

# THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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**CES**  
CENTRO DE ESTUDIOS Y SERVICIOS



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## ICASFe

Base 1994=100

JANUARY 2022

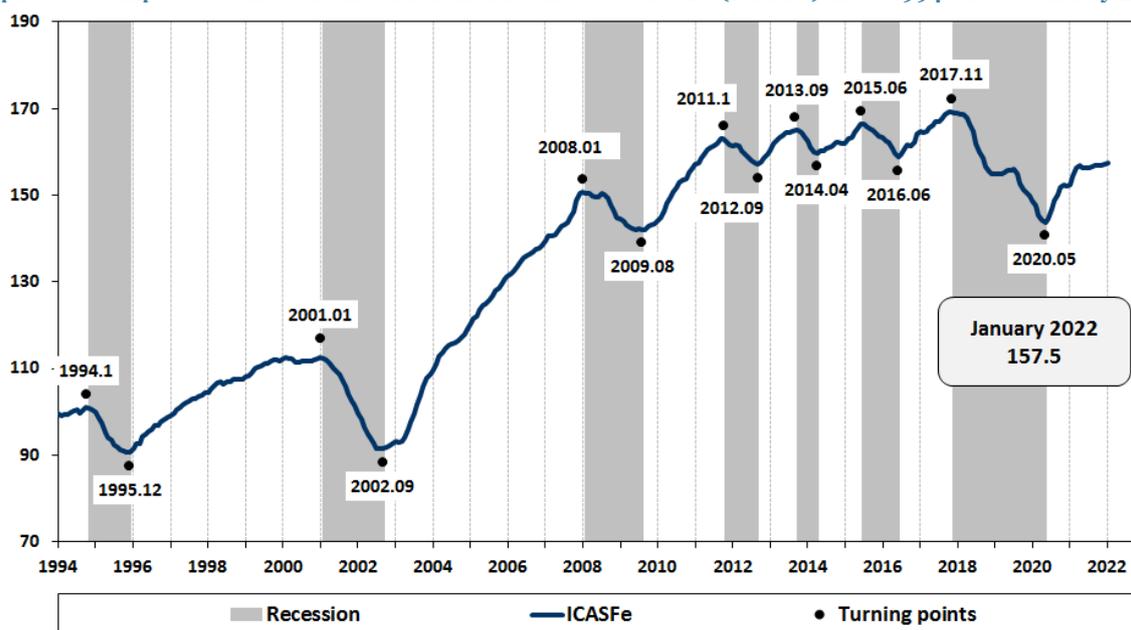
Level: **157.5**

Monthly variation: **0.2%**  
Inter-year variation: **3.3%**

## Slight increase in Santa Fe's economic activity at the beginning of 2022

Despite the recent outbreak of COVID cases and high inflation, the coincident index registered a positive monthly rate of 0.2%.

Graph N° 1: Composite Coincident Index for the Province of Santa Fe (ICASFe). Base 1994 = 100. January 2022.



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

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### 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 *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>

All series are filtered by seasonality and extreme values, using the X-13 ARIMA-SEATS program of the United States Census Bureau. In addition, information is always presented free of inflationary effects.

### Output data considerations

The last twelve-monthly results exposed in this document are based on preliminary information and hence subject to further revisions.

