Santa Fe's economic activity is under recession

Last results signal that Santa Fe began an economic contraction in February 2018 although, technically, a turning point has not yet been registered.

ICASFe
MAY 2018

Level:
162.7

Monthly variation:
-0.4%

Inter-year variation: 0.2%
2018's partial result: -1.0%

MAIN RESULTS

ICASFE's level was located in **162.7**, *presenting a monthly variation of* **-0.4%** *in respect to April 2018.*

Inter-year variation rates descended to **0.2%** *(comparing May 2018 vs. May 2017).*

Partial cumulated expansion during 2018's was measured in **-1.0%**.

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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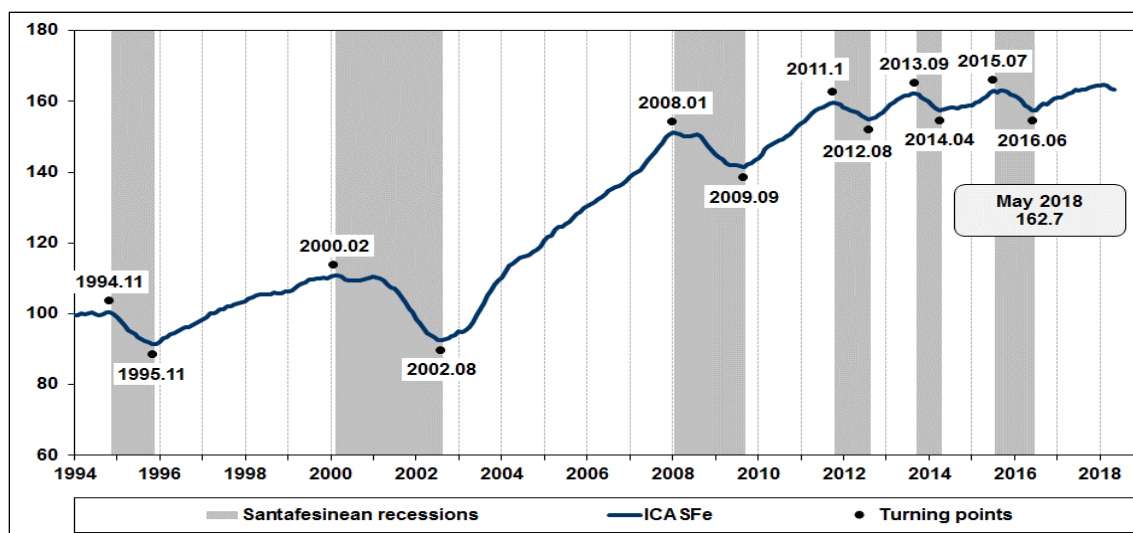
Websites
http://ces.bcsf.com.ar or
http://www.bcsf.com.ar

Province of Santa Fe's economic activity

Falling 0.4%, May 2018 was the fourth month in a row presenting a decline in Santa Fe's economic activity. Therefore, the partial cumulated contraction was measured in -1.0% within the year. This slump represents more than 40.0% of 2017's total growth.

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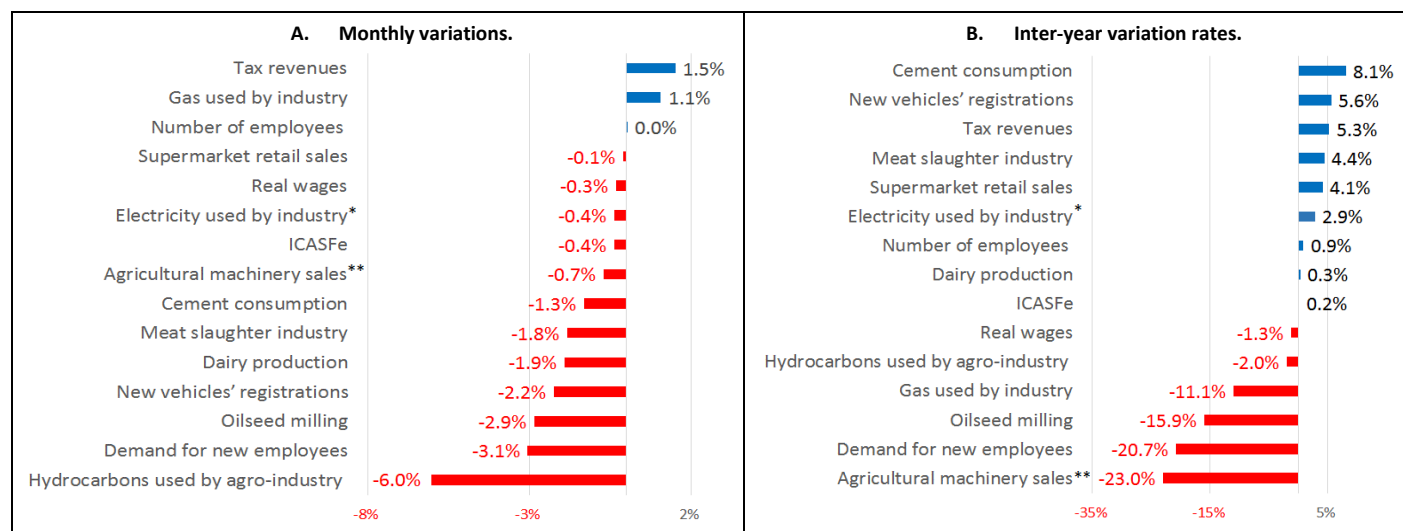

Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

The fourteen series considered by the coincident index behaved in line with an economic contraction. For the second consecutive month, eleven series experienced negative monthly variations. In addition, six of them presented a negative inter-year behavior.

