Economic recovery strengthens

2017's first semester registered a total growth of 1.1% and during the last measurement nine of the fourteen considered sub-indicators improved.

ICASFe
JUNE 2017

Level:
162.3

Monthly variation:
0.2%

Inter-year variation: 3.2%
2017's partial result: 1.1%

MAIN RESULTS

*ICASFE's level was located in **162.3**, presenting a monthly variation of **0.2%** in respect to May 2017.*

*Inter-year variation rates reached **3.2%** (comparing June 2017 vs. June 2016).*

*Partial cumulated expansion during 2017's was measured in **1.1%**.*

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

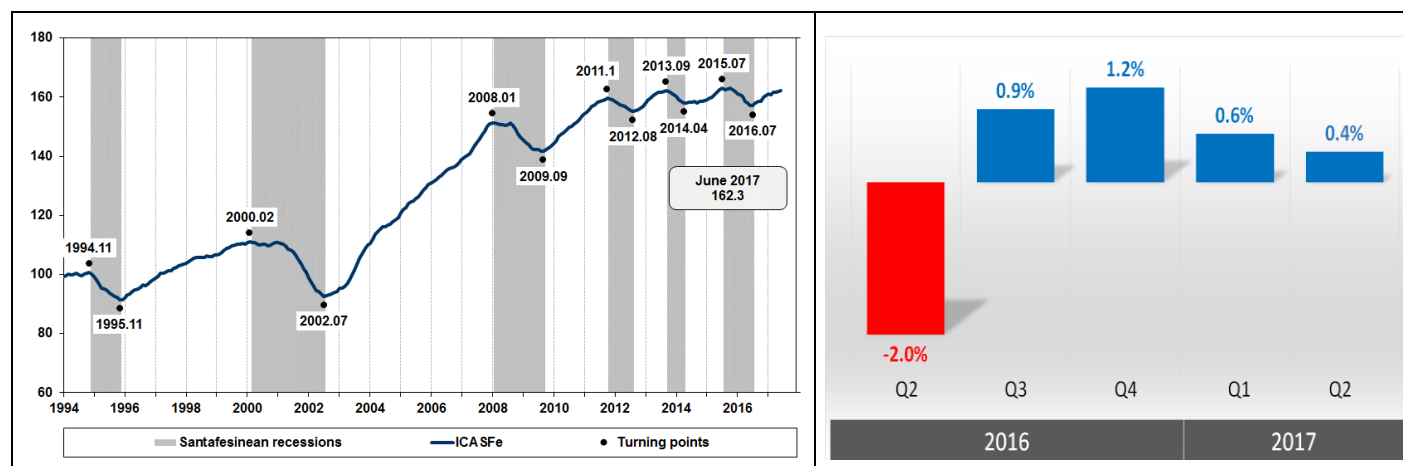• An on-line graphical tool to access historical data | Go to http://www.bolcomsf.com.ar/ces/icasfe.php

Province of Santa Fe's economic activity

In June 2017 Santa Fe's economy recovered other 0.2%. Moreover, during the first semester, the coincident index regained 1.1% reaching a similar level than July's 2015 (previous peak).

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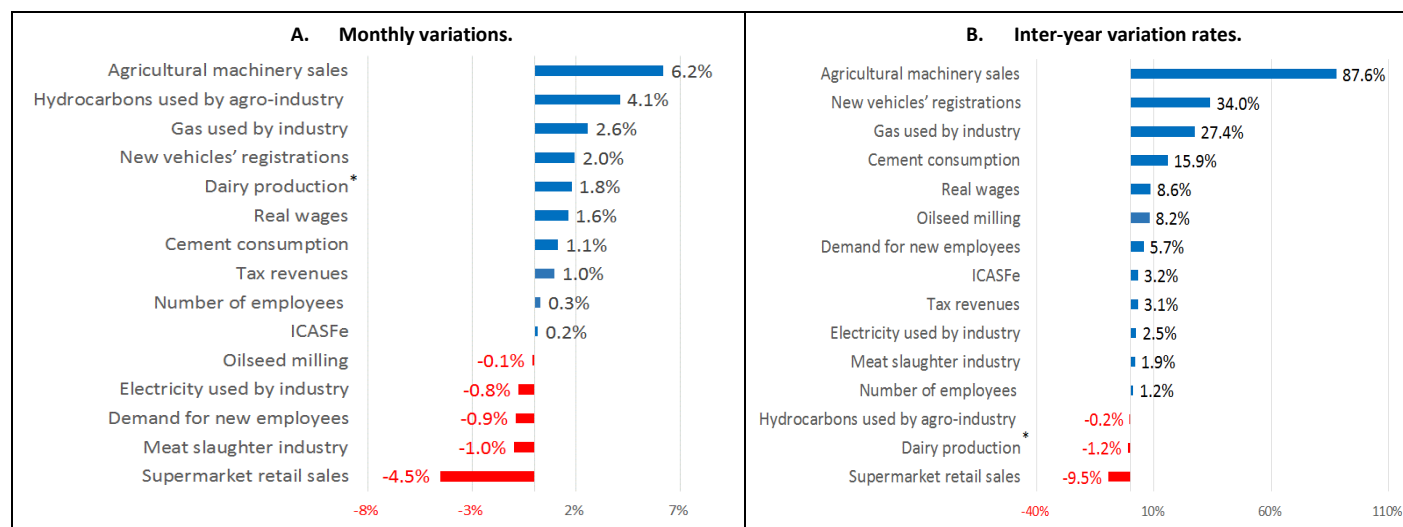

Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

Nine of the fourteen series considered on the analysis presented favorable results in respect to May; in addition, eleven of them improved in terms of June 2016 (see Graph 2).

