

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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CENTRO DE ESTUDIOS Y SERVICIOS

7th consecutive month of recovery

Available data from January 2017 signals that Santa Fe's economy began a new expansion phase in July 2016.

ICASFe

JANUARY 2017

Level:

154.1

Monthly variation:

0.4 %

Inter-year variation: **-0.3%**
2017's partial result: **0.4%**

MAIN RESULTS

ICASFE's level was located in **154.1**, presenting a monthly variation of **0.4%** in respect to December 2016.

Inter-year variation rates reached **-0.3%** (comparing January 2017 vs. January 2016).

Partial cumulated contraction during 2017's was measured in **0.4%**.

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 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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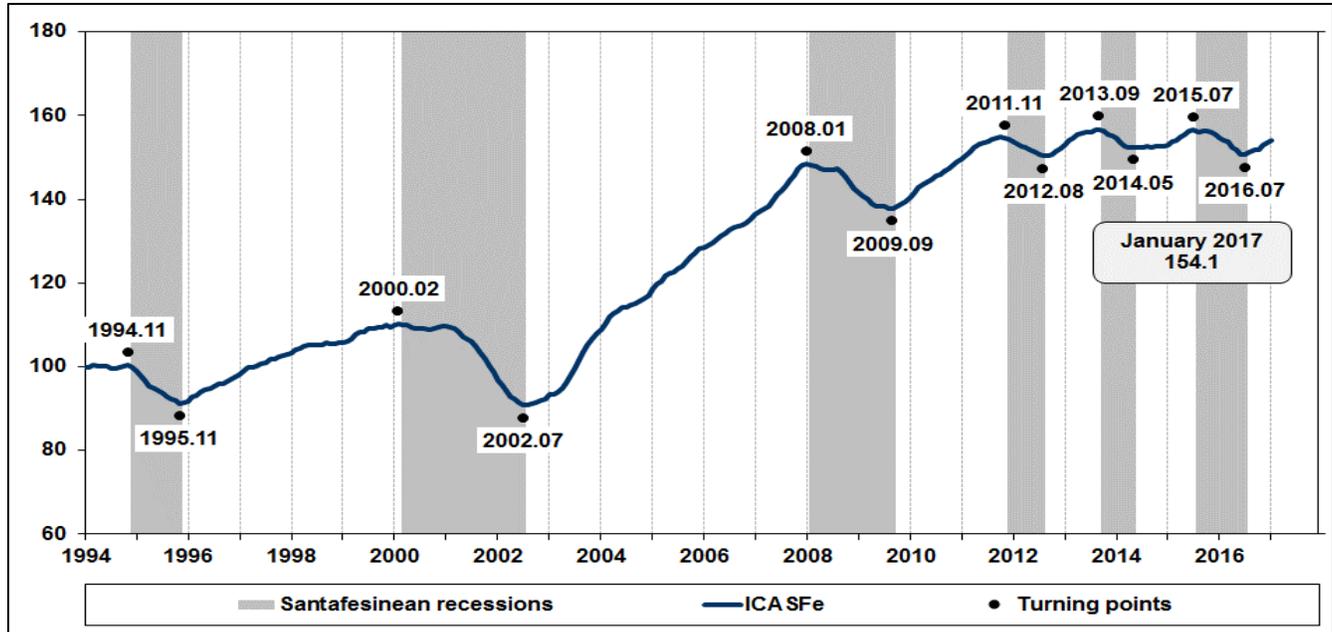
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Province of Santa Fe's economic activity

The economic recovery experienced during 2016's second half continues in 2017 within a monthly increase of 0.4% in January. These results imply a total cumulate growth of 2.3% between August 2016 and this last measurement. To this regard, available data allows to technically locate the beginning of a new expansion phase in July 2016.

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

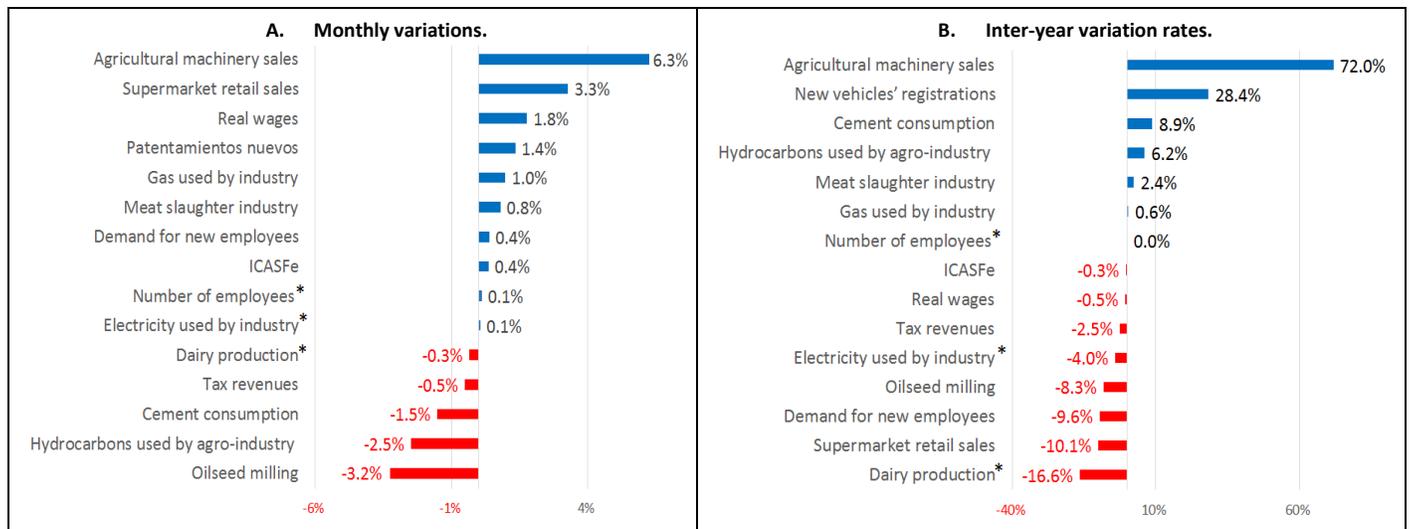


Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

In January 2017 nine of the fourteen series considered by the coincident index experienced positive monthly variation rates (see Graph 2). In addition, six of them were also able to improve in respect to their inter-year benchmark.

