THE PROVINCE OF SANTA FE´S ECONOMIC DIGEST

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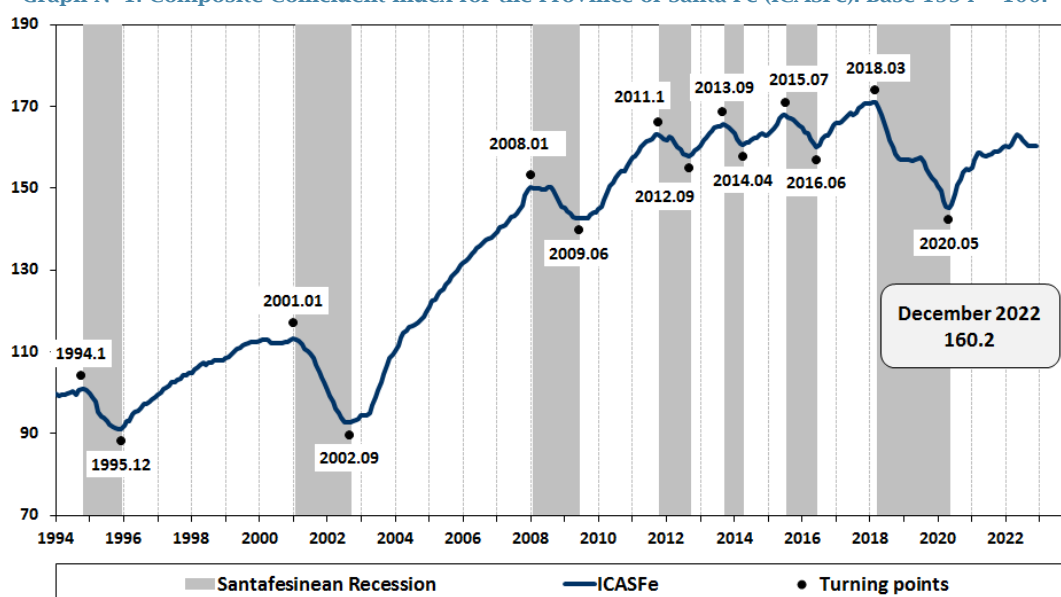
ICASFe

Base 1994=100

DECEMBER 2022

Level: **160.2**

Monthly variation: -0.1%
Inter-year variation: 0.1%

2022's net results picture a low contribution during post-pandemic recovery

Santa Fe's economic activity contracted -0.1% in December 2022. In fact, during the second semester achieved growth between January and June significantly retracted.

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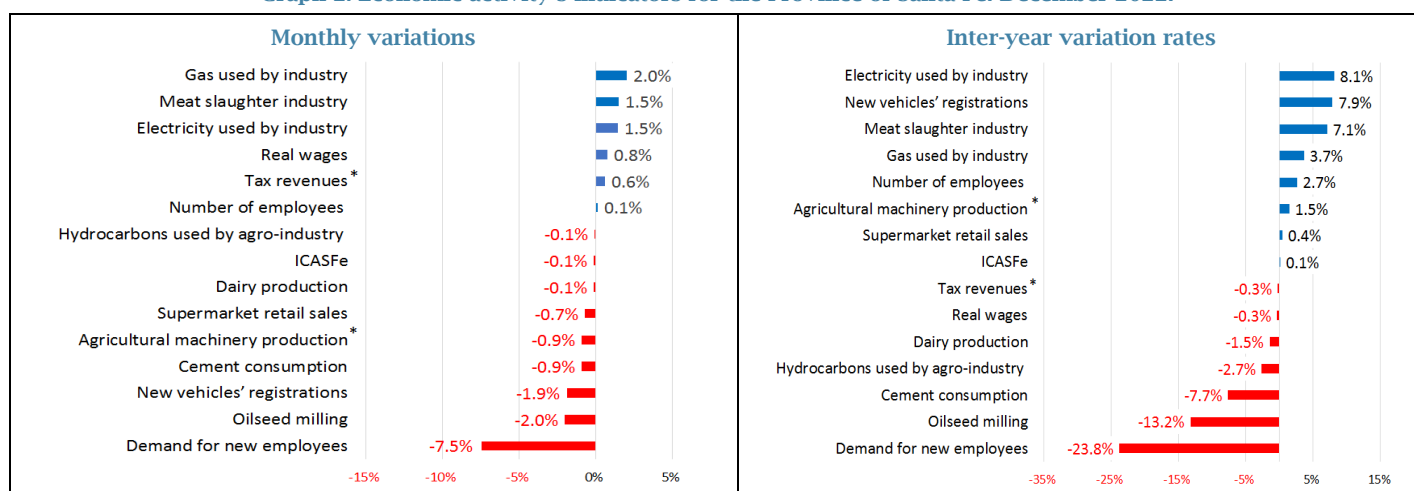
Output data considerations
The last twelve-monthly results exposed in this document are based on preliminary information and hence subject to further revisions.

