

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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Bolsa de Comercio de Santa Fe



2015's third quarter: slower growth

Between July and September 2015 the province's economic activity increased just 0.1%; this variation rate signals an important deceleration compared to the first semester.

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

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ICASFe

September 2015

Level: 161.3

Monthly variation

0.3%

Inter-year variation: 2.7%

2015's partial result: 2.4%

Main results

ICASFe's level was located in 161.3, presenting a monthly variation of 0.3% in respect to August 2015.

Inter-year variation rates reached 2.7% (comparing September 2015 vs. September 2014).

Cumulated expansion during the first nine months of 2015 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>

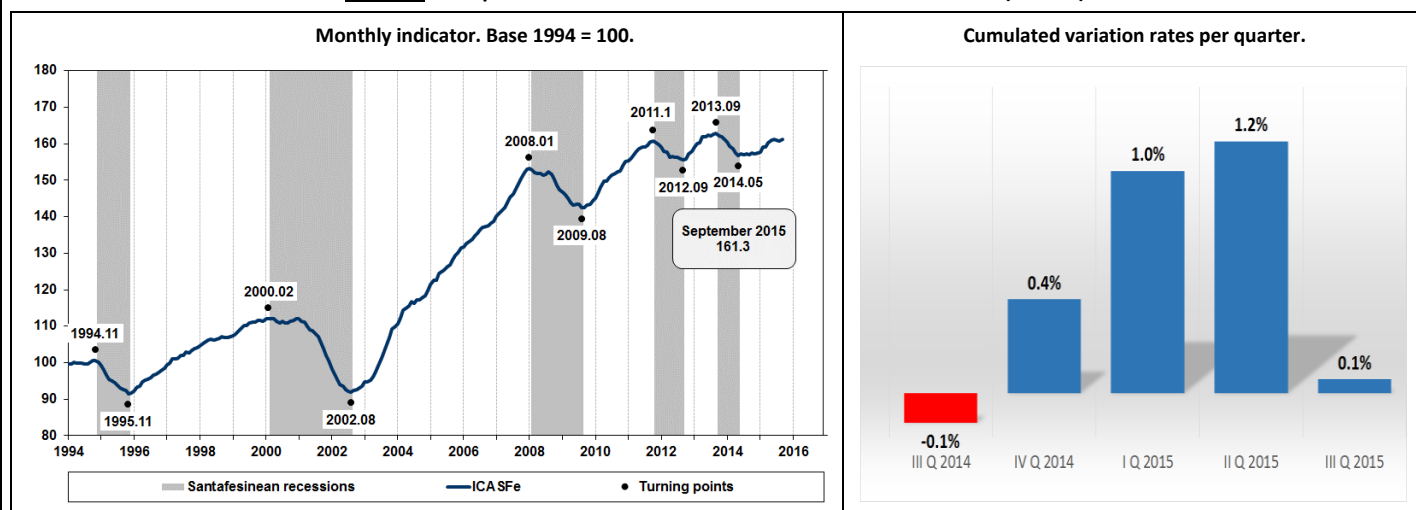
Output data considerations

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

In September 2015 the coincident index increased 0.3% in respect to August. However third quarter's cumulated growth reached only 0.1%, whereas during the first two periods variation rates were measured in 1.0 and 1.2%, respectively (see Graph 1; right quadrant).

Graph 1: Composite Coincident Index for the Province of Santa Fe (ICASFe).



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

Indicator by indicator

In 2015's first semester twelve of the fourteen economic sub-indicators presented positive cumulated variation rates. By the contrary, during the third quarter only six of them maintained that behavior while three improved in terms of the previous period. After practically two consecutive years of decline, between January and September 2015 **new vehicles' registrations** recovered most of their cumulated drop; within increments of 2.3% during the first semester and 5.5% across the next three months. **Cement consumption** gained 0.9% in September and also cumulated a positive rate during the first semester. However, because of its unfavorable performance in July and August the series registered a contraction of 5.6% in the quarter.