Graph 2: Economic activity's indicators for the Province of Santa Fe - January 2017 -



Last available data: (*) December 2016.

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

First available data indicates that **agricultural machinery sales** kept experiencing an outstanding performance in 2017. The series increased 6.3% in terms of December 2016 and 72.0% on an inter-year comparison. On the other hand, **oilseed milling** started the

year within unfavorable results: a monthly drop of **3.2%** and an inter-year one of **8.3%**. **Hydrocarbons used by agro-industry and transportation** presented a negative rate in terms of December (**-2.5%**), although the gauge increased 6.2% during the last twelve months. Moreover, **meat slaughter industry** achieved positive results in both, monthly (0.8%) and inter-year terms (2.4%).

Registered jobs remained unchanging, in a similar level than its inter-year benchmark. **Demand for new employees** recovered 0.4% in respect to December, but compared to January 2016 the series stayed **9.6%** behind. In the same direction, **real wages** presented a monthly improvement of 1.8%, but could not yet regain January 2016's purchasing power; its inter-year variation rates were measured in **-0.5%**. Correspondingly, **supermarket retail sales** showed a positive variation in respect to December (3.3%), but registers an inter-year decline of **10.1%**.

Sub-indicators related to investment and durable goods maintained a good performance: **new vehicles' registrations** increased 28.4% during the last twelve months, whereas **cement consumption** improved 8.9%. In respect to December the series obtained rates of 1.4 and **-1.5%**, respectively.

The industrial sector is still harmed by recession's effects. **Gas consumption** grew 1.0% in January, but only 0.6% on inter-year terms. In the case of **electricity**, the series' rates were estimated in 0.1 and **-4.0%**, respectively.

Finally, **tax revenues** began the year with negative results: **-0.5%** in respect to December and **-2.5%** considering January 2016's level.

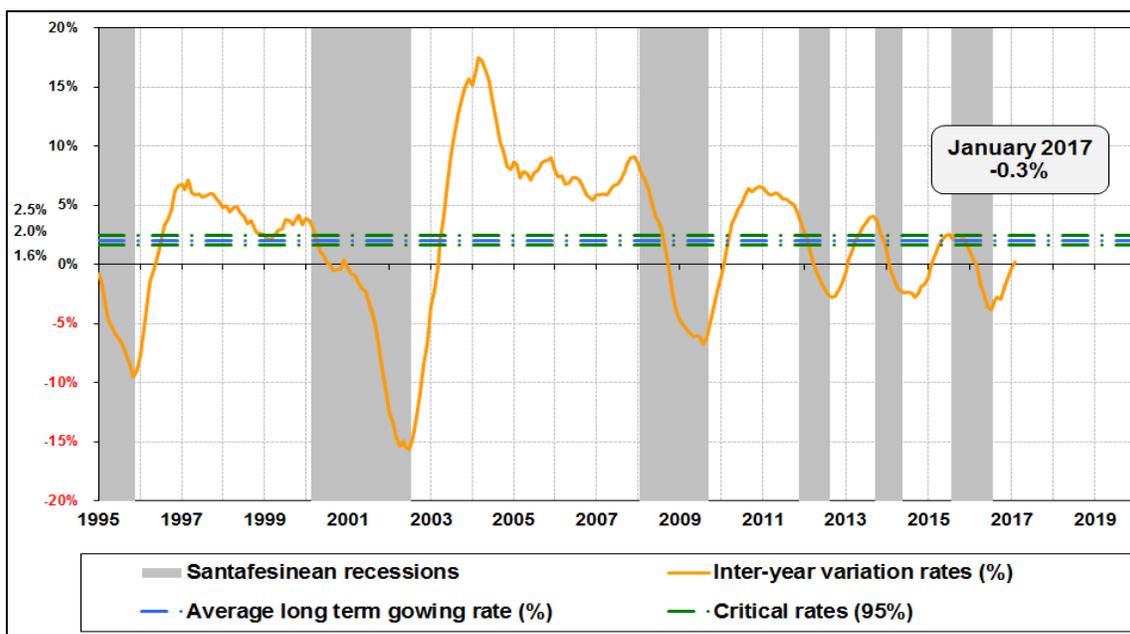
Summary and perspectives

In accordance to economic activity's recovery, ICASFe's inter-year variation rates kept rising and reached **-0.3%** (see Graph 3). In fact, available data has confirmed that during July 2016 the province of Santa Fe initiated a new economic expansion phase.

Nevertheless, in spite of having achieved seven consecutive monthly increases, this expansion is showing a moderate performance considering historical information. To this regard, the process' consolidation is subject to national macroeconomic stability. In particular, related to inflation, currency exchange rates and real wages.

In relationship to conjunctural data, it is worth noting that supermarket retail sales signaled a possible recovery in Consumption, aligned to a partial improvement in purchasing power. On the other hand, productive activities and international traders are still in need of a more competitive monetary exchange rate.

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



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