Activity falls for eighth month in a row

In 2018 Santa Fe's economy suffered a contraction of 5.4%. Nevertheless, some series related to agriculture and livestock began to show certain positive signs.

ICASFe
OCTOBER 2018

Level:
159.1

Monthly variation:
-0.5%

Inter-year variation: -5.2%
2018's partial result: -5.4%

MAIN RESULTS

ICASFE's level was located in **159.1***, presenting a monthly variation of* **-0.5%** *in respect to September 2018.*

Inter-year variation rates descended to **-5.2%** *(comparing October 2018 vs. October 2017).*

Partial cumulated results during 2018's were measured in **-5.4%***.*

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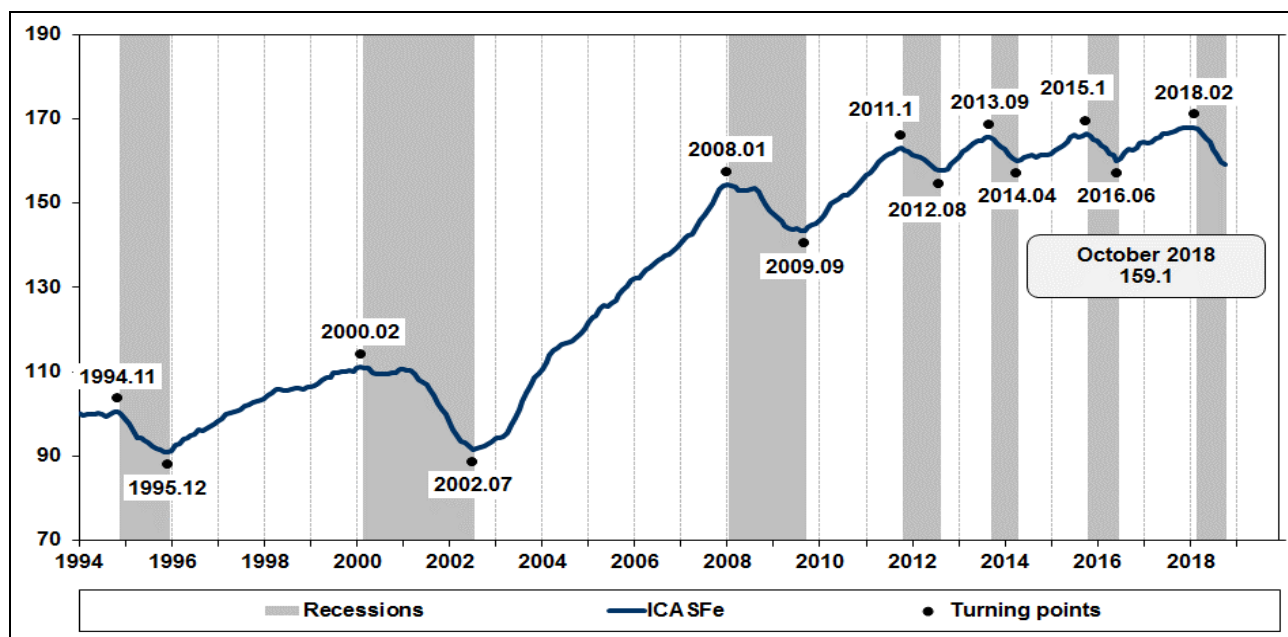• An on-line graphical tool to access historical data | Go to http://www.bolcomsf.com.ar/ces/icasfe.php

Province of Santa Fe's economic activity

In October 2018 the province's economic activity fell for the eighth month in a row since the beginning of the recession, losing another 0.5% in respect to September. These results imply a total decrease of 5.2% considering the last twelve months.