Indicator by indicator

Most indicators presented a negative performance during the second half of the year.

In December 2022, only six of fourteen representative series of Santa Fe´s economic activity signaled positive monthly variations, whereas the rest showed a negative performance. Moreover, in interannual measurements, only half of series improved (see Graph 2).

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

Monthly variations	Inter-year variation rates
Gas used by industry 2.0%	Electricity used by industry 8.1%
Meat slaughter industry 1.5%	New vehicles' registrations 7.9%
Electricity used by industry 1.5%	Meat slaughter industry 7.1%
Real wages 0.8%	Gas used by industry 3.7%
Tax revenues* 0.6%	Number of employees 2.7%
Number of employees 0.1%	Agricultural machinery production* 1.5%
Hydrocarbons used by agro-industry -0.1%	Supermarket retail sales 0.4%
ICASFe -0.1%	ICASFe 0.1%
Dairy production -0.1%	Tax revenues* -0.3%
Supermarket retail sales -0.7%	Real wages -0.3%
Agricultural machinery production* -0.9%	Dairy production -1.5%
Cement consumption -0.9%	Hydrocarbons used by agro-industry -2.7%
New vehicles' registrations -1.9%	Cement consumption -7.7%
Oilseed milling -2.0%	Oilseed milling -13.2%
Demand for new employees -7.5%	Demand for new employees -23.8%

Last data available: (*) November 2022. Missing data was estimated.
Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Representative series from the industrial sector stand out for achieving positive ratios both in monthly and interannual measurements: **gas used by industry, electricity used by industry** and **meat slaughter industry.** In fact, the first of them was on top of monthly variations' table within a rate of 2.0% in December, recovering 3.7% during 2022.

Electricity used by industry signaled rates of 1.5 and 8.1%, respectively. On the other hand, **meat slaughter industry** presented a monthly rate of 1.5%, accumulating a total growth of 7.1% in 2022; mainly due to exports' rebound, in line with a depressed domestic market.

Number of employees (registered jobs) also experienced positive monthly and interannual variations, closing the year within a monthly rise of 0.1%, and an accumulated growth of 2.7%. To this regard, the series improved 6.4% since post pandemic recovery began, in August 2020.

On the other hand, **real wages** showed a monthly increase of 0.8%, but 2022's net balance fell to -0.3%, based on an inflationary acceleration. However, representative series of retail trade, **supermarket retail sales** experienced a slight recovery of 0.4% in 2022. It should be noted that this indicator refers to large commercial areas' sales, which capture most price agreements promotions (outlets). Furthermore, in December this series showed a negative monthly variation of 0.7%.

New vehicles' registrations presented a very dissimilar performance between the first and second half of the year. Showing a significant recovery until June and a rather irregular behavior during the last six months. Thus, the series ended the year within an accumulated variation of 7.9%. **Agricultural machinery production** presented a comparable performance, good results for the first months of the year, reaching a historical record in April 2022, but negative rates for the 3rd and 4th quarter.

Oilseed milling dropped -2.0% in December 2022, after two positive monthly variations. This data locates the series 13.2% below December 2021's level.