Table 1: Economic activity's indicators for the Province of Santa Fe. Cumulated growth per period.

	2015's first semester	2015's third quarter
New vehicles' registrations	2.3%	5.5%
Oilseed milling	3.2%	5.0%
Real wages	3.0%	3.0%
Gas used by industry	3.8%	1.8%
Dairy production	4.3%	0.9%
Number of employees	1.6%	0.8%
ICASFe	2.3%	0.1%
Tax revenues	4.3%	-0.2%
Hydrocarbons used by agro-industry	-1.9%	-0.2%
Demand for new employees	19.0%	-1.7%
Supermarket retail sales	-2.0%	-2.2%
Electricity used by industry	1.1%	-2.2%
Meat slaughter industry	8.0%	-4.8%
Cement consumption	6.5%	-5.6%
Agricultural machinery sales	12.4%	-6.5%

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

Oil seed milling grew 5.0% during the last quarter and 3.2% in 2015's first half of the year. **Industrial gas consumption** went on the same direction obtaining rates of 1.8 and 3.8%, respectively. On the other hand, **electricity used by the secondary sector** decreased 2.2% between July and September, although the gauge also presented a positive variation in the previous period (1.1%). In the case of **hydrocarbons used by agro-industry** both results were negative: -1.9 and -0.2% during each period.

Meat slaughter industry declined 4.8% in the third quarter whereas **dairy production** presented a mild expansion of 0.9%. During 2015's first half both sub-indicators improved 8.0 and 4.3%, respectively.

Leaving behind a short recovery registered during the first few months of the year, the series related to **agricultural machinery sales** signaled a total contraction of **6.5%** in 2015's third quarter and regained a significantly low historical level.

In regard to **demand for new employees**, data showed favorable perspectives until June but the sub-indicator lost **1.7%** in the third quarter. During that period, **total registered jobs** increased 0.8%, keeping up within a stable performance. Moreover, **real wages** improved 3.0% between July and September, the same rate obtained upon the first semester. Nevertheless, in spite of this improvement in formal purchasing power, **supermarket retail sales** decreased **2.2%**, accelerating its previous drop, measured in **2.0%**.

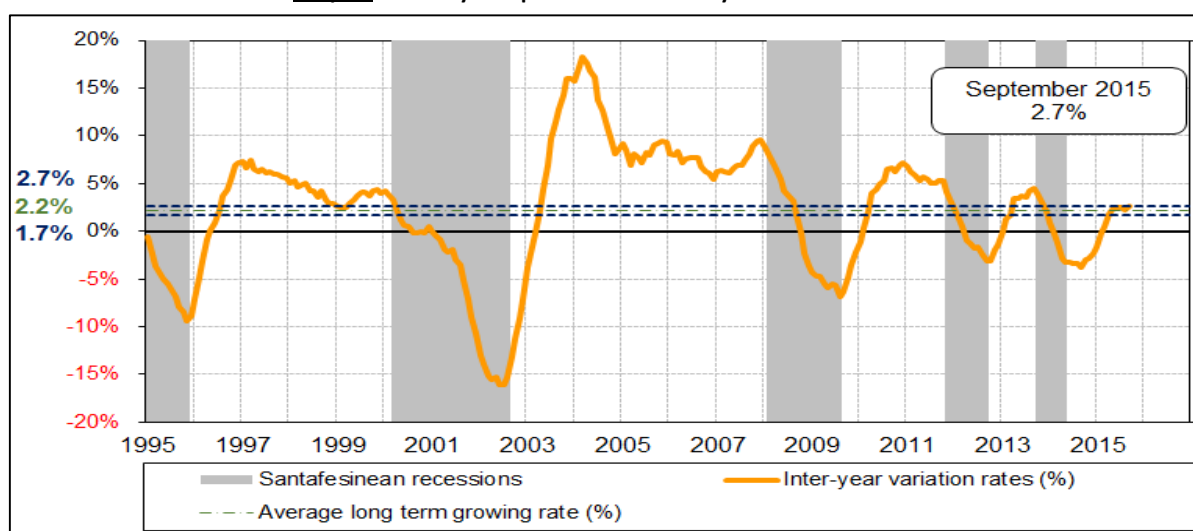
Finally, **tax revenues** presented a practically null movement in the third quarter (**-0.2%**), after a total expansion of 4.3% during the 2015's first semester.

