THE PROVINCE OF SANTA FE´S ECONOMIC DIGEST

CDS
CENTRO DE ESTUDIOS Y SERVICIOS

BOLSA DE COMERCIO DE SANTA FE
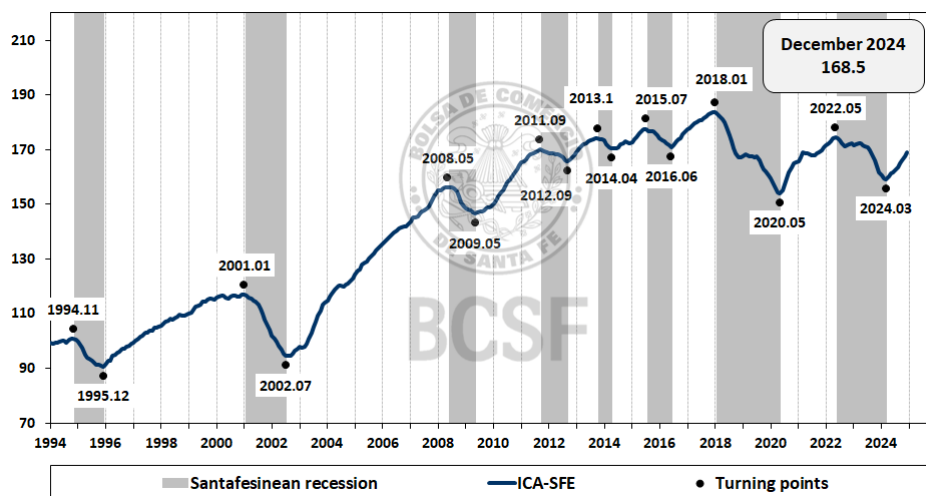
ICA-SFE
Base 1994=100

DECEMBER 2024

Level: **168.5**

Monthly variation: 0.9%
Inter-year variation: 4.2%

Provincial activity recovered by 4,2% in 2024

After a significant drop recorded in 2023, Santa Fe's economy ended 2024 with a net variation of +4.2%. The report details the sectors that are driving the new expansive phase.

Graph 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 (Digital Graph | Go to website).

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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. The last twelve-monthly results exposed in this document are based on preliminary information and hence subject to further revisions.
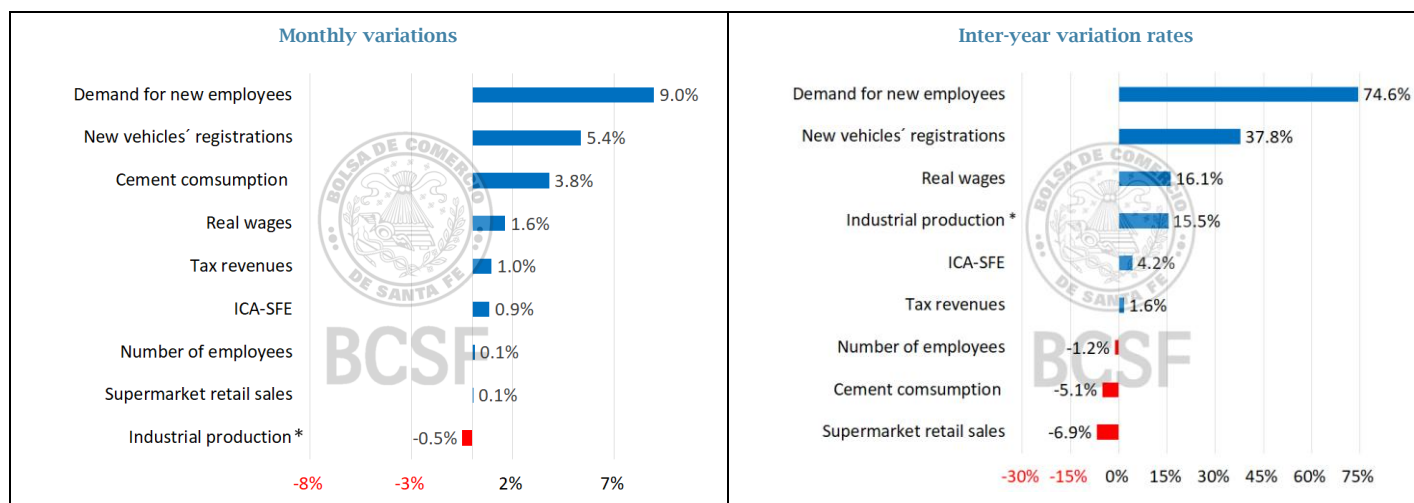
Santa Fe's business cycle indicators

In December 2024, seven of eight representative sub-indicators of provincial economic activity obtained favorable results. In addition, five of them registered year-on-year increases.