Remaining indicators referring to industrial sector, **dairy production** and **hydrocarbons used by agro-industry**, showed a negative evolution in 2022, ending the year with accumulated rates of -1.5 and -2.7%, respectively.

Regarding to **cement consumption** in the province, an indicator associated with construction sector, after reaching the highest value since 2018 in April 2022, the gauge showed a negative dynamic erasing initial growth. Net balance ended within an accumulated rate of -7.7%, the third largest negative year-on-year variation among all considered sub-indicators.

The series related to **local tax resources** (in real terms), also signaled a negative performance during the second semester,

finishing the year within a total fall of 0.3%. December measurement, for its part, showed a slight increase of 0.6%.

Finally, the sub-indicator within the worst performance during 2022 was **demand for new employees**, showing the worst rate of change, both in monthly and year-on-year measurements. It is worth noting that this series presents a regular high volatility; in December declined 7.5%, and 23.8% during the whole year.
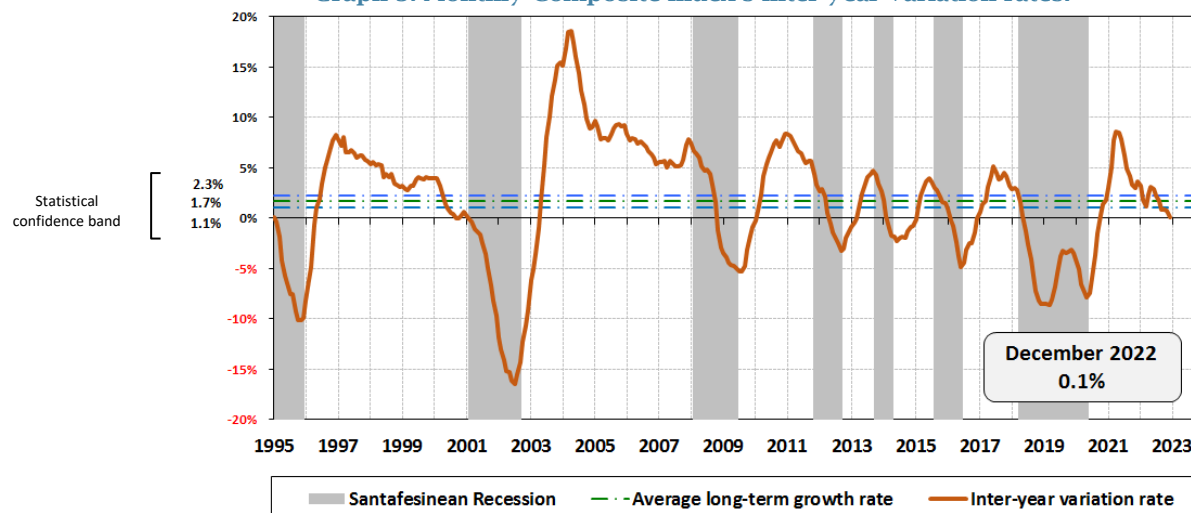
Summary and perspectives

Coincident index's interannual variations signaled a slight increase of 0.1% in December 2022, staying on a position below statistical confidence bands related to average long-term growth rate (see Graph 3).

To this regard, Santa Fe's current economic recovery, which began in 2020's second semester, continued showing a favorable performance during the first six months of the year. However, since July 2022, national macroeconomic imbalances (inflation, multiple exchange rates, increasing spending and fiscal deficit, public debt, monetary issues, among others), in conjunction with unfavorable policies, particularly damaged economic activity's dynamic.

In specific, after registering an increase of 1.6% during the first half of the year, the third quarter signaled a fall of 1.4%. Then, between October and November, a slight rebound was seen over some industrial activities but, in December, ICASFe's measurement registered a negative rate again, leaving a null balance for the last quarter of the year.

In this scenario, and considering a deep drought affecting 2022/23's harvest, a neutral to negative outlook is expected for 2023's first half of the year.

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

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

Santa Fe's Chamber of Commerce

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