

# THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

Monthly publication Nº 12, year 8.  
ISSN 2362-4884

Date: 12/29/2014



Bolsa de Comercio de Santa Fe



CENTRO DE ESTUDIOS Y SERVICIOS

The economic contraction slowed down during 2014's third quarter.

Third's quarter economic declined was measured in only **-0.4%**, whereas during the first one the registered variation rate reached **-1.6%**.

**Bolsa de Comercio  
de Santa Fe**  
(Santa Fe's Chamber of Commerce)

President  
**Ing. Olegario Tejedor**

**Fundación Bolsa de Comercio**

President  
**Ing. Olegario Tejedor**

Executive Director  
**Dr. Gustavo Vittori**

**Research and Services Center**

Director  
**Lic. María Lucrecia D'Jorge**

Coordinator  
**Lic. Pedro P. Cohan**

Researchers  
**Melisa B. Lazzaroni  
Alfonso Cherri**

E-mail and contact information  
ces@bolcomsf.com.ar

Websites  
<http://ces.bcsf.com.ar> o  
<http://www.bcsf.com.ar>

**ICASFe**  
**September 2014**

**Level: 154.4**  
**Monthly variation**  
**-0.2%**

**Inter-year variation: -3.6%**  
**2014's contraction: -2.4%**

## Main results

*ICASFe's level was located in 154.4, presenting a monthly variation of **-0.2%** in respect to August 2014.*

*Inter-year variation rates reached **-3.6%** (comparing September 2014 vs. September 2013).*

*Cumulated contraction between January and September 2014 was measured in **-2.4%**.*

## **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 the *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 in <http://ces.bcsf.com.ar>

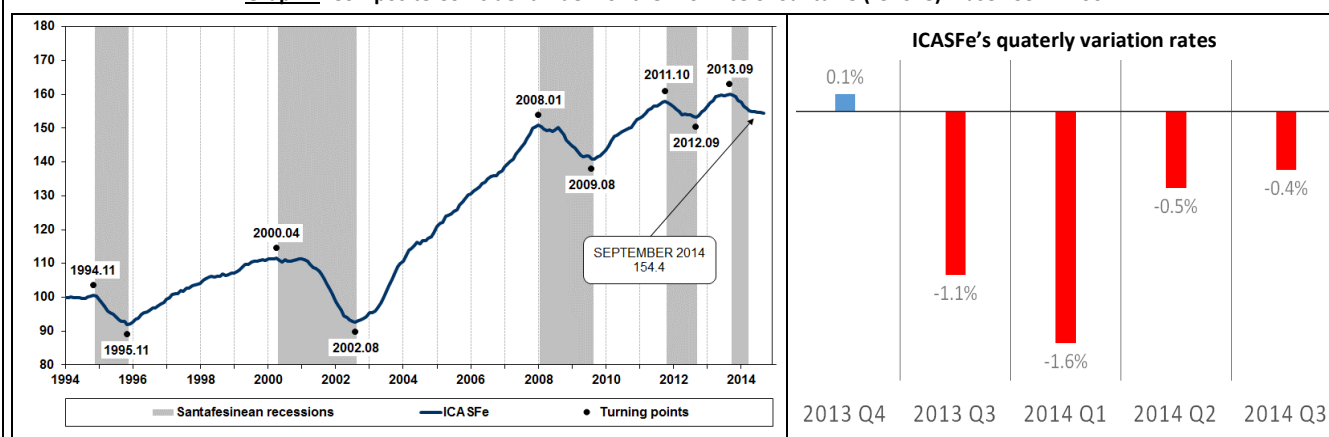
## **Output data considerations**

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.

### Province of Santa Fe's economic activity

The province's economic activity decreased **-0.2%** in September 2014. This result signals a new decline during the third quarter of the year (**-0.4%**) but also implies a slowdown upon the recessive process compared to the previous two quarters. Considering the period January-September 2014 economic activity declined **-2.4%** in Santa Fe.

**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.

### Indicator by indicator

Between January and September 2014 only six of the fourteen economic sub-indicators experienced positive cumulated variation rates (see Graph 2).

In regard to the manufacturing sector, **oil-seed milling** led 2014's growth during the first nine months of the year. Although showing a negative performance across the last quarter, the series cumulated a net expansion of 8.7%. On the other hand, **Meat slaughter industry** keeps going down and registered a total contraction of **-5.6%** until September. Considering the series' last peak, production levels are about 30.0% behind 2009's benchmark.

**Agricultural machinery sales** recovered some terrain during the third quarter but their net cumulated balance between January and September was **-20.3%**.

