

# THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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**CES**  
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## ICASFe

Base 1994=100

JULY 2022

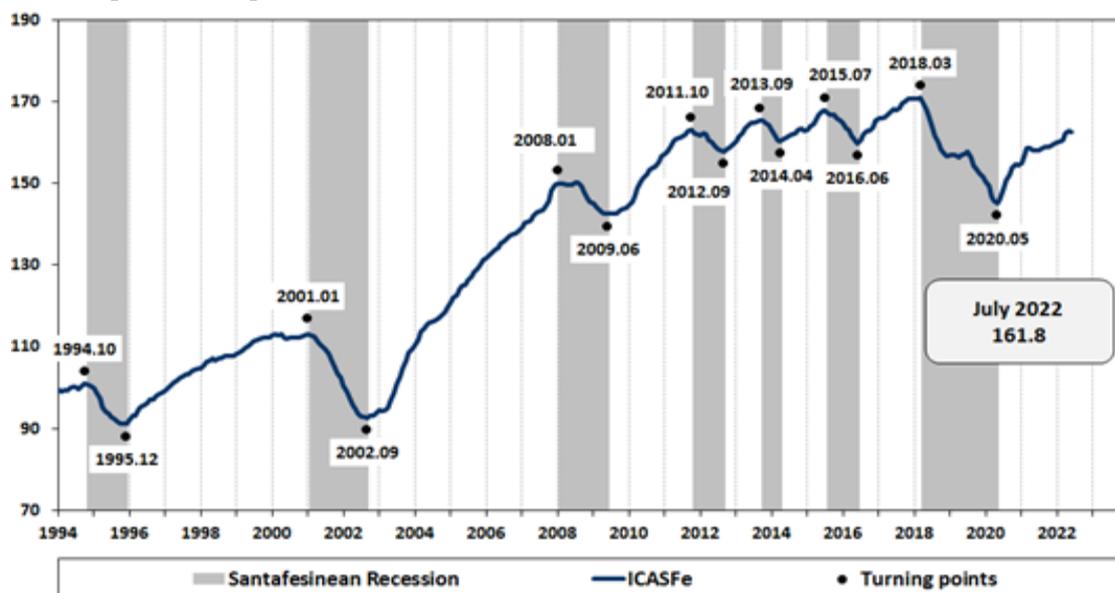
Level: 161.8

Monthly variation: -0.5%  
Inter-year variation: 2.3%  
2022's accumulated: 1.3%

## New trend or just a monthly drop?

Although employment keeps showing positive rates, July's results imply the 2nd consecutive monthly decrease in Santa Fe's economy, pushed by tensions over main national macroeconomic variables.

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



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.

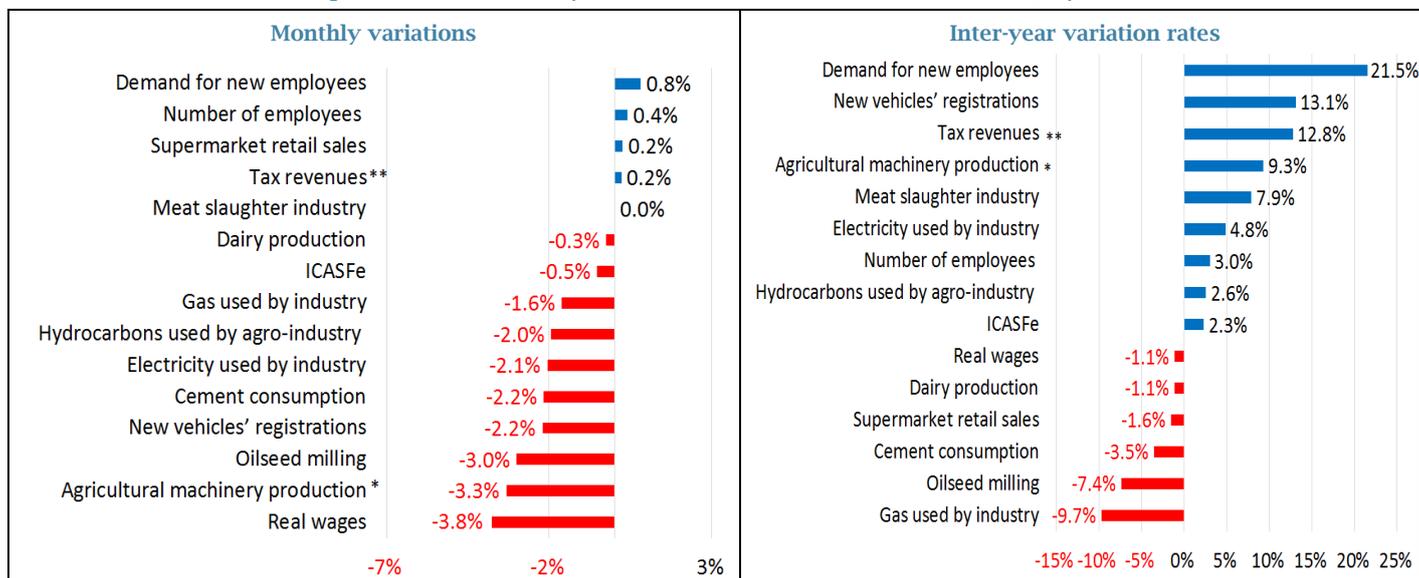
### Output data considerations

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

### Indicator by indicator

For the second time in a row, negative monthly variations predominated on the digest. Nine of fourteen representative series of provincial economic activity declined in July, one showed no changes, and the rest of them obtained mild positive variations. In the interannual rates' table, six sub-indicators experienced contractions in respect to July 2021 (see Graph 2).