Demand for new employes, a series which measures business expectations to increase personnel in Santa Fe, continued the improvement observed since the minimum of December 2023, with variations of 9.0% monthly and 74.6% interannually (this series presents a high volatility, so its exchange rates have a great amplitude). Moreover, **registered jobs (new registrations)** in the province of Santa Fe obtained a slightly positive monthly rate of 0.1%. On a year-on-year comparison, it remains negative (-1.2%). **Real wages**, related to employees' purchasing power, signaled their tenth positive monthly rate in December (+1.6%), reaching an increase of 16.1% compared to December 2023.

Retail consumption **(supermarket sales)** achieved a monthly increase of just 0.1%. However, the series does not present clear signs of recovery. In fact, its year-on-year variation was -6.9%. It should be noted that this gauge internalizes official data related to large stores in the province of Santa Fe.

Graph 2: Economic activity's indicators for the Province of Santa Fe. December 2024.

Source: Research and Services Center, Santa Fe's Chamber of Commerce.
(*) Latest data available: November 2024. Missing figures were estimated.
Further information: visit the database and interactive charts.

Among indicators related to durable goods' investment, **new vehicles' registrations** performed well in December, within a monthly growth of 5.4%, whereas their year-on-year variations stood at 37.8%.

For its part, **cement consumption** had a monthly variation of 3.8%, maintaining the improvement observed since the middle of the year. However, it remains -5.1% below its year-on-year parameter, at a historically low level, after the hard contraction recorded during the first quarter of 2024.

Provincial tax resources, measured in real terms, improved by 1.0% in monthly basis. It is worth noting that, last month, the increase in provincial resources came from an improvement in co-participated funds, whereas collection of own taxes remained practically unchanged. In addition, in year-on-year terms, the series had its first positive variation in twenty-four months, within a variation of 1.6%.

On the other hand, a monthly decline of 0.5% was estimated for **industrial production**, although the series shows an increase of 15.5% on interannual terms. The following section details the behavior of main manufacturing indicators, and exposes additional information related to January 2025 when available.

Industrial sector's complementary indicators

In December 2024, **industrial gas consumption** showed a variation of -1.7%, which implied that the series adjusted downwards again, adding four falls among the last five months. However, the year-on-year rate shows a growth of 6.1%

For its part, the representative series of **industrial electricity** decreased in the last two months of the year: -0.6% in December. The comparison with the same month of the previous year shows an increase of 5.4%

With data up to January 2025, representative series of **consumption of liquid hydrocarbons** recorded its fifth positive monthly variation, in this case of 1.0%. This recovery reduced its interannual decline to -0.1%, approaching positive values.

Soybean and sunflower seeds milling began the year with a negative monthly variation of -3.2%. As for the year-on-year comparison, it shows a value of 34.9%, reflecting the good performance of the series during 2024. In January 2025 in the province, 2,526,000 tons of soybeans were sent for milling, the highest record for January since 2016 (leaving January 2021 apart, distorted by a stoppage of oil workers in December 2020). For its part, 129,000 tons of sunflower seeds were sent for milling, that is around the average for January of the previous six years.

Bovine and pig slaughters continued within the improvement that begun in April 2024. In January 2025, it registered an increase of 1.3% monthly and 5.1% year-on-year.