**Graph 2: Economic activity's indicators for the Province of Santa Fe. Cumulated variation rates for each period.**

|                                    | Year 2013   | January-September 2014 |
|------------------------------------|-------------|------------------------|
| Oilseed milling                    | 12.7%       | 8.7%                   |
| Gas used by industry               | 4.3%        | 7.4%                   |
| Dairy production*                  | 1.0%        | 6.1%                   |
| Cement consumption                 | 8.7%        | 4.1%                   |
| Hydrocarbons used by agro-industry | -5.2%       | 3.7%                   |
| Number of employees                | 2.4%        | 0.3%                   |
| Tax revenues                       | 2.1%        | -0.2%                  |
| <b>ICASFe</b>                      | <b>1.8%</b> | <b>-2.4%</b>           |
| Real wages                         | 2.2%        | -4.8%                  |
| Supermarket retail sales           | 3.2%        | -4.9%                  |
| Meat slaughter industry            | 6.4%        | -5.6%                  |
| Electricity used by industry**     | -1.0%       | -7.1%                  |
| Agricultural machinery sales       | -9.1%       | -20.3%                 |
| New vehicles' registrations        | 0.8%        | -23.9%                 |
| Demand for new employees           | -7.8%       | -30.2%                 |

(\*) Last available data from June 2014; (\*\*) Last available data from August 2014

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

In spite of an increasing deceleration, **gas used by industry** grew within all the three quarters and cumulated a total expansion of 7.4%. By the contrary, **electricity consumption**, industry's most important energetic input, presented a continuous contraction along 2014 and cumulated a negative variation rate of **-7.1%**. In the case of **hydrocarbons used by agro-industry**, consumption increased 3.7%, particularly moved forward by the second quarter's results.

Based on a recovery process which begun during the second quarter, **cement consumption** improved 4.1% between January and September. However, the series did not yet reached its last peak's level (from October 2013).

Helped by *Ingresos Brutos* (main local income) and federal resources, **tax revenues** measured in real terms improved during 2014's third quarter. Still, because of the series' performance during the first and second quarter its cumulated variation rate for the whole period closed in **-0.2%**

The province's labor market stands as a clear signal of general stagnation. **Registered jobs** grew only 0.3% during 2014's first nine months of the year whereas **demand for new workers** cumulated a negative rate of **-30.2%**. In respect to **real wages**, the series recovered partially during the third quarter but still registers a negative balance of **-4.8%** considering the total period. It is worth noting that both private and public formal employment were taken into consideration in order to obtain these results.

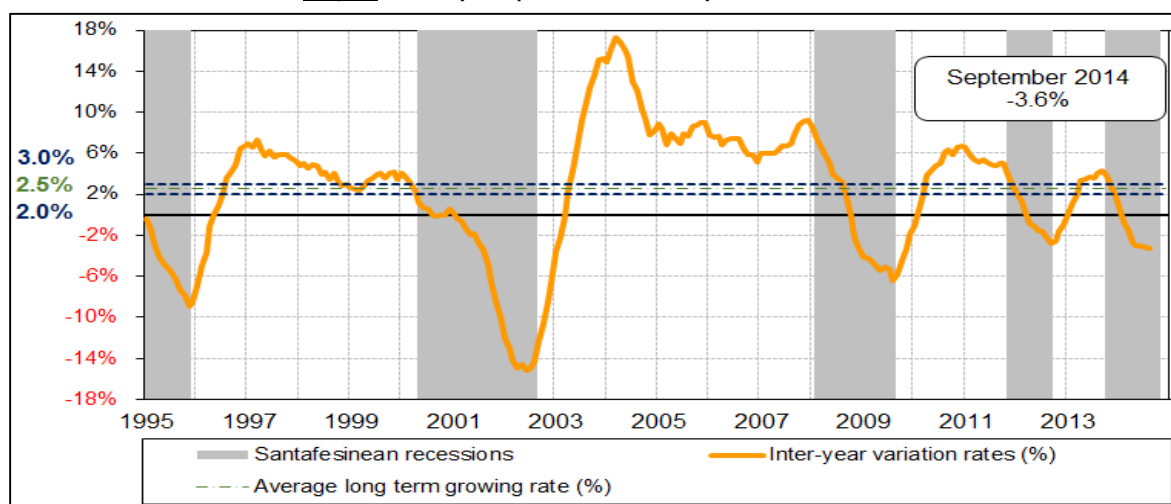
In line with salaries' purchasing power decline, **supermarket sales** went down for the third quarter in a row. To this regard, the sub-indicator cumulated a negative contraction of **-4.9%** across the considered period. Finally, **new vehicles' registrations**, a proxy for spendings on durable goods, decreased **-23.9%** in 2014, keeping up with the contraction path started in May 2013.

### Summary and perspectives

ICASFe's inter-year variation rates are still signaling negative results. In September 2014 the gauge reached **-3.6%**, which locates the series' level even under its previous trough (relative minimum), registered in September 2012 (see Graph 3).

