

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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CENTRO DE ESTUDIOS Y SERVICIOS

Fourteen months within favorable results

During 2017's third quarter economic activity gained other 0.2%, going above last peak's dated level.

ICASFe

SEPTEMBER 2017

Level:

162.8

Monthly variation:

0.1%

Inter-year variation: 2.7%

2017's partial result: 1.4%

MAIN RESULTS

ICASFE's level was located in **162.8**, presenting a monthly variation of **0.1%** in respect to August 2017.

Inter-year variation rates reached **2.7%** (comparing September 2017 vs. September 2016).

Partial cumulated expansion during 2017's was measured in **1.4%**.

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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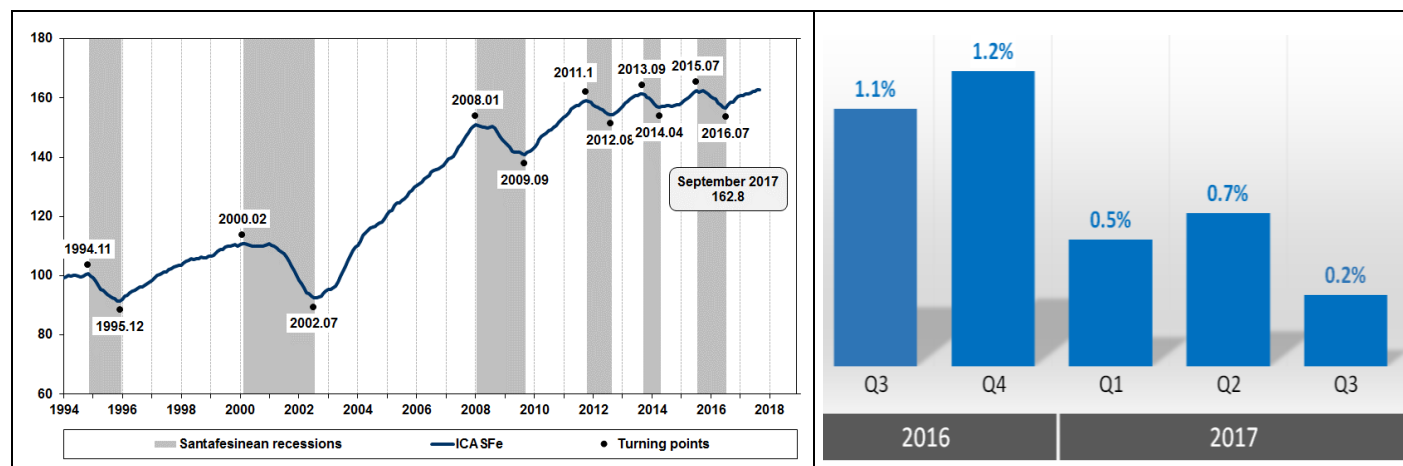
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Province of Santa Fe's economic activity

Between January and September 2017 Santa Fe's economy increased 1.4%. Moreover, the coincident index has grown during the last five quarters. However, the expansion's intensity is slowing down and 2017's Q3 only contributed within a rate of 0.2% (see Graph 1; right side).

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

Ten of the fourteen series considered on the analysis presented favorable cumulated results during this part of the year. Therefore, only four sub-indicators declined between January and September.

Agricultural machinery sales are on top of the list. The series gained 36.4% during the period, although results for the third quarter were mildly negative. **New vehicles' registrations** showed a similar behavior, growing 7.0% until September 2017. For **cement consumption**, related to the construction sector, partial improvements were measured in 3.9%.

Table 1: Economic activity's indicators for the Province of Santa Fe. Cumulated variations during each period.