Finally, the representative series of **agricultural machinery production** in the province of Santa Fe accumulated its tenth consecutive positive monthly variation (4.5%). The high recovery of this series is reflected in a significant year-on-year increase.
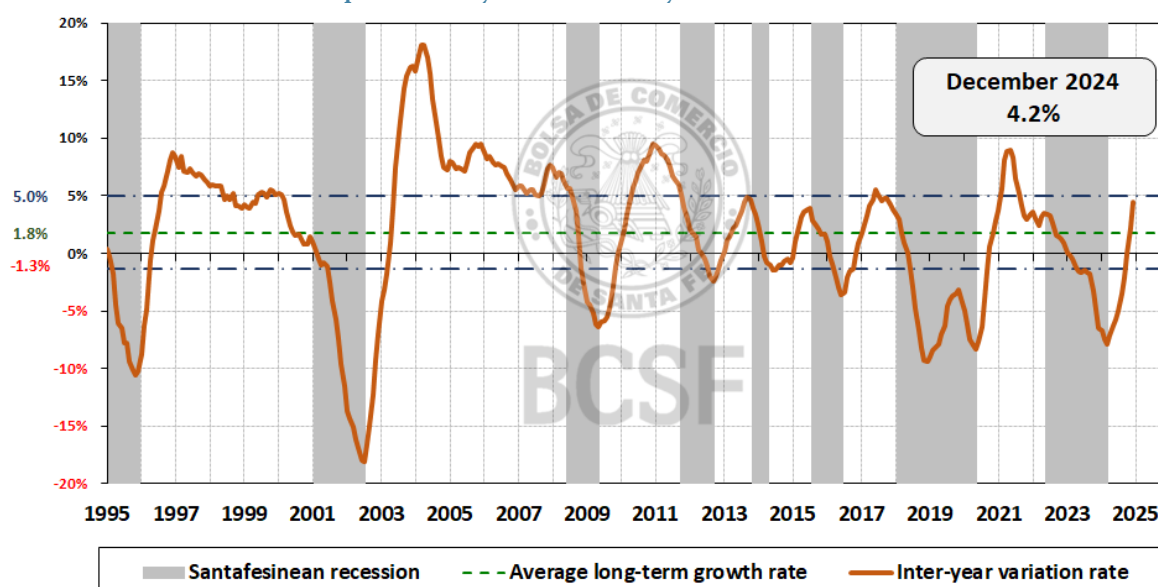
Summary and perspectives

ICA-SFE's interannual variation rates reached 4.2% in December 2024, which reflects the significant recovery of economic activity during the second half of the year. Moreover, the indicator ended above the average of the statistical confidence interval, built around the coincident index's long-term growth rate (see **Graph 3**).

In summary, 2024 ended in a generalized context of recovery in economic activity, although it is still too early to speak of a period of sustained growth. In fact, most of the series are below their peaks, reached before the recession that began in 2018.

In this sense, the current expansive phase has distinctive characteristics. Within nine consecutive months of recovery, **employment levels** and **supermarket retail sales** still have negative accumulated variations. However, demand for new employees and real wages are two sub-indicators that have seen the most significant increases. Therefore, it could be concluded that, although expectations for incorporating personnel are positive, net losses of registered jobs were a mayor limitation for the global recovery of consumption (despite the improvement in purchasing power of wages in this segment).

Finally, as businesses start to grow again, it's clear that not all are advancing at the same pace. In this regard, it is crucial to strike a certain balance, particularly in creating more competitive conditions for the industrial and construction sectors. In our view, it is essential to secure investments in sectors that not only require more employees but also stimulate the overall economy, to sustain the positive momentum from 2024.

Graph 3: Monthly ICA-SFE's inter-year variation rates.

Source: Research and Services Center, Santa Fe's Chamber of Commerce. (Digital Graph | **Go to website**).

ANNEX: INTERACTIVE GRAPHICS

To complement the digest, we invite you to explore further **interactive graphics**. This package will allow you to visualize real-time data for most indicators that contribute to Santa Fe's economic activity. By visiting our website, you will find information organized into three main sections:

1. ICA-SFE complementary indicators

This section summarizes the provincial economic cycle evolution and presents projections for the next 12 months.

Phases and turns chronologies

- **Classical approach** | Expansions and recessions
- **Growth approach** | Accelerations and decelerations
- **Growth rate approach**

Projections for the next 12 months

- **Forecasts and confidence bands**

Diffusion index

- **IDSC-SFE**

Probabilities of changing from one phase to another

- **Markov switching model**

2. System's economic series

This **section** presents complementary information related to Santa Fe's economic cycle project. It includes indicators categorized by thematic axis.

3. Panels with variations of all system's series

This section presents two panels showing monthly and interannual variations of all system's indicators. Information is updated on the last business day of each week.

- **Monthly variations panel**
- **Interannual variations panel**