Summary and perspectives

In September 2015 the province's economic activity gained 0.3% and the coincident index's inter-year gauge reached 2.7%. To this regard, growth speed stayed close to the upper long-term statistical band (see Graph 2).

However, compared to the first semester, during 2015's third quarter cumulated variation rates signal an important deceleration pushed down by industrial activities, the construction sector and retail sales. Nonetheless, besides disposable incomes are not yet damaged, inflation and the monetary market's reaction to new policies are going to be modeling economic mid-term perspectives.

Graph 2: Monthly Composite Index's inter-year variation rates.



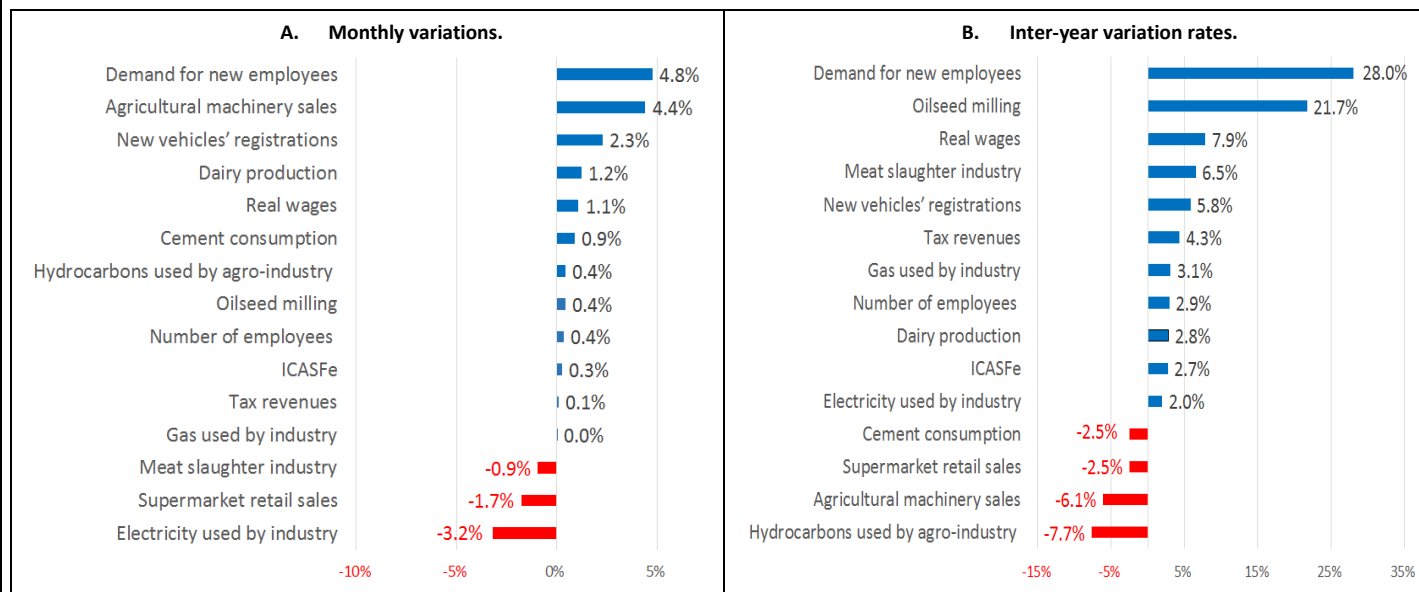
Source: Research and Services Center, Santa Fe's Chamber of Commerce.

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>

Attachments to the document

Economic activity's indicators for the Province of Santa Fe - September 2015 -



(*) Last available data refers to June. July and August's variation rates were estimated.

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