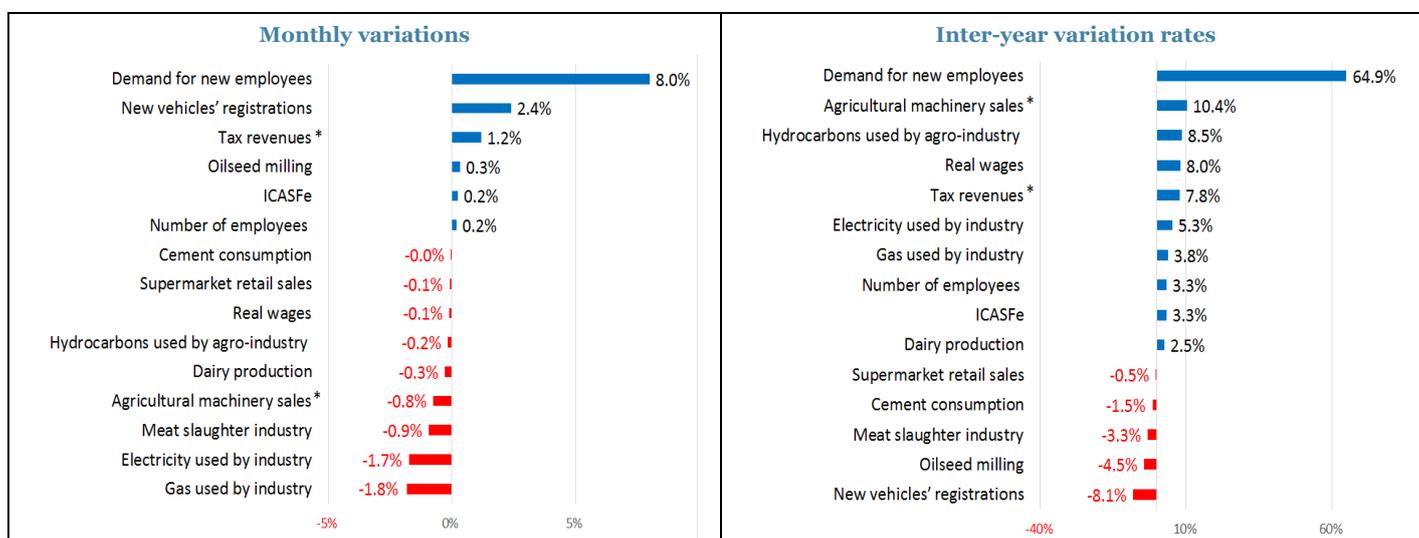
### Indicator by indicator

During the first month of the year, only five of the fourteen representative series of Santa Fe's economic activity achieved positive monthly variations. To this regard, it stands out the fall in series related to industrial activity, which showed a solid rebound towards the end of 2021, but were particularly affected due to the considerable increase in COVID-19's cases.

**Demand for new employees**, measured by the business expectations index achieved increases of 8.0% monthly, and 64.9% interannually. Moreover, the gauge presents a significant recovery since mid-2020, mainly driven by improvements in *Gran Rosario* –as opposed to *Gran Santa Fe*, which presents a flatter curve-. On the other hand, the aggregate province's indicator is still 30.0% below December 2017's economic peak.

**Formal employment** continues to recover, within rates of 0.2 and 3.3%, respectively. According to AFIP's data, private sector's registered jobs were strongly affected between 2018 and 2020, but now show a partial recovery towards the beginning of 2022. Meanwhile, public administration's reported positions remained practically constant.

**Graph 2: Economic activity's indicators for the Province of Santa Fe. January 2022.**



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

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

**Real wages** signaled a monthly decrease of 0.1%, although the series remained in positive ground in relation to January 2021 (8.0%). In addition, **supermarket retail sales** registered a significant downward trend since the beginning of 2018. In fact, it presents only a tiny recovery since the pandemic. In January, it fell other 0.1% monthly and stays 0.5% below its inter-year benchmark.

**Electricity used by industry** experienced a monthly decrease of -1.7%, decelerating its inter-year growth rate to 5.3%. **Gas used by industry** showed a similar behavior, within rates of -1.8 and 3.8%, respectively.

**Oilseed milling** registered a slight monthly increase of 0.3%, but lost 4.5% compared to January 2021. Moreover, the series suffered a significant fall between March and December 2021, and is still 10.3% below March 2021's previous peak.

**Dairy production** began the year with a monthly decrease of 0.3%, but showing an improvement in regard to January 2021 (+2.5%). **Meat slaughter industry** obtained rates of -0.9 and -3.3%, respectively. It is worth to consider that pig slaughters present a positive trend since 2016, whereas bovine slaughters are still performing on a medium-low historical level. In this context, **hydrocarbons used by agro-industry** began 2022 with a negative monthly variation of 0.2%, although it remains in a positive ground on an inter-annual comparison (8.5%).

