



Bolsa de Comercio de Santa Fe



# ICASFe

## Monthly Composite Coincident Index for the province of Santa Fe

Thursday, February 20, 2014. Monthly digest Nº 02, year 8.

### The province's economic activity goes down.

The coincident indicator decreased -0.1% in November, which implies a lower level of economic activity during the last quarter of the year and a reduction of Santa Fe's projected cumulated expansion rate for 2013.

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#### NOVEMBER 2013

Monthly variation: -0.1%  
(in respect to October 2013)

Inter-year variation: 3.2%  
(in respect to November 2012)

2013's balance: 3.1%

#### ICASFe

Base 1994 = 100  
LEVEL = 160.1

#### NOVEMBER 2013'S MAIN RESULTS

ICASFe's level was measured in **160.1**, presenting a monthly variation of **-0.1%** in respect to October 2013.

Inter-year variation rates reached **3.2%** (comparing October 2013 vs. October 2012).

Between January and November 2013 Santa Fe's economic activity grew **3.1%**.

#### ¿What is ICASFe for?

The Composite Coincident Index for the province of Santa Fe (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.

As indicator, It provides a reliable source of information appropriate to support decision makers of public and private institutions. ICASFe was developed by a technical agreement with the *Universidad Nacional de Tucumán* (UNT).

#### Output data considerations

The last twelve monthly results exposed in this document are based on preliminary information and hence subject to further revisions. Calculated values gain consistency while primary sources publish consolidated data which provides an input to our indicator. Time series are handled in real terms and filtered by seasonality and outliers with the X-13ARIMA-SEATS software produced and distributed by the US Census Bureau.

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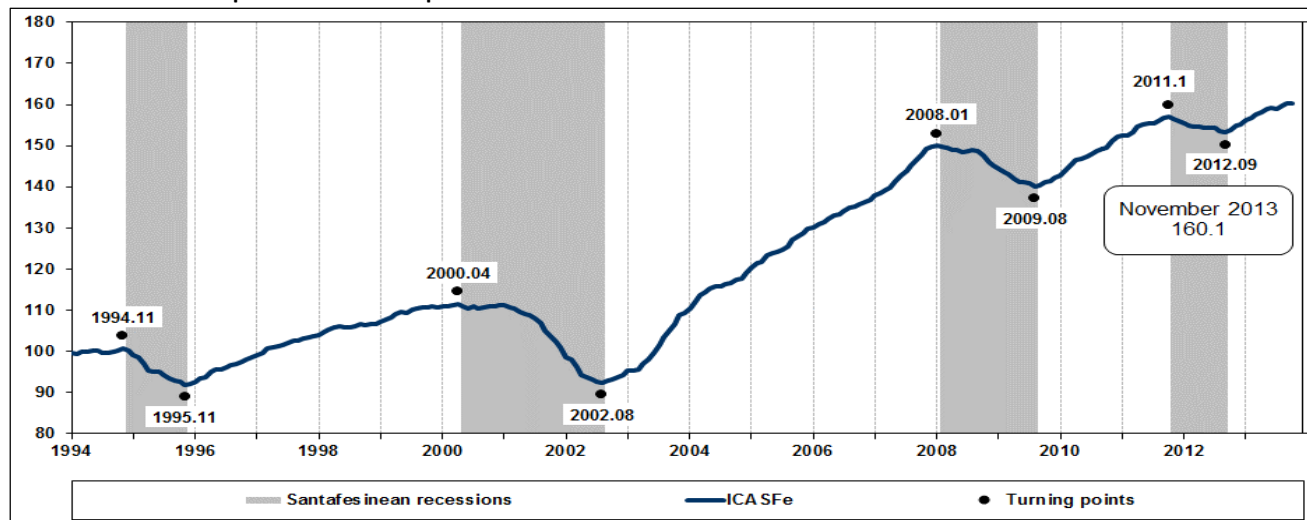
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### Province of Santa Fe's economic activity

In November 2013 the coincident index declined **-0.1%**, confirming that Santa Fe's economic activity dropped down during the last quarter of the year. Therefore, cumulated rate between January and November did also decrease reaching 3.1%.

