

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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Bolsa de Comercio de Santa Fe



The province's economic activity experiences a slight increment

In January 2015 the coincident index presented a monthly variation of 0.2%. This means a total improvement of 0.4% during the last five registered months although inter-variation rates are still negative.

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ICASFe

January 2015

Level: 155.0

Monthly variation

0.2%

Inter-year variation: -1.4%

2015's net result: 0.2%

Main results

ICASFe's level was located in 155.0, presenting a monthly variation of 0.2% in respect to December 2014.

*Inter-year variation rates reached **-1.4 %** (comparing January 2015 vs. January 2014).*

Cumulated expansion during 2015 was measured in 0.2%.

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>

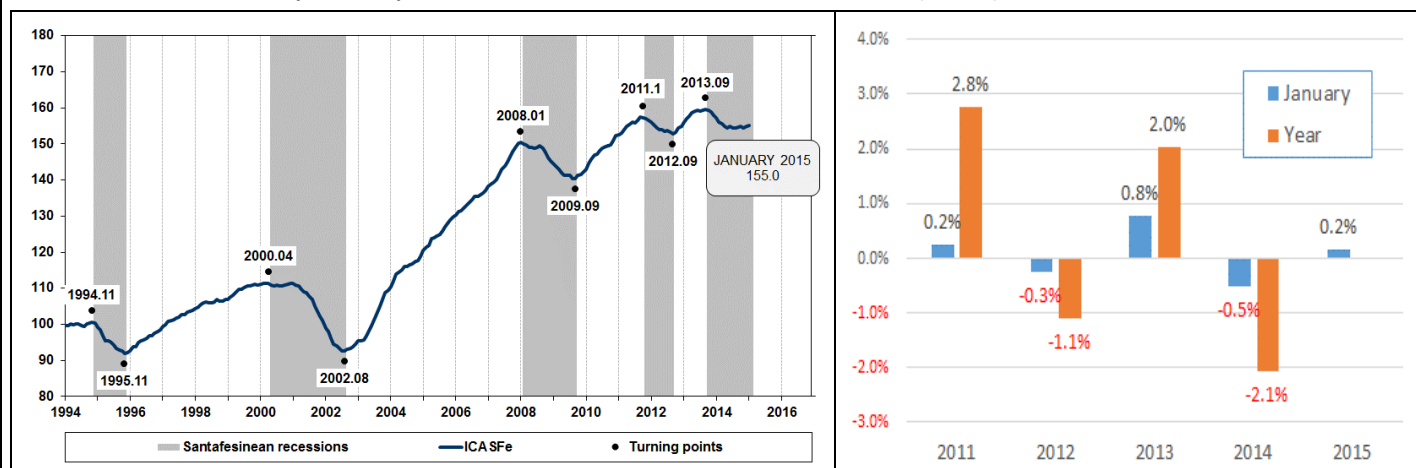
Output data considerations

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

In line with 2014 last quarter's registrations, this year Santa Fe's coincident index started over with a positive monthly variation rate of 0.2%. To this regard, considering recent historical data, present results show certain similarities with 2011's. However, from that year on, net economic growth has been practically null (see Graph 1); this particular context, characterized by mild and short recessions/expansions, explains why today's economic activity level is still under last two registered peaks' (dated in October 2011 and September 2013).

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.

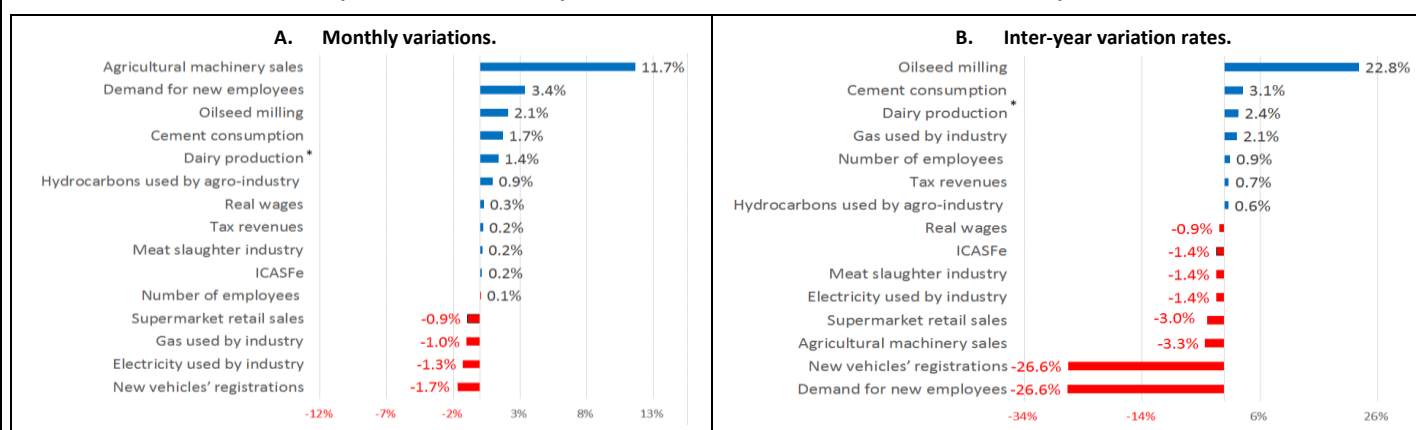
Indicator by indicator

In January 2015 nine of the fourteen economic sub-indicators considered in the analysis registered positive monthly variation rates. In this sense, the four series which presented contractions were related to the secondary sector, durable goods and retail consumption.