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



Last available data from: (\*) May 2022 | (\*\*) June 2022. Unavailable data was estimated.

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

**Number of employees** (registered jobs) maintained positive variations during July 2022, within a monthly rate of 0.4% and an interannual one of 3.0%. Private employment's upward trend continues to stand out. After July 2020's valley, the series has been recovering for approximately twenty-four consecutive months. **Demand for new employees** presented a slight increase of 0.8% in terms of June and 21.5% in respect to July 2021. On the other hand, **real wages** related to formal employment, continue to reflect losses on purchasing power. Only between June and July 2022 the gauge decreased 3.8%, and -1.1% interannually. For their part, **supermarket retail sales** (large stores) in Santa Fe registered a slight monthly recovery of 0.2%, although the series continues below July 2021's benchmark (-1.6%).

**Electricity used by industry** experienced a significant monthly contraction of 2.1%, reducing its interannual improvement to 4.8%. Moreover, **hydrocarbons used by agro-industry** showed rates of -2.0% and 2.6% monthly and interannually, respectively. In the case of **gas used by industry**, the series dropped 1.6% in respect to June and 9.7% during the last year.

Going through the seventh month of the year, **oilseed milling** has still not picked up, showing a new drop compared to June (-3.0%) and accumulating an annual contraction of 7.4%. Regarding to last peak (March 2021) this series' level is 14.2% lower.

**Diary production** accumulates eleven negative monthly variations, within -0.3% between June and July 2022 and an interannual contraction of -1.1%. **Meat slaughter industry** obtained a practically null monthly variation in July, based on certain improvements observed in cattle segment, offset by pig sector's drop. Interannually, the series gained 7.9%.

July's estimations for **agricultural machinery sales** indicate a negative monthly result (-3.3%), cutting off interannual growth to 9.3%.

**New vehicles' registrations** declined 2.2% in July (it is worth noting that used vehicles' transfers decreased as well). For its part, interannual variation continues on positive ground being 13.1%. **Cement consumption** estimations indicate a monthly decreased of 2.2% and an interannual one of -3.5%.

**Local tax revenues** (in real terms) obtained a monthly improvement of 0.2%, within an interannual rate of 12.8%.

### Summary and perspectives

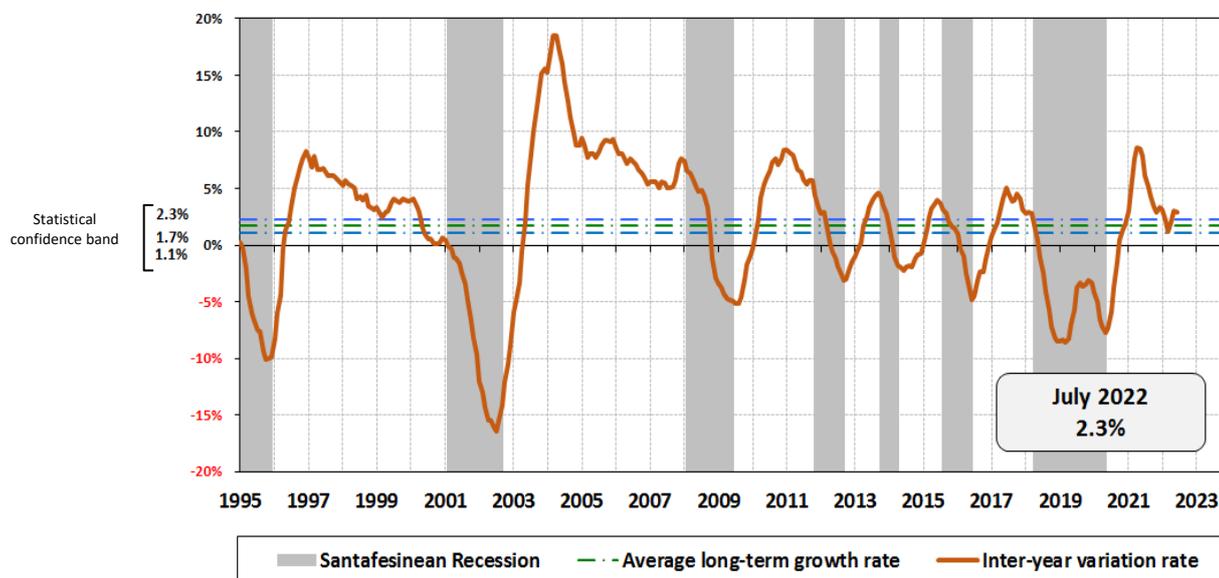
Coincident index’s interannual variations reached 2.3% in July 2022, closed to the upper statistical confidence band of average long-term growth rate (see Graph 3).

For its part, ICASFe results and each of its particular series, neatly reflect macroeconomic tensions around inflation, currency and increasing restrictions over different economic activities.

In order to visualize the situation, it should be noted that, between January and July 2022, accumulated inflation exceeded 46,0%, whereas province's economic activity barely accumulated an increase of 1.3% concentrated in the second quarter of the year. Meanwhile, official currency exchange rate was devalued by 28.8%, maintaining a gap within stock market’s related asset of 127.0%. Additional difficulties are also being listed by barriers on importations. Intermediate goods imports, for instance, decreased 10.0% in terms of quantities between July 2021 and July 2022.

As exposed, national context mainly explains Santa Fe’s economic activity contraction during June and July. Added to unfavorable warnings from productive sectors, expectations are rather discouraging for the second semester.

**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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