Graph 1 - ICASFe - Composite Coincident Index for the Province of Santa Fe - Base 1994 = 100 -



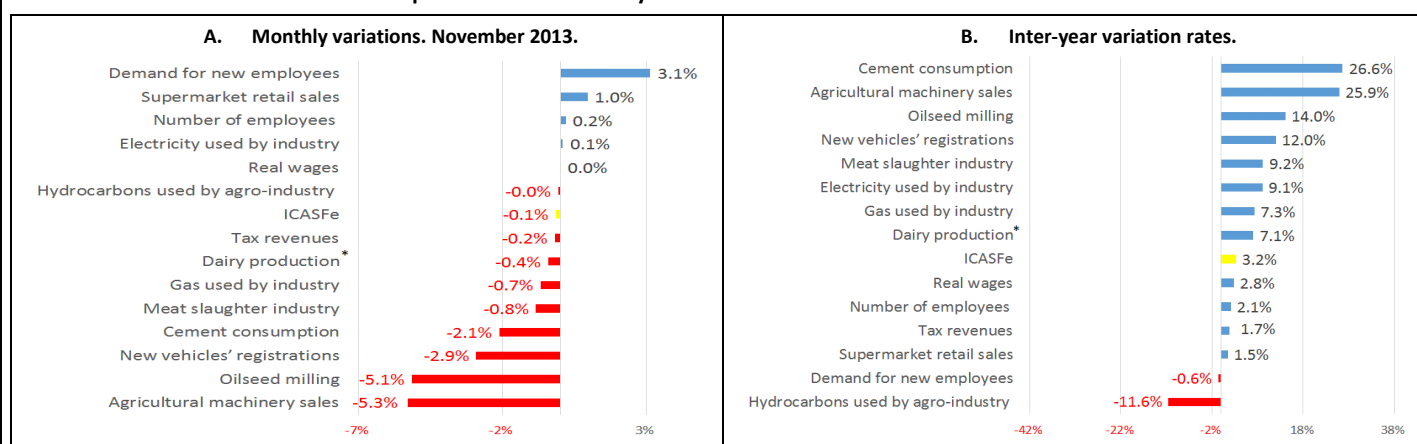
Source: Research and Services Center, Santa Fe's Chamber of Commerce.

### Indicator by indicator

Only five of the fourteen economic sub-indicators signaled positive monthly variation rates in November 2013; plus one of them was actually close to zero. On an inter-year comparison rates are also falling down but twelve of them are still showing positive results.

Most of the **industrial sub-indicators** experienced monthly declines. **Gas consumption** decreased **-0.7%** whereas **electricity used by industry** improved, but only 0.1%. **Hydrocarbons used by agro-industry and transportation** presented a negative variation rate (almost null), signaling an inter-year contraction of **-11.6%** in terms of November 2012. **Meat slaughter industry, oilseed milling and agricultural machinery sales**, all experienced negative movements as well: **-0.8**, **-5.1** and **-5.3%**, respectively. However, these three series share an inter-year expansion of 9.2, 14.0, and 25.9% (although it is worth noting that there cumulated rates are cutting back).

Graph 2 - Economic activity's indicators for the Province of Santa Fe -



(\*) Last available data from August 2013.

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

**Cement consumption**, a proxy of the construction sector, also obtained a negative monthly variation rate in November (**-2.1%**), although its inter-year performance is still positive (26.6%).

Labor market keeps showing certain stability and formal **employment** grew 0.2% in November. **Real wages** basically remained at October's level whereas the series' inter-year rate is positive in 2.8%. On the opposite direction, **demand for new jobs** presented a monthly improvement of 3.1% but the indicator is moving around a significant low historical level.

In relationship to Consumption, **supermarket retail sales** increased 1.0% in November but are stalled since the beginning of 2012.

**New vehicles' registrations** are already suffering a contraction and declined **-2.9%** in November. Its inter-year variation rate remains positive (12.0%) only because the series experienced a regular performance in 2012 and a significant boost in 2013's first semester.

