

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

Monthly publication Nº 12 / Year 11

ISSN 2362-4884

Date: 01/02/2018



CENTRO DE ESTUDIOS Y SERVICIOS

Santa Fe's economic activity conquered a new record

Within fifteen consecutive monthly expansions, the province's economy went over its last historical peak dated in October 2015.

ICASFe

OCTOBER 2017

Level:

163.0

Monthly variation:

0.1%

Inter-year variation: 2.6%

2017's partial result: 1.6%

MAIN RESULTS

ICASFE's level was located in **163.0**, presenting a monthly variation of **0.1%** in respect to September 2017.

Inter-year variation rates reached **2.6%** (comparing October 2017 vs. October 2016).

Partial cumulated expansion during 2017's was measured in **1.6%**.

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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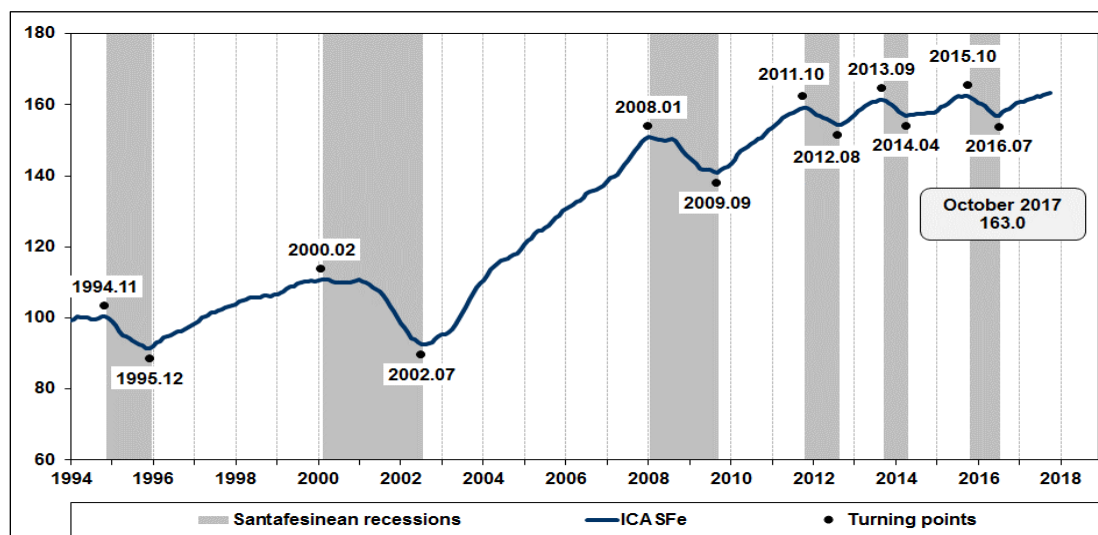
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Province of Santa Fe's economic activity

In October Santa Fe's economic activity gained other 0.1%, achieving a partial growth of 1.6% across 2017. Within these results the coincident index signaled an inter-year expansion of 2.6%, going above its last registered peak (see Graph 1; turning point: 2015.10) by 0.4 perceptual points.

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



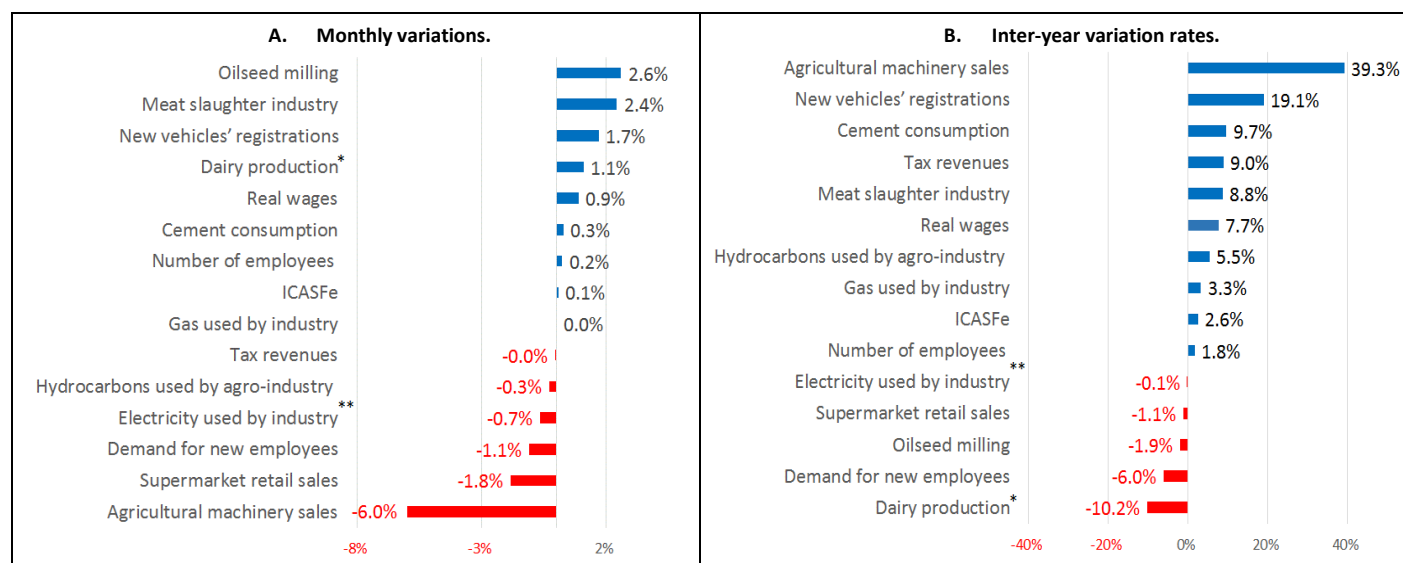
Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

