

# THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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CENTRO DE ESTUDIOS Y SERVICIOS

## Fourth economic recession since 2008

Santa Fe's coincident index registered its sixth consecutive decline since November 2015.

### ICASFe

APRIL 2016

Level:

**159.5**

Monthly variation:

**-0.9 %**

Inter-year variation: **-0.7%**

2016's partial result: **-1.5%**

### MAIN RESULTS

ICASFE's level was located in **159.5**, presenting a monthly variation of **-0.9%** in respect to March 2016.

Inter-year variation rates reached **-0.7%** (comparing April 2016 vs. April 2015).

Partial cumulated contraction during 2016's was measured in **-1.5%**.

### 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.

### 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>



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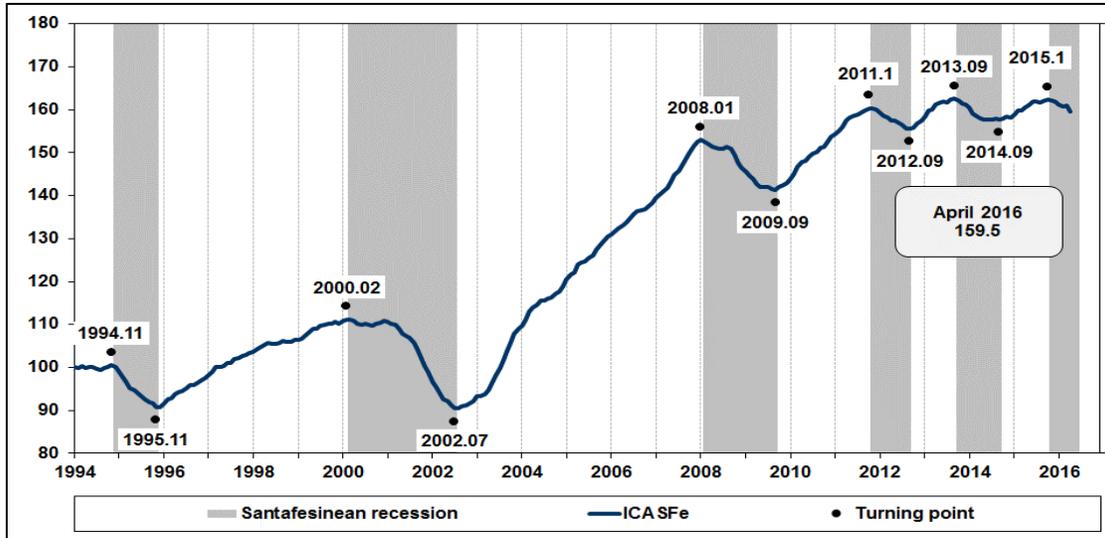
<http://ces.bcsf.com.ar> o

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**Province of Santa Fe's economic activity**

Based on April's result of **-0.9%**, Santa Fe's economic activity registered a new turning point in November 2015 (see peak: 2015.10 in Graph 1). As a consequence, the province is technically facing its fourth economic contraction since 2008, within a total decline of **1.8%** across the first six months since the beginning of the recession.

**Graph 1: Composite Coincident Index for the Province of Santa Fe (ICASFe). Base 1994 = 100.**

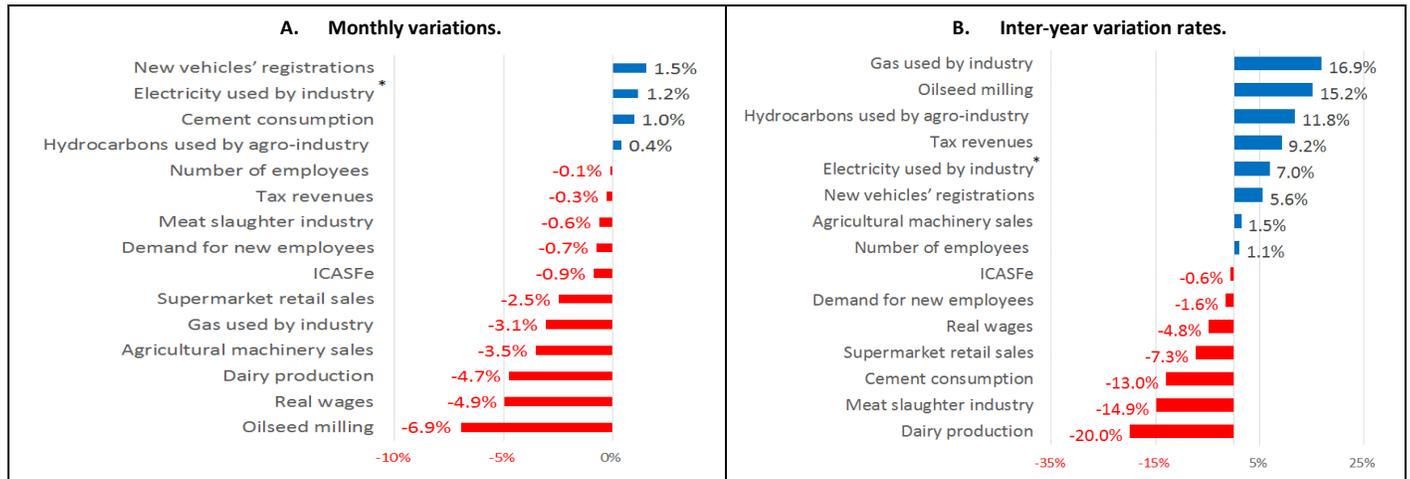


Source: Research and Services Center, Santa Fe's Chamber of Commerce.