	2016	January-September 2017
Agricultural machinery production	65.0%	36.4%
Cyclical tax revenues	-2.2%	7.4%
New vehicles' registrations	25.3%	7.0%
Cement consumption	10.8%	3.9%
Real wages	-4.0%	3.7%
ICASFe	-0.5%	1.4%
Number of employees	-0.0%	1.4%
Supermarket retail sales	-12.6%	1.0%
Meat slaughter industry	5.5%	0.5%
Hydrocarbons used by agro-industry	10.3%	0.5%
Gas used by industry and power stations	0.1%	0.4%
Demand for new employees	-11.3%	-2.6%
Dairy production	-17.2%	-3.4%
Electricity used by industry	-3.9%	-3.4%
Oilseed milling	1.4%	-10.3%

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

Pushed forward by both local and federal resources **tax revenues** recovered strongly since 2017's second quarter, gaining 7.4% during the last nine months.

Real wages improved 3.7% in the same period, partially compensating 2016's drop. Moreover, **registered jobs** cumulated a total expansion of 1.4%, whereas the series presented and almost null result in the previous year. **Demand for new employees** decreased 2.5%.

Supermarket retail sales increased 1.0% between January and September, presenting its first positive interyear variation rate during this last measurement.

Hydrocarbons used by agro-industry and **gas consumption** obtained mild cumulated improvements of 0.5 and 0.4%, respectively. By the contrary, **industrial electricity** declined 3.4%.

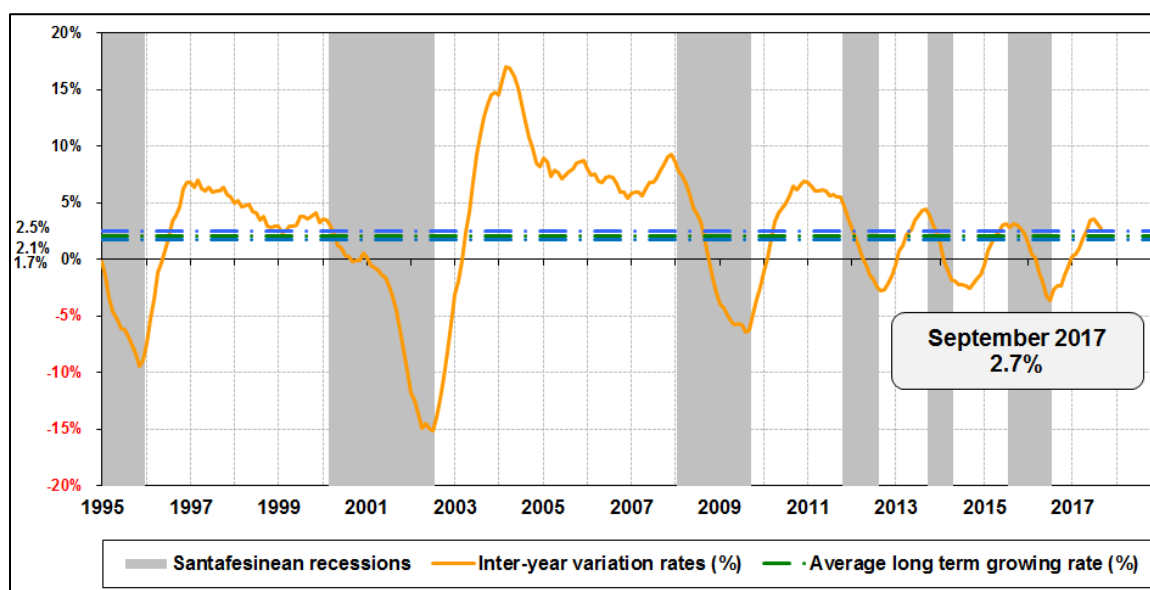
In regard to agro industrial sectors, **oilseed milling** signaled a negative cumulated variation rate of -10.3%; **dairy production** declined 3.4% during the period; and **meat slaughter industry** recovered 0.5%.

Summary and perspectives

In September 2017 ICASFe's inter-year variation rates touched 2.7%, which means a backward movement towards the index's average long term growing rate (see Graph 2). To this regard, Santa Fe's expansion already shows two different stages: the first one refers to 2016's second semester within a cumulated variation rate of 2.4%; since that point on, the economy kept growing but slower; it gained only 1.4% in three quarters. Even so the gauge managed to go above its historic benchmark giving a technical end to the recovery process and starting up a new path of genuine growth.

