

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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CENTRO DE ESTUDIOS Y SERVICIOS

Another unfavorable measurement for Santa Fe's economic activity

In August 2021, the province's coincident index experienced its fifth monthly contraction, reducing its inter-year recovery to 4.3%.

ICASFe

August 2021

Level:

156.8

Monthly variation:

-0.2%

Inter-year variation: **4.3%**

2021's partial result: **1.2%**

MAIN RESULTS

ICASFe's level was located in **156.8**, presenting a monthly variation of **-0.2%** in respect to July 2021.

Inter-year variation rates reached to **4.3%** (comparing August 2021 vs. August 2020).

Cumulated results during 2021's were measured in **1.2%**.

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 noting 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>



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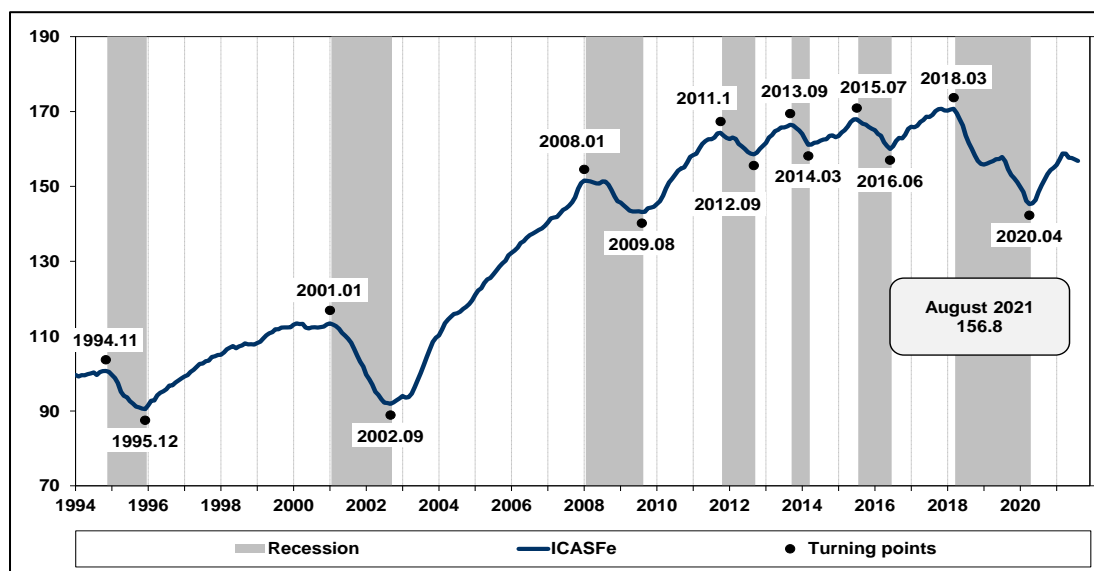


[Bolsa de Comercio de Santa Fe](#)

Province of Santa Fe's economic activity

Santa Fe's economic activity registered a slight monthly decrease of **-0.2%** in respect to July. This result represents the fifth consecutive monthly retraction, and reduces 2021's partial balance to 1.2%.

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

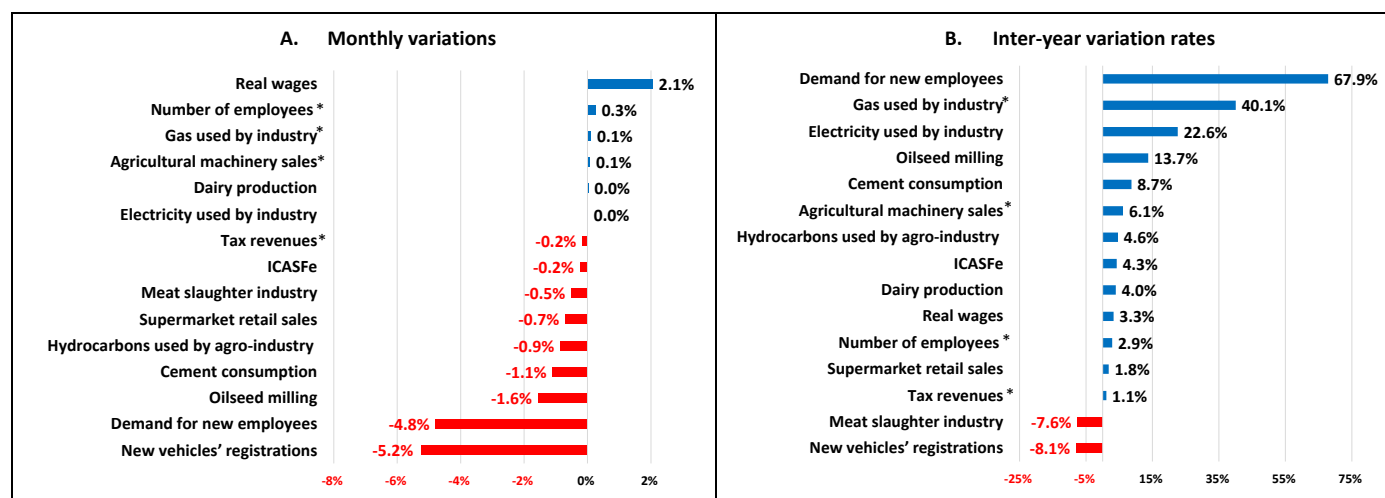


Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

In regard to the variables considered to define Santa Fe's economic cycle, only four series registered positive monthly variations in August, two continued unchanged, whereas the remaining eight decreased. On the other hand, in the table of interannual variations, positive results were still predominating (see Graph N° 2, right quadrant).

