

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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CENTRO DE ESTUDIOS Y SERVICIOS

The second semester begins with another drop

Between January and July 2016 activity decreased **3.3%** in the province of Santa Fe. However, a better economic performance is expected from the fourth quarter on.

ICASFe

JULY 2016

Level:

150.8

Monthly variation:

-0.1%

Inter-year variation: **-3.8%**

2016's partial result: **-3.3%**

MAIN RESULTS

ICASFE's level was located in **150.8**, presenting a monthly variation of **-0.1%** in respect to June 2016.

Inter-year variation rates reached **-3.8%** (comparing July 2016 vs. July 2015).

Partial cumulated contraction during 2016's was measured in **-3.3%**.

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 the coincident index. In addition, it is worth noting that all series internalized by this project, 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 | Go to <http://ces.bcsf.com.ar>
- Handbook of sub-indicators | Go to <http://ces.bcsf.com.ar>
- An on-line graphical tool to access historical data | Go to <http://www.bolcomsf.com.ar/ces/icasfe.php>



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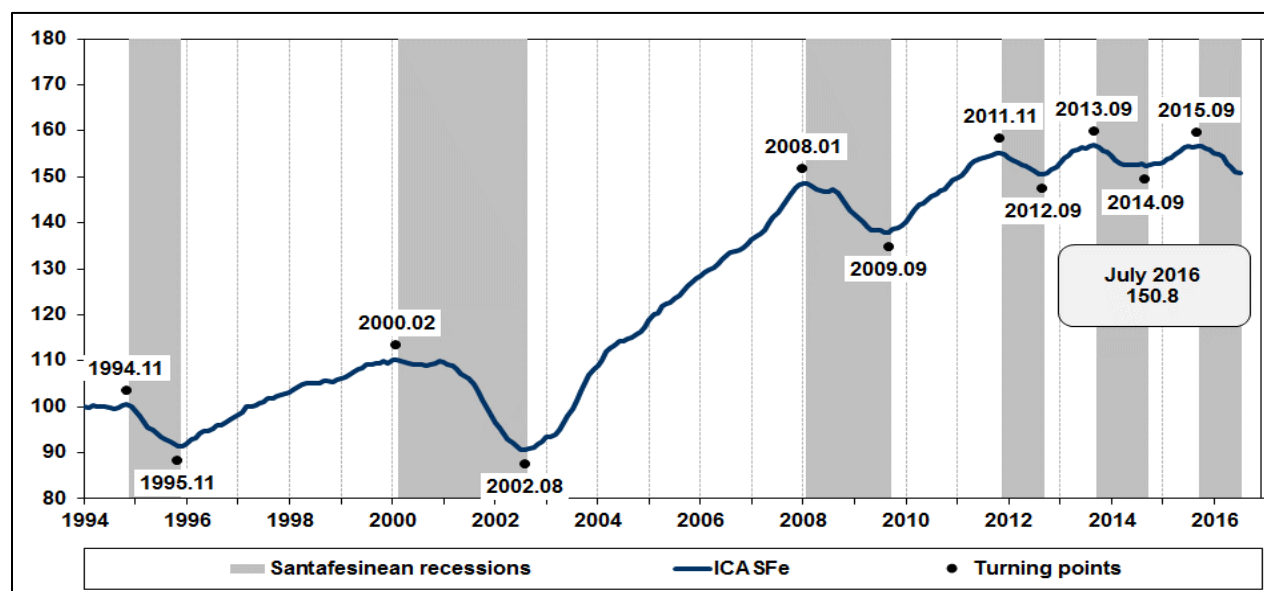
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Province of Santa Fe's economic activity

In July 2016 Santa Fe's economic activity went down again but within a lower intensity: ICASFe's monthly variation rate was measured in **-0.1%**. In quarterly terms, the most significant contraction during the last ten months was registered between April and June, whereas the coincident index lost about **-2.3%**.