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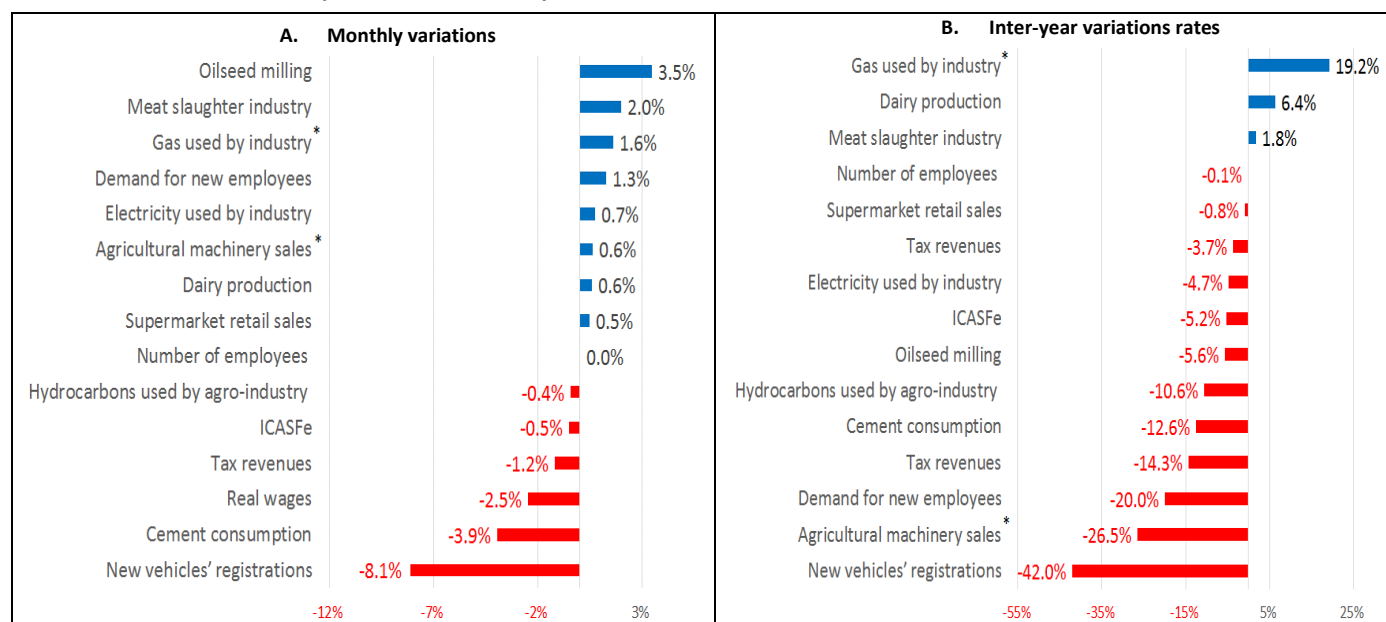

Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

Despite the contraction registered over the year, October's decline captured a favorable deceleration due to the recovery in most indicators related to agriculture and livestock. Nine out of the fourteen indicators considered by ICASFe edged up in respect to September, although inter-year rates were rather adverse: only three indicators show a positive net balance.

Graph 2: Economic activity's indicators for the Province of Santa Fe. October 2018.

A. Monthly variations

Indicator	Value
Oilseed milling	3.5%
Meat slaughter industry	2.0%
Gas used by industry*	1.6%
Demand for new employees	1.3%
Electricity used by industry	0.7%
Agricultural machinery sales*	0.6%
Dairy production	0.6%
Supermarket retail sales	0.5%
Number of employees	0.0%
Hydrocarbons used by agro-industry	-0.4%
ICASFe	-0.5%
Tax revenues	-1.2%
Real wages	-2.5%
Cement consumption	-3.9%
New vehicles' registrations	-8.1%

B. Inter-year variations rates

Indicator	Value
Gas used by industry*	19.2%
Dairy production	6.4%
Meat slaughter industry	1.8%
Number of employees	-0.1%
Supermarket retail sales	-0.8%
Tax revenues	-3.7%
Electricity used by industry	-4.7%
ICASFe	-5.2%
Oilseed milling	-5.6%
Hydrocarbons used by agro-industry	-10.6%
Cement consumption	-12.6%
Tax revenues	-14.3%
Demand for new employees	-20.0%
Agricultural machinery sales*	-26.5%
New vehicles' registrations	-42.0%

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

Oilseed milling rose 3.5%, reducing its inter-year loss to 5.6%. In regard to **meat slaughter industry** and **diary production**, the series moved up 2.0 and 0.6%, respectively. It is worth to mention that both indicators presented a positive performance over the last twelve months (see Graph 2). On the same direction, **agricultural machinery sales** mildly recovered (0.6%); but considering its inter-year benchmark the series lost 26.5%.

