

Inter-year variation: **7.5%**

2021's accumulated: **1.9%**

MAIN RESULTS

ICASFe's level was located in **162.6**, presenting a monthly variation of **0.05%** in respect to May 2021.

Inter-year variation rates reached to **7.5%** (comparing June 2021 vs. June 2020).

Cumulated results during 2021 were measured in **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.

Additional information and downloads

- 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>
- To expand, see methodology at: <http://ces.bcsf.com.ar>



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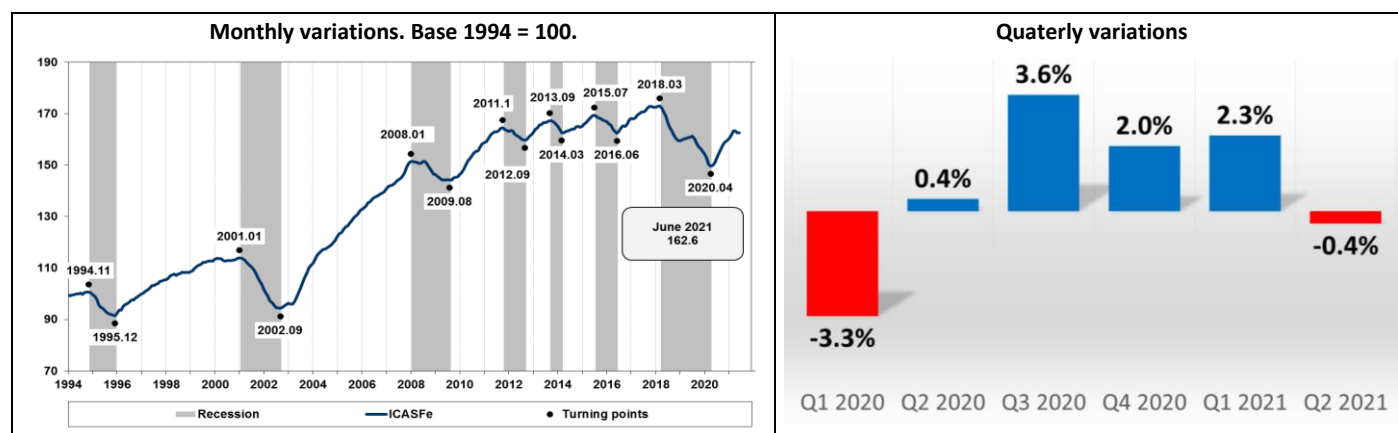


[Bolsa de Comercio de Santa Fe](#)

Province of Santa Fe's economic activity

In June 2021, the province's economic activity, measured by ICASFe, practically did not change. A monthly rate of 0.05% was measured in terms of May and thus, the second quarter of the year accumulated a slight drop of **0.4%**. However, offset by first quarter's results, 2021's net balance between January and June reached 1.9%.

Graph 1: Composite Coincident Index for the Province of Santa Fe (ICASFe).

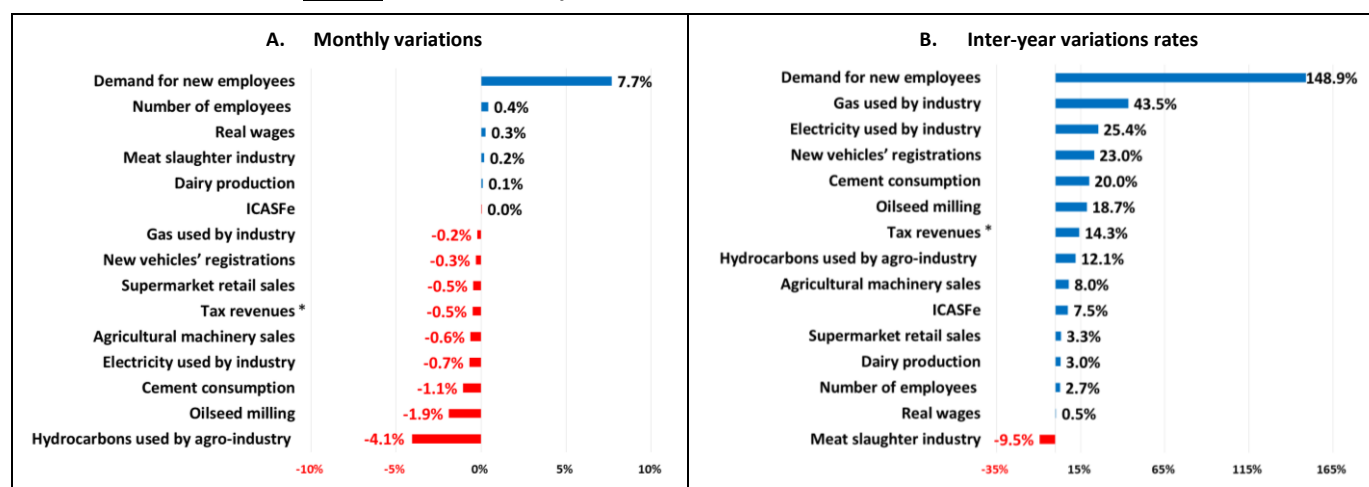


Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

In regard to the variables considered to define Santa Fe's economic cycle, five series registered positive monthly variations, although four of them did not reach one digit. By the contrary, the remaining ones obtained negative results in respect to May. On the other hand, interannual variation rates signaled a predominance of favorable outcomes (see Graph 2).