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

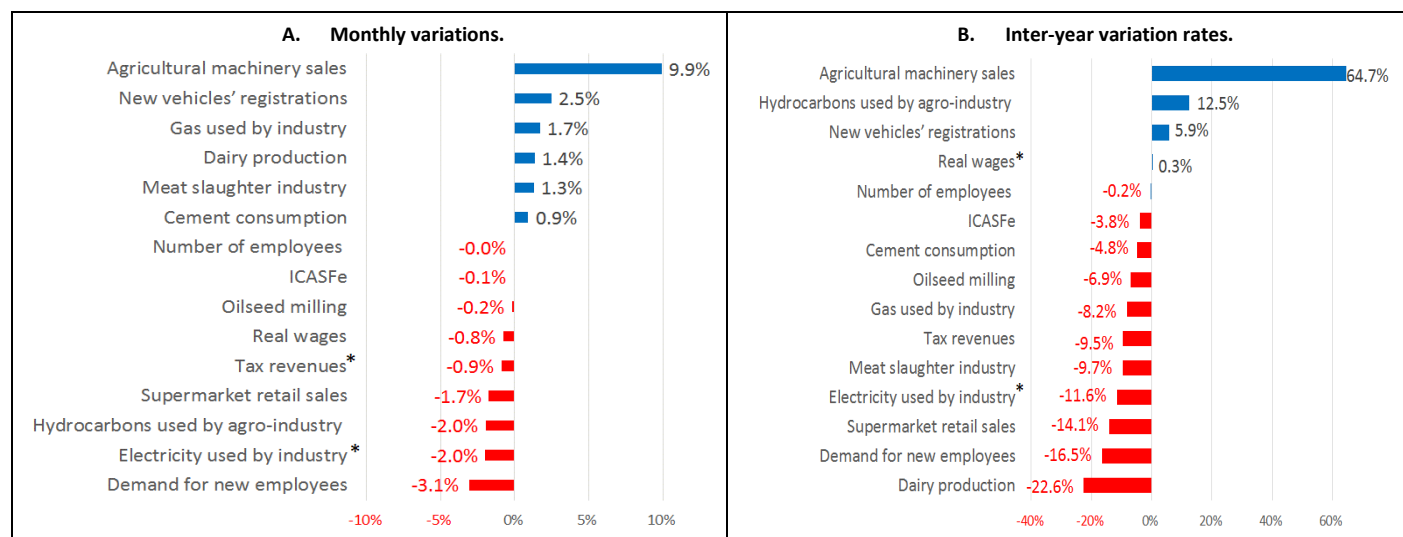


Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

At the beginning of 2016's second semester, six of the fourteen considered series experienced positive monthly variation rates. However, only two of them improved in respect to their inter-year benchmark.

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



Last available data refers to: (*) June 2016.

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

Agricultural machinery sales increased 9.9% in respect to June, reaching an inter-year recovery of 64.7%. Nevertheless, it is worth noting that the series' level is still behind 2008's historic peak and, in addition, refers specifically to large size companies. Another

indicator related to durable goods, **new vehicles' registrations**, also showed a better performance, within rates of 2.5 (monthly) and 5.9% (inter-yearly). **Cement consumption** increased in terms of June as well (0.9%) but stayed **-4.8%** below July 2016's level.

Hydrocarbons used by agro-industry declined **2.0%** in respect to June in spite of having achieved an inter-year recovery of 12.5%. By the contrary, **industrial gas consumption** grew 1.7% in July but its inter-year gauge signaled a contraction of **8.2%**. **Electricity used by industry** cumulated a total drop of **10.6%** during 2016's first semester. Moreover, according to July's results the series declined again both monthly and inter-yearly. In regard to **oil-seed milling**, the sub-indicator presented a monthly rate of **-0.2%**, its fifth consecutive negative variation within an inter-year drop of **6.9%**. **Meat slaughter industry** registered a monthly expansion of 1.3% but stayed **9.7%** behind July 2015's level. In the case of **dairy production** these rates were 1.4 and **-22.6%**, respectively.

In regard to the labor market, **demand for new employees** decreased **3.1%** compared to June and **16.5%** in terms of July 2015. **Registered jobs** showed an almost null monthly movement and the series cumulated a **0.2%** drop during the last twelve months. As for **real wages**, purchasing power kept deteriorating within a **-0.8%** monthly variation; whereas the series inter-year loss reached **14.1%**. In accordance to these results, **supermarket retail sales** obtained rates of **1.7** and **14.1%**, respectively.