October brought certain relief to the industrial sector; however most manufacturing activities are still facing a difficult situation. **Gas delivered to industry** advanced 1.6%, and 19.2% over the last twelve months. In addition, energy used by industry increased 0.7%, but stayed 4.7% below October 2017's level. By the contrary, **hydrocarbons used by agro-industry and transportation** fell 0.4%, which means an inter-year drop of 10.6%.

Total number of employees remained almost unchanged, declining 0.1% over the last twelve months. Nevertheless, **real wages** plunged 2.5% reaching an inter-year decrease of 14.3%. As for consumption, **supermarket retail sales** increased 0.5% in terms of September, but diminished 0.8% over the past twelve months. **New vehicle's registrations** was one of the series which suffered the most, shrinking 8.1% in October and 42.0% over the last year. **Cement consumption** declined 3.9 and 12.6%, respectively.
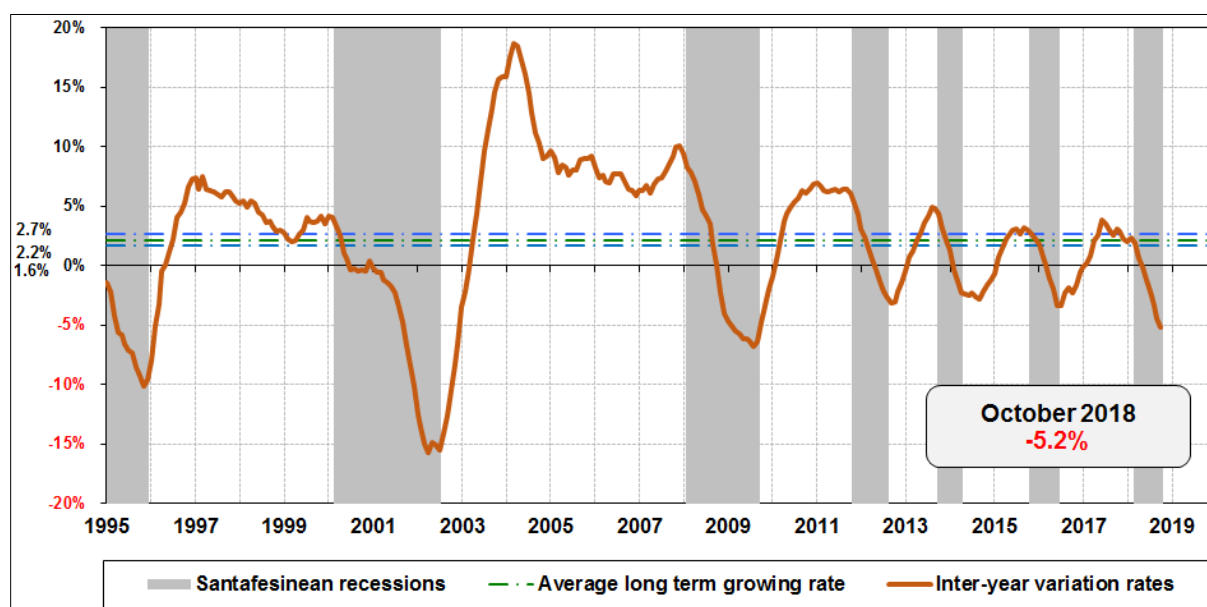
Finally, **tax revenues** decreased 1.2% and registered a negative cumulative variation rate of 2.2% during the past twelve months.

Summary and perspectives

Going through the eight month of decline since February, Santa Fe's economic activity already contracted 5.4% in 2018, and 5.2% compared to its inter-year benchmark. These rates confirm the current phase as the worst recession over the last ten years, comparable, somehow, to the strain put on the province by the international financial crisis in 2008/09 (see Graph 3).

Available data signals that some indicators linked to agriculture and livestock have slightly recovered, but from a broader perspective, 2018's balance for production, commerce and services is clearly negative. Moreover, considering that national and international outlooks are not strongly favorable, expectations for a solid recovery are rather lagged for the next year.

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

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