**New vehicles' registrations** increased by 2.4% monthly in January but remains at a very low level in the medium term. In fact, it registers a fall of 8.1% compared to the same month of 2021. **Cement consumption** showed a practically null monthly rate, with an interannual fall of -1.5%.

**Tax revenues** increased by 1.2% monthly and 7.8% interannually.

### Summary and perspectives

Coincident index's interannual variations reached 3.3% in January 2022, sustaining the acceleration level measured during the previous digest.

As already mentioned, 2022 began with a considerable increase in cases of COVID-19. Which implied a negative impact on the normal performance of a wide range of economic activities. Despite this, overall results for Santa Fe's economic activity continued to be positive.

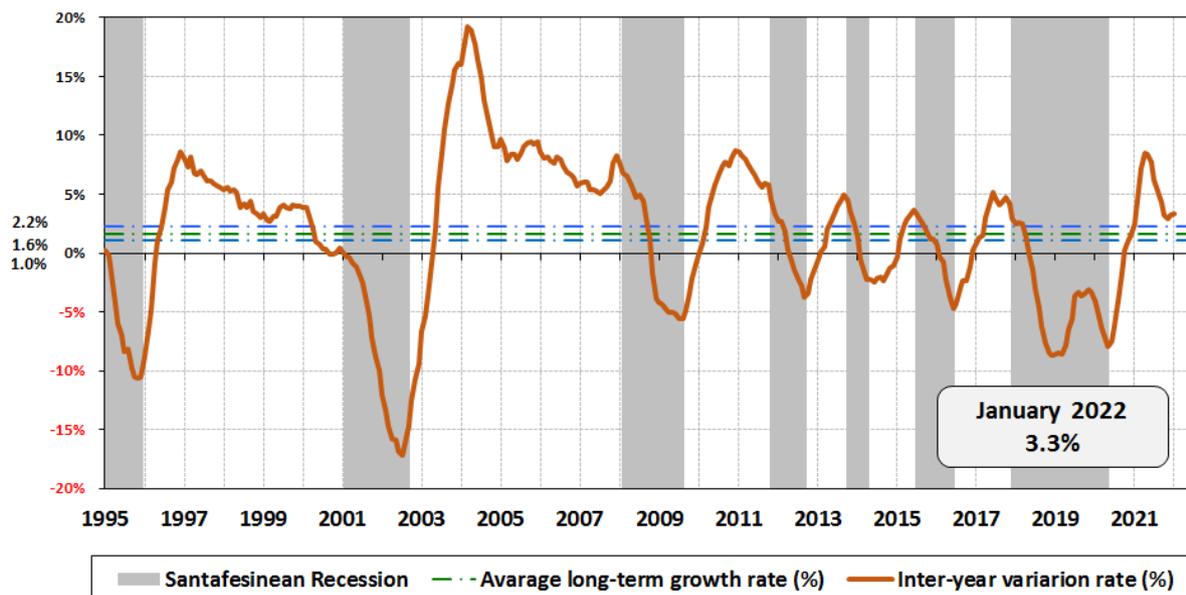
As for 2022's perspectives, it is worth considering both domestic macroeconomics and the international scenario. At the national level, the main limiting variable is still undoubtedly inflation. General prices level ended 2021 within an annual increase of around 50.0%, and during the first quarter of 2022 they continued to accelerate.

In this sense, at the provincial level 2022 has already started with falls in wages' purchasing power, which explains supermarket sales' discouraging performance.

At the international level, right after the economy began to normalize from the pandemic effects, Russia-Ukraine's war broke out. Although conflict's last consequences may not have yet been measured, locally, there is already emerging issues, with difficulties and potential opportunities for some sectors of the Argentine economy. A very important point for our province is increasing *commodities'* prices.

In fact, Argentinean exports will probably be pushed by a positive effect, supposing a stable demand and internal production conditions. However, in relation to energy inputs, higher prices could further aggravate today's unregular availability. In this context, during 2022, maintaining the pace of recovery will probably be a reasonable goal.

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



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

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