Finally, **tax revenues'** monthly variation for July was estimated in **-0.9%** (official data was not available).

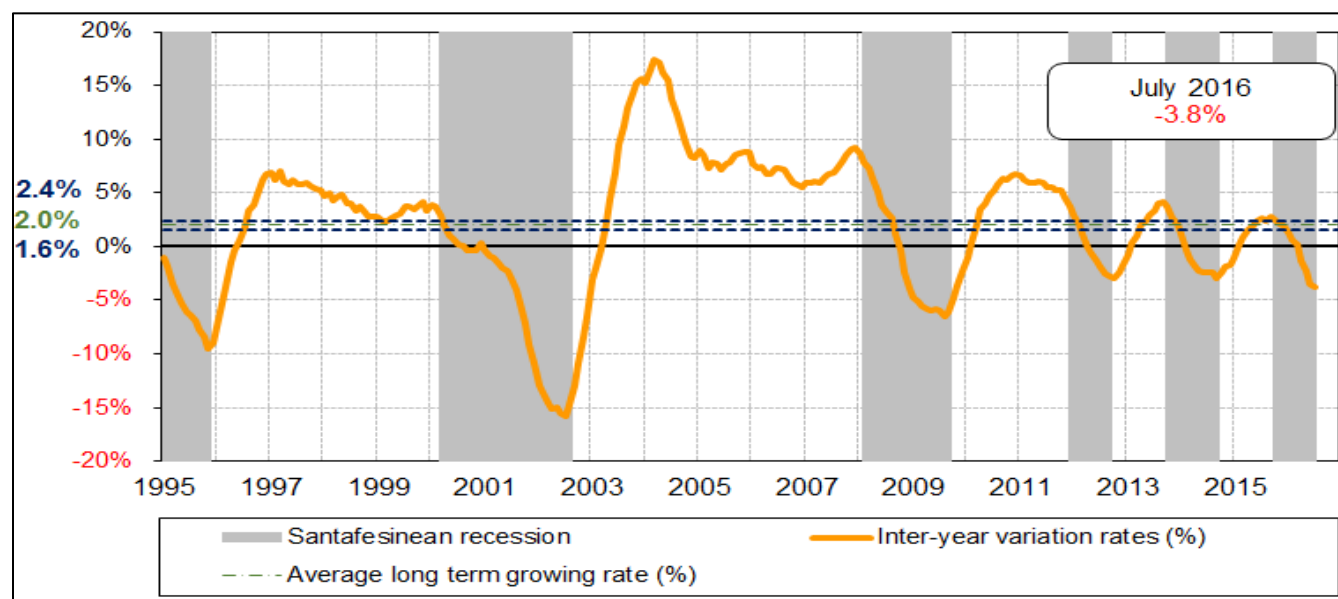
Summary and perspectives

The coincident index's inter-year variation rates reached **-3.8%** in July, signaling an intensification of Santa Fe's recession.

Nevertheless, it is worth noting that, generally speaking, most sub-indicators' performance certainly improved in respect to June. Then again, it is still too soon to consider these results capable to break down last ten months' negative dynamic.

Some specific activities like dairy production, meat industry and cement consumption seem to be reaching a cyclical trough. If this recovery process is able to persist over time and spills upon other sectors then, 2016's fourth quarter may accomplish a mild positive balance.

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



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

Attachments to the document: Economic activity's indicators for the Province of Santa Fe.

I. Cumulated variation rates during 2016's first semester.

Serie	Cumulated variations during 2016's 1st Semester
Agricultural machinery sales	35.9%
Hydrocarbons used by agro-industry	7.9%
New vehicles' registrations	3.7%
Cement consumption	-0.3%
Number of employees	-0.5%
Gas used by industry	-2.1%
Meat slaughter industry	-3.0%
ICASFe	-3.2%
Tax revenues	-3.6%
Real wages+	-9.3%
Demand for new employees	-9.5%
Oilseed milling	-10.2%
Electricity used by industry	-10.6%
Supermarket retail sales	-11.7%
Dairy production	-20.7%

Fuente: Centro de Estudios y Servicios, Bolsa de Comercio de Santa Fe.