Graph 2: Economic activity's indicators for the Province of Santa Fe - May 2018 -

A. Monthly variations.

Indicator	Value
Tax revenues	1.5%
Gas used by industry	1.1%
Number of employees	0.0%
Supermarket retail sales	-0.1%
Real wages	-0.3%
Electricity used by industry*	-0.4%
ICASFe	-0.4%
Agricultural machinery sales**	-0.7%
Cement consumption	-1.3%
Meat slaughter industry	-1.8%
Dairy production	-1.9%
New vehicles' registrations	-2.2%
Oilseed milling	-2.9%
Demand for new employees	-3.1%
Hydrocarbons used by agro-industry	-6.0%

B. Inter-year variation rates.

Indicator	Value
Cement consumption	8.1%
New vehicles' registrations	5.6%
Tax revenues	5.3%
Meat slaughter industry	4.4%
Supermarket retail sales	4.1%
Electricity used by industry*	2.9%
Number of employees	0.9%
Dairy production	0.3%
ICASFe	0.2%
Real wages	-1.3%
Hydrocarbons used by agro-industry	-2.0%
Gas used by industry	-11.1%
Oilseed milling	-15.9%
Demand for new employees	-20.7%
Agricultural machinery sales**	-23.0%

Last available data from: (*) April 2018; (**) March 2018. Unavailable data was estimated.
Source: Research and Services Center, Santa Fe's Chamber of Commerce.

The **number of employees** remained unchanged but **real wages** kept diminishing; this time the series experienced a monthly variation rate of -0.3%, losing -1.3% during the last twelve months. **Demand for new employees** decreased 3.1% in respect to April and 20.7% compared to May 2017. **Supermarket retail sales** fell again, decreasing 0.1% in monthly terms. However, the sub-indicator maintained an inter-year growth of 4.1%.

New vehicle's registration declined 2.2%, although the series retained a positive inter-year result (5.6%). The same pattern was followed by **cement consumption**, within rates of -1.3 and 8.1%, respectively.

In regard to indicators related to the manufacturing sector, **electricity used by industry** dropped 0.4% whereas **gas used by industry** gained 1.1%. Nevertheless, their inter-year variation rates were measured in 2.9 and -11.1% respectively.

Hydrocarbons consumption declined 6.0% in May, reducing its inter-year growth to 2.0%. In the same direction, **oilseed milling** lost 2.9%, cumulating a total contraction of 15.9% during the last twelve months. **Agricultural machinery sales** also showed negative variations: 0.5 and 23.0%. As for **dairy production** and **meat slaughter industry**, their monthly performance was measured in -1.9 and -1.8% respectively. Nevertheless, both series maintained a positive balance in terms of May 2017: 0.3 and 4.4%.
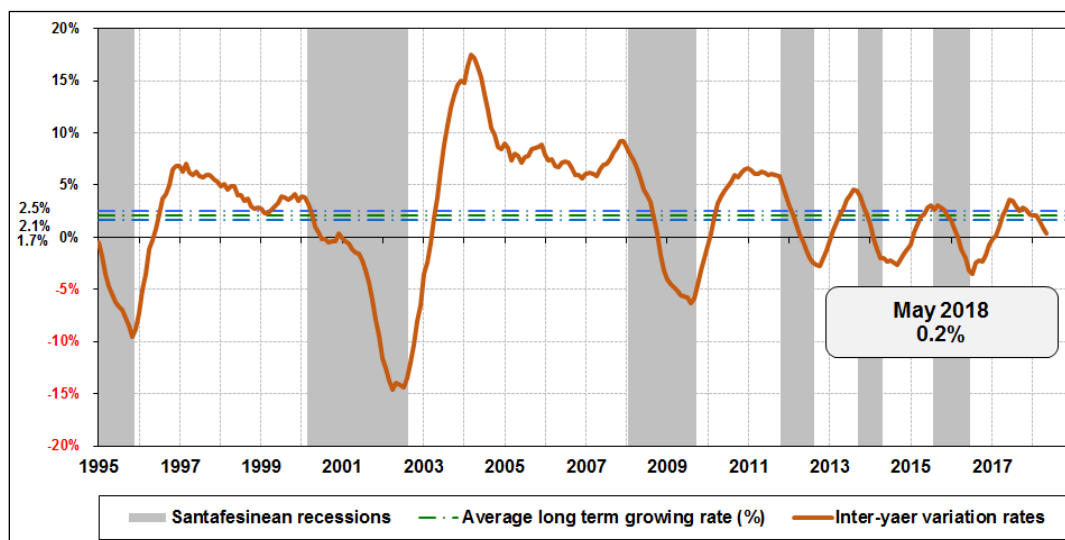
Finally, **tax revenues** increased 1.5%; which implies an inter-year expansion of 5.3%.

Summary and perspectives

In May 2018 ICASFe's inter-year gauge continued to diminish: landing only 0.2% over May 2017's benchmark. Furthermore, the coincident index almost turned negative (see Graph 3).

In regard to the cycle's diffusion, even though employment is not yet affected by recession, its impact over the aggregate economy is rather significant. To this regard, main industrial and agricultural activities are already harmed, whereas purchasing power is also clearly affected.

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

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