

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

Monthly publication N° 10 / Year 16
ISSN 2362-4884
Date: 11/01/2022

CES
CENTRO DE ESTUDIOS Y SERVICIOS



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ICASFe

Base 1994=100

AUGUST 2022

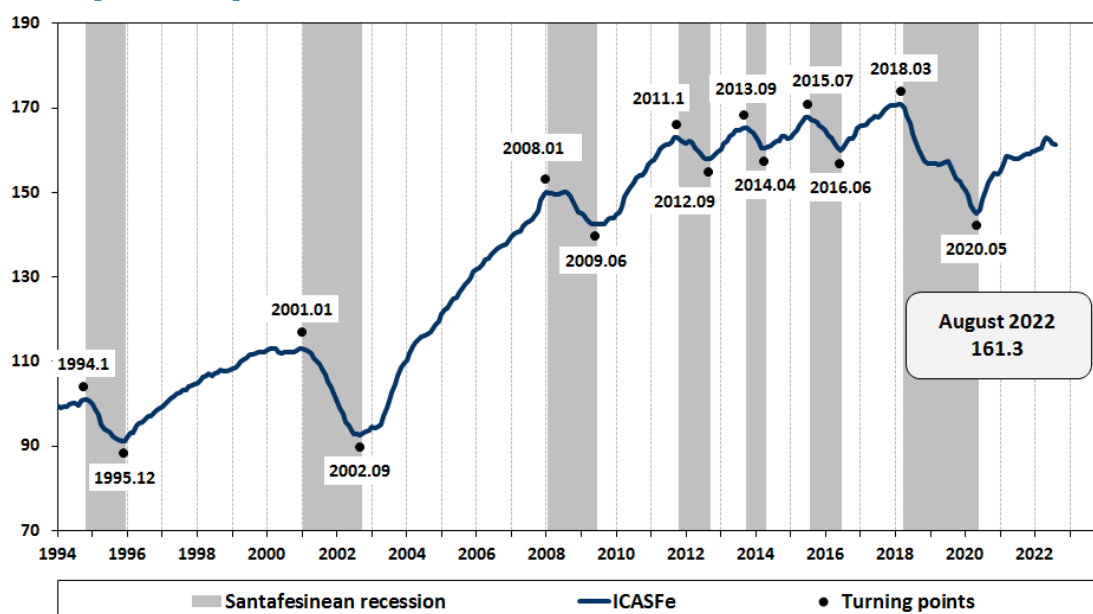
Level: 161.3

Monthly variation: -0.2%
Inter-year variation: 1.9%
2022's accumulated: 1.0%

Economic activity across the 8th month of the year

Compared to August 2021, positive variations are still predominating. However, unfavorable monthly results in most of indicators cut back interannual rates.

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

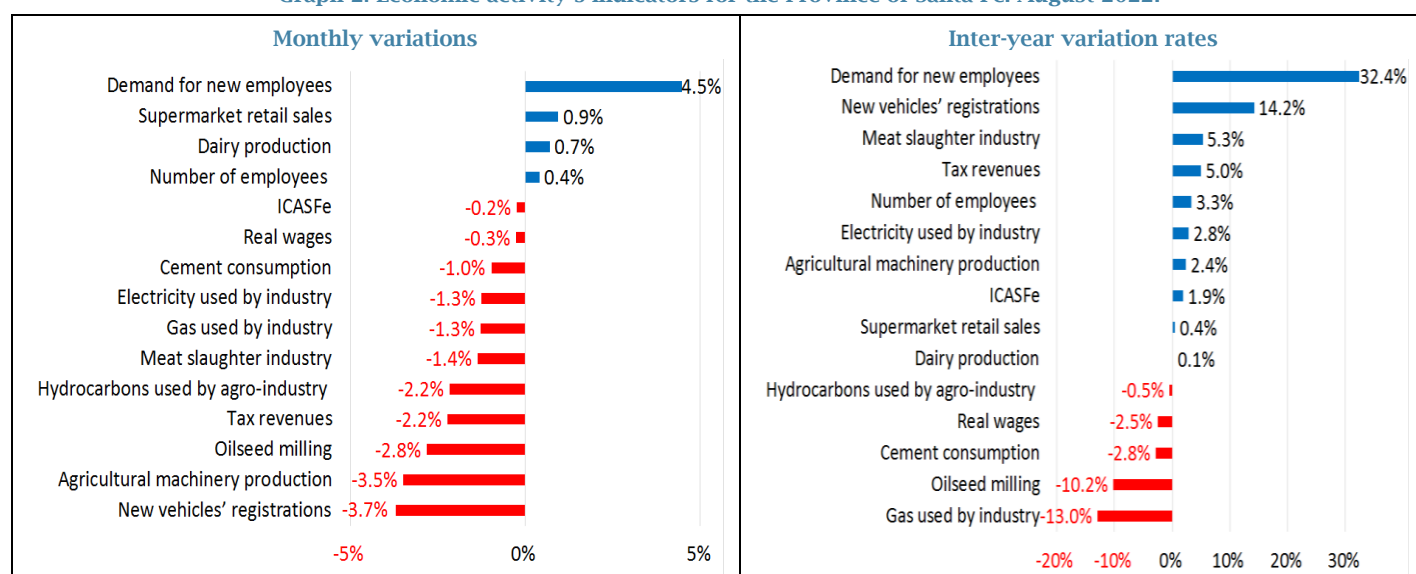
The last twelve-monthly results exposed in this document are based on preliminary information and hence subject to further revisions.

Indicator by indicator

Negative rates predominated again upon monthly variations' table.