During the third quarter of the year the province's economic activity continued falling down but, compared to the first and second quarter's outcome, showed a mild deceleration in the contraction process. This favorable upshot was based on some indicators' performance between June and September that, nevertheless, did not plenty recovered compared to their previous benchmark. From this perspective and internalizing general results, a short-term turning point in economic activity has yet poor chances to be accomplished.

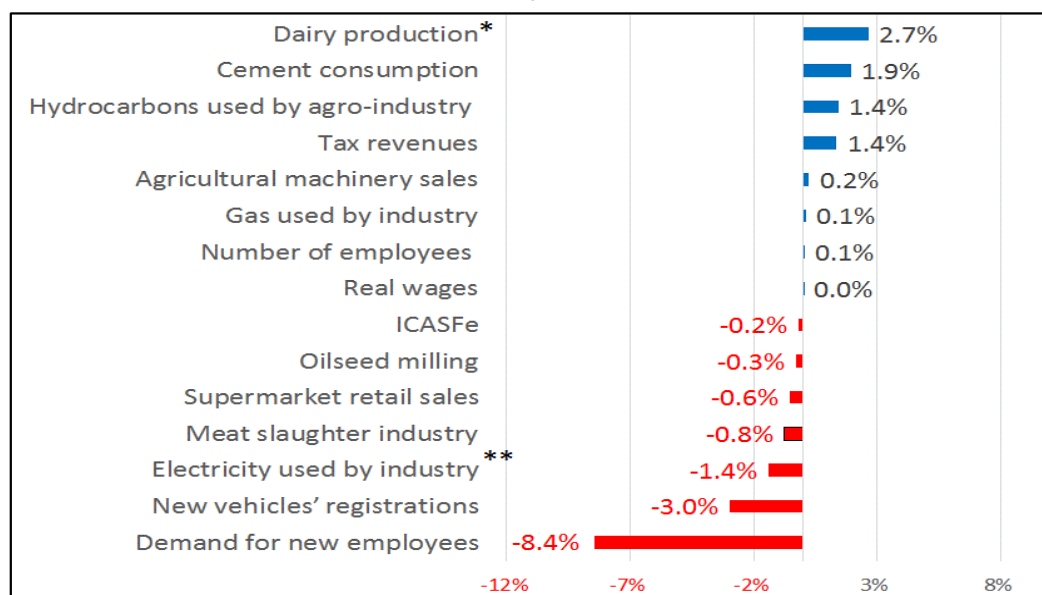
**Graph 3: Monthly Composite Index's inter-year variation rates.**



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

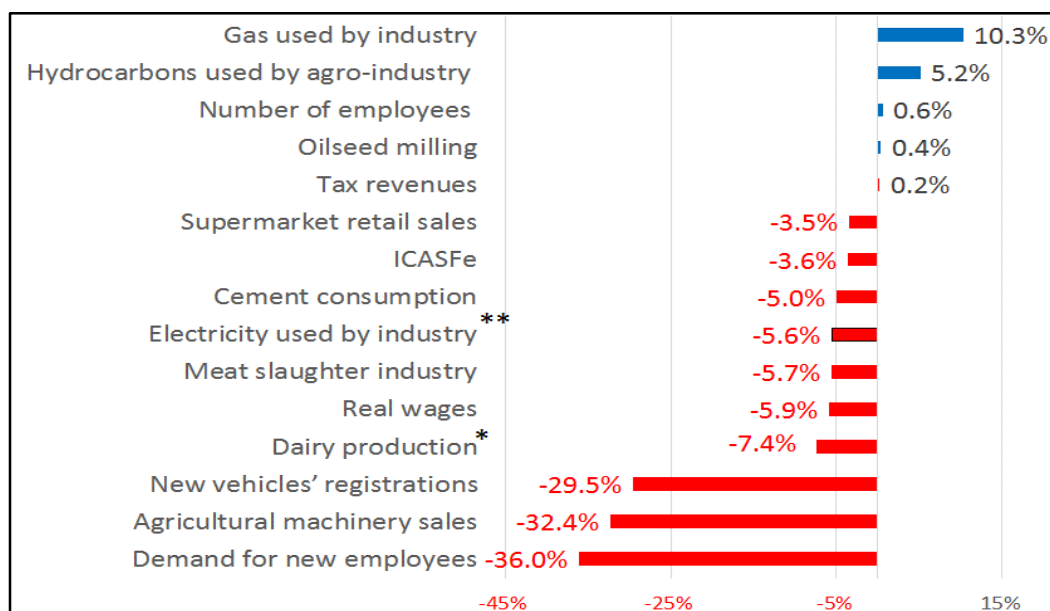
#### In order to download or get access to:

- 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>

**ANNEX I. Economic activity's indicators for the Province of Santa Fe. Data referred to September 2014.****A. Monthly variation rates.**

(\*) Last available data from June 2014; (\*\*) Last available data from August 2014

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

**B. Inter-year variation rates.**

(\*) Last available data from June 2014; (\*\*) Last available data from August 2014

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