Agricultural machinery sales increased 11.7% but the sub-indicator is still 3.3% below its inter-year benchmark and 60.0% below last registered peak from May 2013. **Oil-seed milling** grew for another month in a row, 2.1% this time, and achieved an inter-year expansion of 22.8%.

Helped by improvements from the bovine sector, **meat slaughter industry** increased 0.2% in terms of December. However, the series kept showing a negative inter-year variation rate of -1.4%.

Graph 2: Economic activity's indicators for the Province of Santa Fe - January 2015 -



(*) Last available data from December 2014.

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

It is worth noting that both **industrial electricity and gas consumption** have declined in January with rates of -1.3 and -1.0%, respectively. Moreover, during 2014 the first series also went down (-1.4%) but the other sub-indicator improved 2.1%. **Hydrocarbons used by agro-industry**, the third series which internalizes secondary sector's energetic inputs, presented positive variation rates of 0.9% in monthly terms and 0.6% inter-yearly.

Cement consumption signaled a monthly expansion of 1.7% which allowed the series to recover 74.0% of 2014 last quarter's cumulated drop. Within this result, its inter-year variation rate improved to 3.1%.

Pushed forward by federal resources, **tax revenues** increased 0.2% in January. On the opposite direction total local incomes went down because of a drop in *Ingresos Brutos*, partially compensated by *Sellos*.

Registered jobs showed a mild expansion in both monthly and inter-year terms of 0.1 and 0.9%, respectively. Furthermore, **real wages** related to formal employment from both public and private sectors increased 0.3% in January but still presented a negative inter-year variation rate of **-0.9%**, which implies salaries kept losing purchasing power because of inflation. **Demand for new workers** grew 3.4% but its inter-year comparison maintains a very unfavorable balance of **-26.6%**.

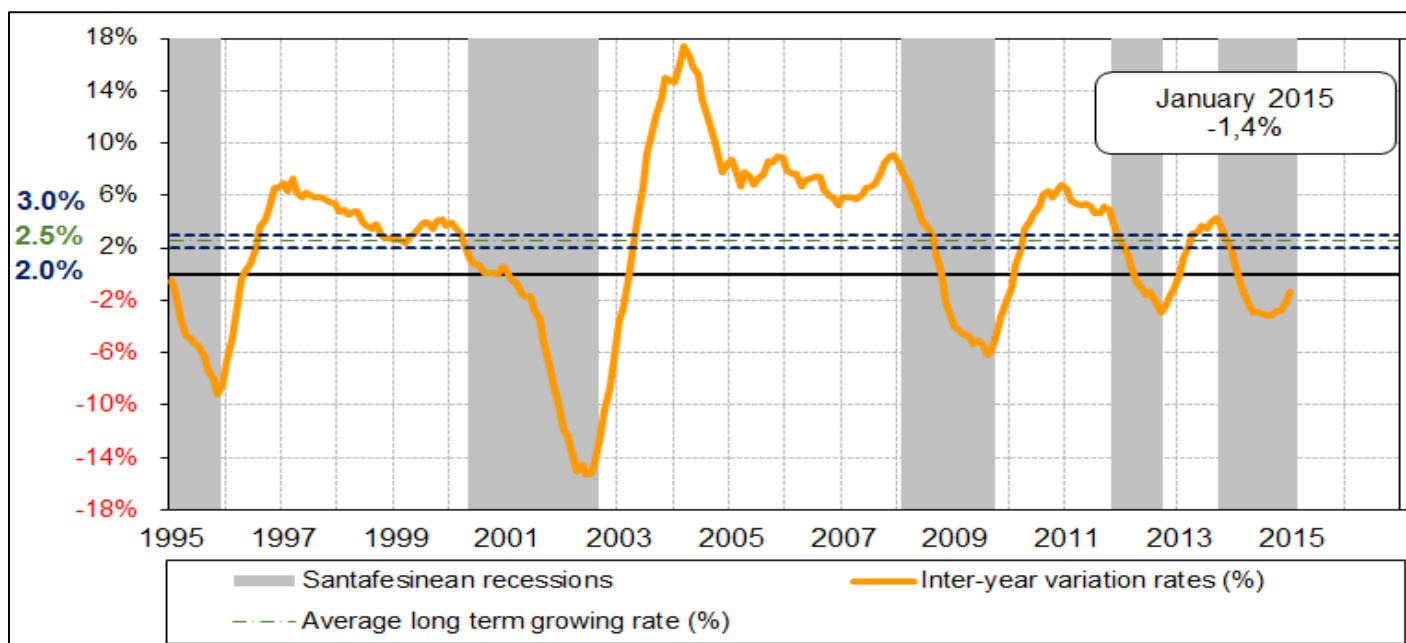
Supermarket sales presented a decline of **0.9%** and intensified their inter-year contraction's speed (from **-0.9%** in October 2014 to **-3.0%** in January 2015). Finally, **new vehicles' registrations** went down **1.7%** in respect to December and **26.6%** in respect to January 2014.

Summary and perspectives

As a result of the improvements registered in economic activity during the last few months, the coincident index's inter-year variation rates spin toward the area of positive values (see Graph 3). In this context, the gauge was located in **-1.4%** in January 2015, which means the recessive process kept slowing down (inter-year rates reached **-3.2%** in September 2014).

Nevertheless, it's worth noting that although many of the sub-indicators are sharing this recent uprising trail, most of them are still below their historic peaks from 2011 and 2013. Therefore, we cannot yet technically speak about an economic recovery.

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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- 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>