Nine of the fourteen series considered on the analysis presented positive variations in respect to September. In addition, ten sub-indicators also improved inter-yearly.

Although the series showed several declines since August 2017, **agricultural machinery sales** registered the highest cumulated growth during the last twelve months (39.3%). **New vehicles' registrations** was located in second place, within a monthly improvement of 1.7% and an inter-year increase of 19.1%. **Cement consumption** obtained the third place showing rates of 9.7 and 0.3%, respectively.

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



Last available data from: (*) September 2017; (**) August 2017.

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

Tax revenues signaled an almost null variation rate in respect to September, although the series increased 9.0% in terms of October 2016.

In regard to the labor market, following economic growth, **registered jobs** gained 1.8% during the last year. **Real wages** improved 0.9% in October, and recovered 7.7% on an inter-year comparison (in 2016 salaries' purchasing power declined). Ironically, expectations stayed rather low, and **demand for new employees** kept showing negative results.

Supermarket retail sales are having troubles to take off: the series lost 1.8% in respect to September. Moreover, this drop caused a backward movement and its inter-year gauge recovered a negative position (-1.1%). The industrial sector seems to be on a similar situation. **Hydrocarbons used by agro-industry** and **gas consumption** managed to obtain mild cumulated improvements during the last year; 5.5 and 5.3%, respectively. By the contrary the most representative series, **industrial electricity**, declined 0.1%.

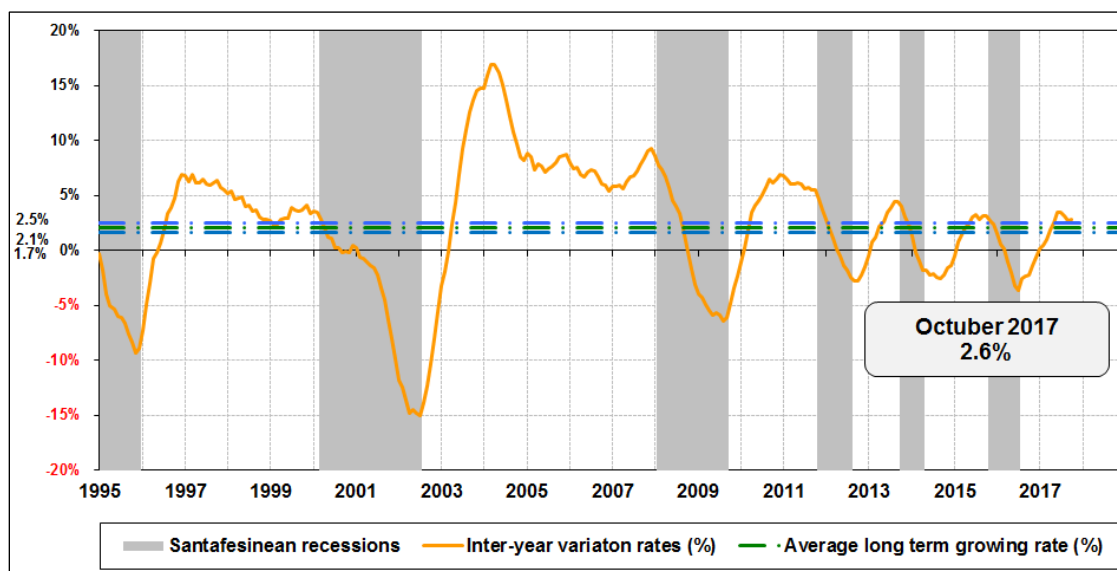
Sub-indicators related specifically to agro industrial sectors were on top of the monthly chart (see Graph 2, left side). **Oilseed milling** experienced an expansion of 2.6%; **meat slaughter industry** recovered 2.4%; and **dairy production** 1.1% (estimated data). However, in terms of October 2016 only the second series improved (8.8%).

Summary and perspectives

In October 2017 ICASFe's inter-year variation rates signaled 2.6%, nearby the upper statistical band for long term growing rate (see Graph 3). Within fifteen consecutive positive monthly variations, economic growth presents a solid dynamic across the end of 2017 and activity levels went above October 2015's peak.

Expectations for further months are favorable, which could intensify the expansion's final result for 2017 (the economy gained 1.6% between January and October). However, in regard to 2018, national macroeconomics are still the key for sustainability. Inflation rates have decreased but not enough and fiscal issues were not yet solved completely. Moreover, commercial and public deficit has being financed by an increasing debt.

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



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