In August 2022, ten of fourteen representative series of Santa Fe's economic activity signaled negative monthly variations. On the other hand, nine sub-indicators were still above August 2021's benchmarks; whereas the remaining five of them declined (see Graph 2).

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



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

Demand for new employees led both monthly and interannual variations, increasing 4.5% compared to July and 32.4% in respect to August 2021. According to the National Ministry of Labor's data, this improvement was mainly explained by Greater Santa Fe area, taking distance from Greater Rosario, where results were rather unfavorable. In addition, **number of employees** (registered jobs) maintained positive variations, within rates of 0.4 and 3.3% monthly and interannually, respectively. By the contrary, **real wages** related to formal employment reflect losses on purchasing power. However, series' monthly rate decelerated to -0.3%, a slower declined than June's and July's.

Supermarket retail sales (large stores) in Santa Fe registered a slight monthly increase once again: in this case +0.9%. Within this impulse the gauge went slightly above August 2021's levels (+0.4%), although expectations for further months are unfavorable given to inflation.

Both **electricity and gas used by industry** experienced a monthly contraction of 1.3%. Nevertheless, on an interannual comparison, the first of them decreased 2.8% whereas the latter decreased 13.0%.

Oilseed milling fell down again, posting a monthly negative variation of 2.8% and accumulating an annual contraction of 10.2%. In the same direction, **hydrocarbons used by agro-industry** showed rates of -2.2 and -0.5% monthly and interannually, respectively.

Diary production presented a positive monthly variation of 0.7% reversing previous unfavorable performance until July. **Meat slaughter industry** obtained a monthly variation rate of -1.4% and an interannual variation one of 5.3%. To this regard, the bovine segment experienced its second monthly fall in a row.

For its part, **agricultural machinery sales** showed a negative monthly result of 3.5%, cutting back its interannual growth once again (reaching 2.4% compared to August 2021).

New vehicles' registrations ranked at the bottom of monthly variations' table within a contraction of 3.7% compared to July. In this context, its annual net balance went back to 14.2%. **Cement consumption** indicates a monthly decreased of 1.0% and an interannual one of 2.8%.

Lastly, **local tax revenues** (in real terms) declined by **2.2%** compared to July, moving interannual rates back to 5.0%.

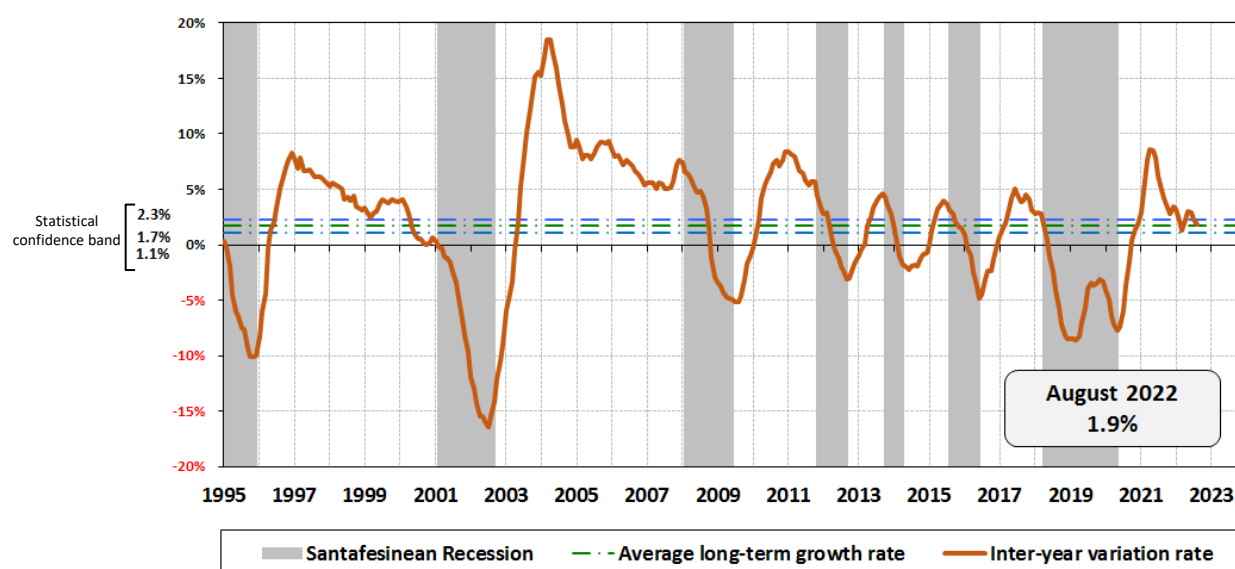
Summary and perspectives

Coincident index's interannual variations reached 1.9% in August 2022, registering a reduction of 1.1 percentage points in respect to May's value (see Graph 3). This meant a considerable interannual slowdown.

Once again, it's worth reviewing economic activity's expansion phase dated since May 2020. In summary, until August 2022, Santa Fe's economy recovered during 27 months, within an accumulated increase of 11.5% and an annualized interannual rate of 5.1%. Prior to this scenario, between 2018 and 2020, Santa Fe's business cycle experienced a 25-month recession and a net drop of **15.0%**, annualized at **-6.9%**, which justifies economic activity is still on a recovery process.

At the same time, current expansion has also developed different sub-periods. The first one, between May 2020 and 2021, in which a post-pandemic recovery effect was observed. Then, a short step down, starting to grow again between June 2021 and June 2022. From there one, three consecutive negative monthly variations. To this regard, further expectations for 2022 are not signaling a clear path, as inflation and recent measures adopted over the currency and external markets are interrupting differently in each economic sector.

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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