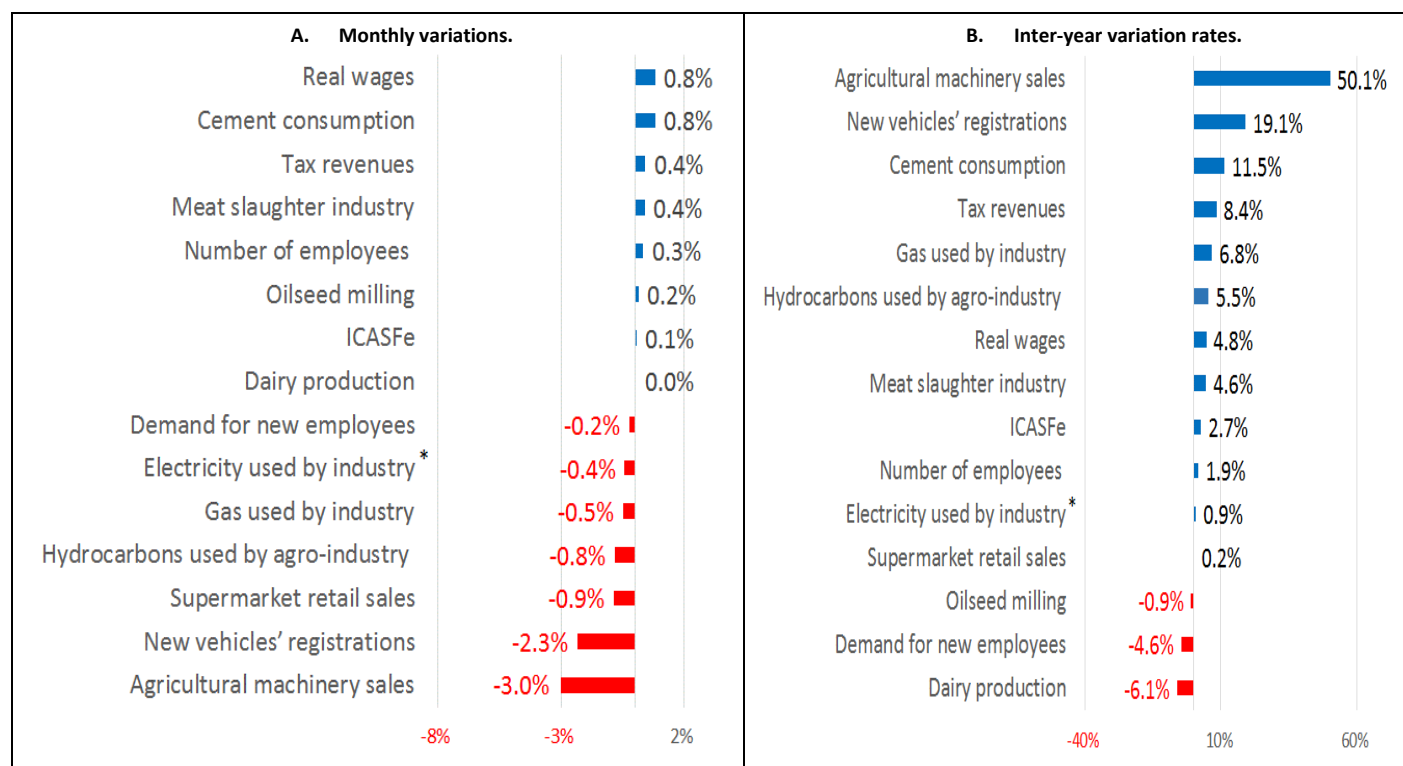
Taking last results into account, Santa Fe's economy is expected to close 2017 within a net increment of 2.0%. During the next three months cumulated growth between January and September (1.4%) and inter-year variation rates (2.7%) are going to converge.

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



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

Attachments to the document

Graph 3: Economic activity's indicators for the Province of Santa Fe - September 2017 -

Last available data from: (*) August 2017.

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