**Tax revenues** registered their third monthly consecutive contraction, this time of **-0.2%**. Moreover, inter-year variation rates also lost terrain passing from 12.1% in June to only 1.7% in November 2013. On a long term horizon the series is not necessarily located on an extremely low level but, what worries, is that federal resources (which represent about 60,0% of total incomes) decreased during the last five months.

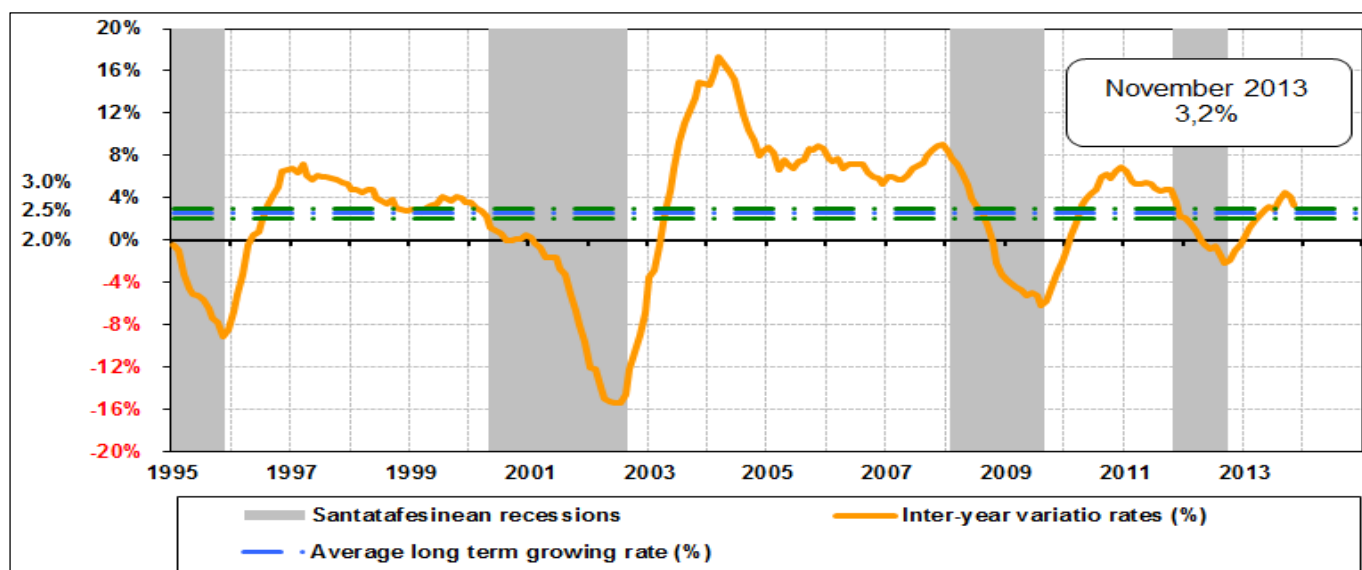
### Summary and perspectives

The coincident index's inter-year variation rates dropped down again and reached 3.2% in November. Within these results the gauge is almost touching the upper statistic confidence band (see Graph 3) which is constructed in reference to economic activity's long term growth. This circumstance empathizes the significance of the contraction signaled across 2013's last quarter.

In spite of an unfavorable macroeconomic context, most sectors kept growing during the first three quarters of 2013. But within the second half of the year inflation speeded up and put more pressure over the monetary exchange market. As a result, the National Government allowed an official depreciation of the Argentinean Peso and applied a new package of heterodox policies in different levels. Fact is, relative prices are suffering an important distortion as well as most main economic sectors claim to be under an uncertain scenario in order to make proper economic decisions.

All said, the province's economic activity is already suffering a contraction and final numbers for 2013 are going to be behind projected rates (under 3.5%).

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



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

#### In order to download or get access to:

- Statistical database, methodological documents and related publications | <http://ces.bcsf.com.ar>
- An on-line graphical tool to access historical data (series) | <http://www.bolcomsf.com.ar/ces/icasfe.php>