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



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

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

Number of employees showed a slight monthly increase of 0.3%, keeping up with certain recovery which sums 2.9% during the last twelve months. However, it has not yet reached early 2018's levels. **Demand for new employees**, measured by business' expectations, decreased **4.8%** compared to July, but remained in positive territory compared to August 2020 (+67, 9%).

Real wages related to formal workers also signal monthly and interannual improvements: 2.1 and 3.3%, respectively. By the contrary, **supermarket retail sales** showed a monthly decrease of **0.7%**, reducing its interannual growth rate to 1.8%.

Oilseed milling continued to decline in monthly terms (-1.6%); however, the gauge remained at high levels considering its year-on-year comparison (13.7% above August 2020's parameter). **Dairy production** stayed practically unchanged compared to July, presenting an interannual increase of 4.0%. On the other direction, **meat slaughter industry** decreased 0.5% in respect to July, and 7.6% in inter-year terms.

Hydrocarbons used by agro-industry registered variations of -0.9% per month, and 4.6% year-on-year. **Electricity used by industry** remained unchanged compared to July, maintaining an inter-annual recovery of 22.6%. For **gas used by industry**, rates were 0.1 and 40.1%, respectively.

New vehicles' registrations were located at the bottom of both tables in Graph 2, within rates of -5.2 and -8.1%, monthly and interannual, respectively. **Cement consumption** decreased by 1.1% in August, but stayed above its year-on-year benchmark (+8.7%). For **agricultural machinery sales**, obtained figures were 0.1% monthly and 6.1% inter-yearly. **Tax revenues** fell by 0.2% compared to July, and its inter-year growth rate declined to 1.1%.

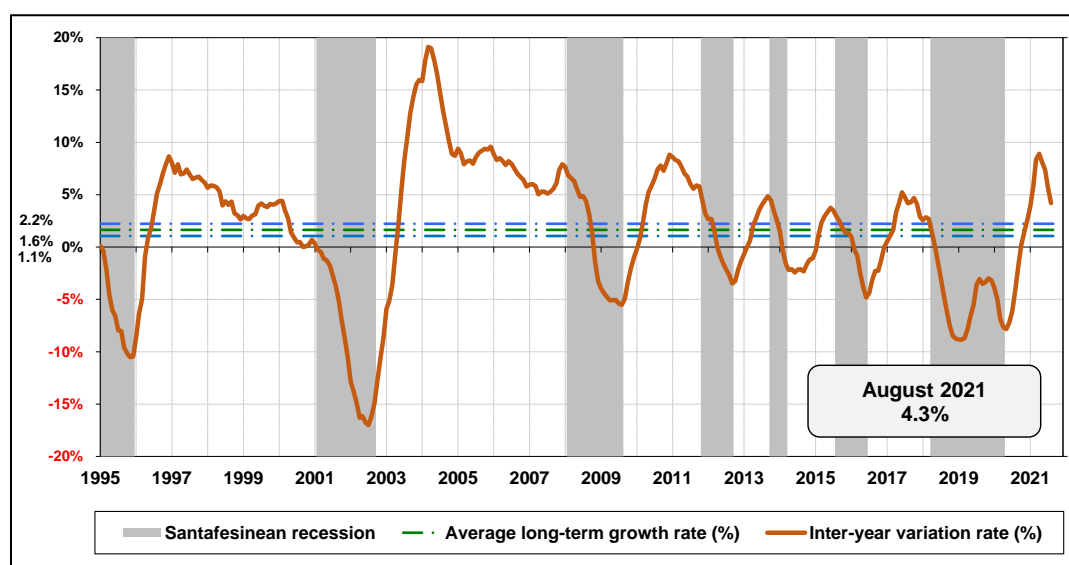
Summary and perspectives

The coincident index's interannual variations went from 8.5 to 4.3% between April and August 2021. This means a considerable setback to present economic recovery process.

To this regard, it is worth noting certain essentials that are undoubtedly related to this impasse subsisted during the last five months. Registered jobs continued to rise, offsetting part of the significant drop registered up to mid-2020; however, the trend in jobs' creation remains stagnant. In addition, purchasing power continues to be depressed despite partial improvements captured by the formal sector, which explains the drop in retail sales. Similarly, investment indicators in durable goods deepened their retreat and are configuring a solid barrier against the recovery. Finally, global industrial indicators are also unfavored by macroeconomic difficulties and particularities that negatively affected main activities.

In terms of perspectives, delayed decisions regarding to a new political scenario after the mid-term elections will be decisive in order to keep up within an economic recovery during 2022.

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



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