Agricultural machinery sales presented 2017's highest results. The series increased other 6.2% in June, achieving an inter-year expansion of 87.6%. In the same direction, **new vehicles' registrations** grew 2.0%, achieving a total inter-year growth of 34.0%. The last sub-indicator related to durable goods, **cement consumption**, also showed positive rates of 1.1 and 15.9%, respectively.

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

(*) Data related to May was estimated.
Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Gas consumption improved 2.6% in June and cumulates a total variation of 27.4% during the last year. In the case of **electricity used by industry** measured rates were -0.8 and 2.5%, respectively.

Oilseed milling decreased -0.1% in terms of May but the series grew 8.2% compared to its inter-year benchmark. However, the sub-indicator is still 4.9% above its inter-year benchmark. By the contrary, **hydrocarbons used by agro-industry** presented a positive monthly variation rate (4.1%) but a negative inter-year one (-0.2%).

Registered jobs kept showing a mild improvement, this time of 0.3%, gaining a total 1.2% during the last 12 months. Moreover, **demand for new employees** dropped 0.9% although the series recovered 5.7% inter-yearly. **Real wages** also signaled a better performance and grew 1.6% in respect to May, which means an inter-year improvement of 8.6%. Nevertheless, **supermarket retail sales** kept showing negative results, within rates of -4.5 and -9.5%, respectively.

Lastly, **tax revenues** increased 1.0%, recovering from first quarter's decline. In fact, compared to June 2016 the series achieved an expansion of approximately 3.1%.
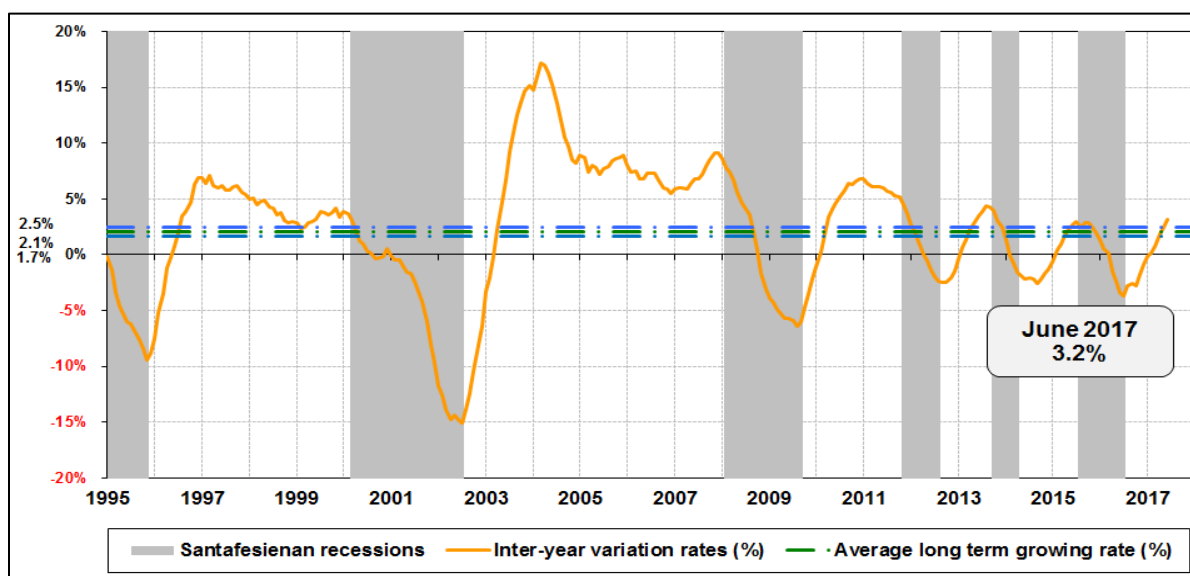
Summary and perspectives

ICASFe's inter-year variation rates went above all economic growth's long term statistical bands, reaching 3.2% in June 2017 (see Graph 3).

In respect to considered sub-indicators, during the past 11 months, those related to durable goods and investment kept leading the present expansion. To this regard, most of them are actually showing a better performance than during previous analog phases, which could imply a favorable signal in order to improve Santa Fe's productivity and, consequently, being able to achieve a sustained further development. In addition, industrial activities continued recovering although the sector is still operating within a significant unused capacity.

In terms of perspectives, in stipe 2017 first semester's positive results, macroeconomic issues are still behind potential limitations.

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

Table Nº 1: Cummulated variation rates during each semester.

SERIES	2016's second semester	2017's second semester
Agricultural machinery sales	24.0%	42.7%
Gas used by industry	10.9%	13.8%
New vehicles' registrations	18.4%	11.6%
Demand for new employees	-1.8%	7.5%
Real wages	5.7%	2.6%
Cement consumption	13.4%	1.6%
ICASFe	2.2%	1.1%
Tax revenues	2.2%	0.9%
Meat slaughter industry	3.4%	0.8%
Number of employees	0.5%	0.7%
Hydrocarbons used by agro-industry	0.5%	-0.2%
Supermarket retail sales	-7.5%	-2.5%
Dairy production	1.7%	-2.7%
Electricity used by industry	6.3%	-3.8%
Oilseed milling	16.1%	-7.7%

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