**Indicator by indicator**

In April 2016 only four series experienced positive variation rates, but it is worth noting that **electricity used by industry** was actually estimated because official data for 2016 is not yet available.

**Graph 2: Economic activity's indicators for the Province of Santa Fe - April 2016 -**



(\*) Last available data refers to December 2015.

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

**New vehicles' registrations** increased 1.5% in terms of March, gaining 5.6% during the last 12 months. However, although the series shows certain stability since 2015, pre-owned vehicles' market went on the other direction and lost **8.3%**. **Cement consumption** improved 1.0% in April, partially recovering from its inter-year drop which reached **-13.0%**.

In regard to the labor market, **demand for new employees** decreased **4.1%** in monthly terms and **1.6%** inter-yearly. **Registered jobs** also experienced a contraction in April of **0.1%** and so did **real wages**, the most affected sub-indicator, which presented a monthly variation rate of **-4.9%**.

In line with the economic recession, **supermarket retail sales** decreased **2.5%** in April locating the series **7.3%** behind its inter-year benchmark. **Agricultural machinery sales** dropped **3.5%**, **oil-seed milling** **6.9%** whereas **Meat slaughter industry** **0.6%** in respect to March and **14.9%** compared to April 2015. **Dairy production** registered variation rates of **-4.7** and **-20.0%**, respectively.

**Hydrocarbons used by agro-industry** experienced a mild increment of 0.4%, but **industrial gas consumption** - which is more representative in terms of production – fell down **3.1%**. Other regional gauges related to the secondary sector are also showing this negative trend and therefore estimations obtained for **electricity used by industry** are expected to readjust with lower results once official data is released.

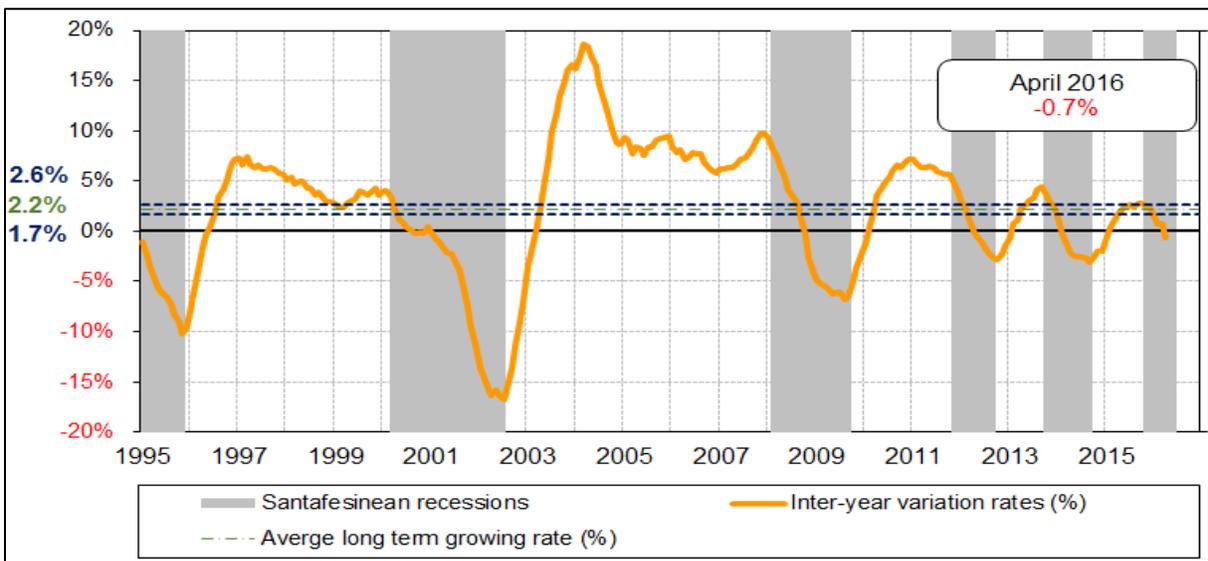
In real terms, **tax revenues** signaled a monthly variation rate of **-0.3%** and stays 9.2% above its inter-year level. Although the province of Santa Fe's was favored by additional federal resources (15.0% was detracted until 2015 for Social Security), net flows during the last few months decelerated along with lesser national tax incomes.

**Summary and perspectives**

2016's fourth measurement strongly externalizes the effect of recession over Santa Fe's economy. After fourteen consecutive positive inter-year variation rates, the gauge finally perforated the 0.0% benchmark and reached **-0.7%** in April (see Graph 3).

This new contraction phase, which began during 2015's last quarter, is essentially related to domestic circumstances linked to the macroeconomic difficulties faced by Argentina within the last years. In addition, in 2016 regional issues must also be taking into account as the hydric emergency spreads over agro-industrial chain and, indirectly, over the entire productive sector and complementary activities such as commerce and transportation. All considered, the recession is expected to persist at least until the end of the year.

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



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