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



Last available data from: (*) May 2021. Unavailable data was estimated.

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

Demand for new employees led both tables within a monthly rise of 7.7%, and an inter-year increase of 148.9%. This figure is mainly explained by its benchmark; in June 2020 the series reached its lowest value of the last ten years. Moreover, **number of employees** experienced a slight monthly increase of 0.4, and a 2.7% improvement with respect to their interannual parameter. **Real wages** also achieved a monthly increase of 0.3%, slightly above the value of June 2020 (0.5%). On the contrary, **supermarket retail sales** declined again in June (**-0.5%**), cutting back its inter-year recovery to 3.3%.

Oilseed milling suffered a net contraction during the second quarter. In particular, in June, the sub-indicator lost **-1.9%**, although it remained above its year-on-year level (18.7%). **Dairy production** registered rates of 0.1 and 3.0%, respectively. Similarly, **meat slaughter industry** presented a slight monthly increase of 0.2%, but still, stayed behind its inter-year benchmark (**-9.5%**). **Hydrocarbons used by agro-industry** registered variations of **-4.1%** monthly, and 12.1% year-on-year.

Manufacturing energy consumption also went down in June 2021. **Electricity used by industry** decreased **-0.7%**, whereas **gas used by industry** declined **-0.2%**. However, both series remained in positive territory in the year-on-year comparison, within rates of 25.4 and 43.5%, respectively.

New vehicles registrations fell **0.3%** in June 2021, and its year-on-year variations slowed down again (23.0%). **Cement consumption** experienced a similar behavior, within rates of **-1.1** and 20.0%, respectively. **Agricultural machinery sales** declined **-0.6%** in respect to May and stayed 8.0% above June 2020's levels.

Tax revenues dropped other **0.5%**, although it continues in positive territory in the year-on-year comparison (14.3%). In particular, federal funds accumulated a total fall of **5.6%** during the first half of the year.

Summary and perspectives

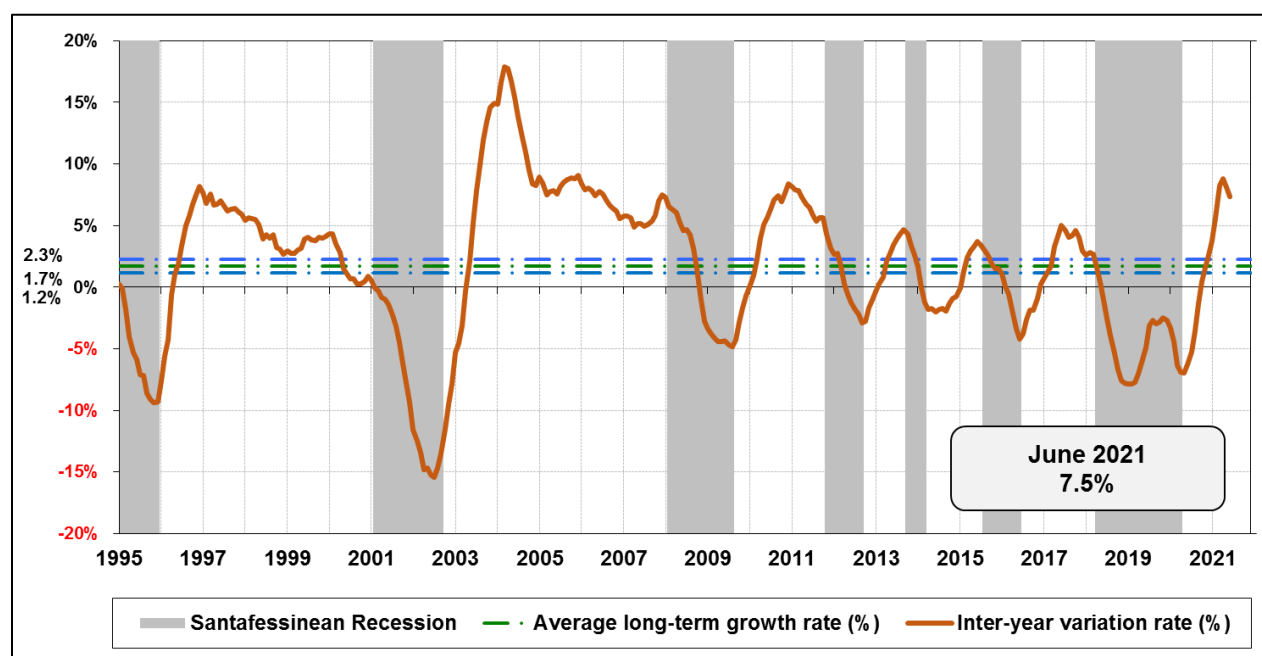
The coincident index' interannual variations stood at 7.5% in June 2021, signaling a new decline during present recovery process (see Graph 3).

To this regard, it must be highlighted that, while the first quarter of the year represented a real boost over economic activity, second period's results imply an interruption which increases the state of uncertainty prior to medium term elections.

In terms of diffusion, general economic contraction is mainly explained by representative series of investment in durable goods and retail consumption. At the same time, some indicators related to agribusiness also showed unfavorable results in spite of good international prices.

Finally, it is worth noting that during the first semester inflation gained 25.3%, which clearly affects private sector's stability but also harms public resources' purchasing power.

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



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