

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

Monthly publication Nº 12 / Year 12

ISSN 2362-48784

Date: 12/04/2018



CENTRO DE ESTUDIOS Y SERVICIOS

2018's contraction was the worst over the last ten years

So far, Santa Fe's economic activity lost **6.0%** due to the recession that began in March

ICASFe

November 2018

Level:

158.2

Monthly variation:

-0.3%

Inter-year variation: -6.0%

2018's partial result: -6.0%

MAIN RESULTS

ICASFE's level was located in **158.2**, presenting a monthly variation of **-0.3%** in respect to October 2018.

Inter-year variation rates descended to **-6.0%** (comparing November 2018 vs. November 2017).

Partial cumulated results during 2018's were measured in **-6.0%**.

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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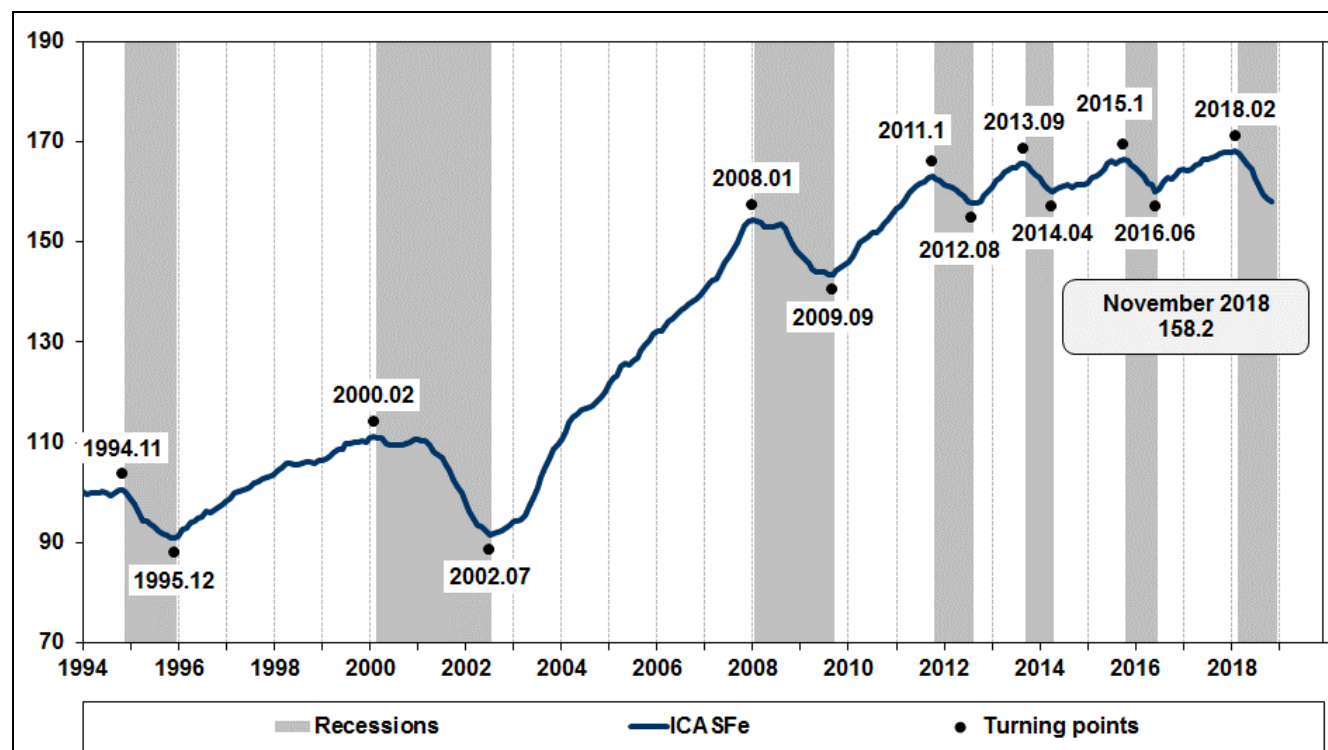
<http://ces.bcsf.com.ar> or

<http://www.bcsf.com.ar>

Province of Santa Fe's economic activity

On its ninth month of recession the province's economic activity fell **0.3%** in terms of October. To this regard, net contraction between January and November was measured in **6.0%**.

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

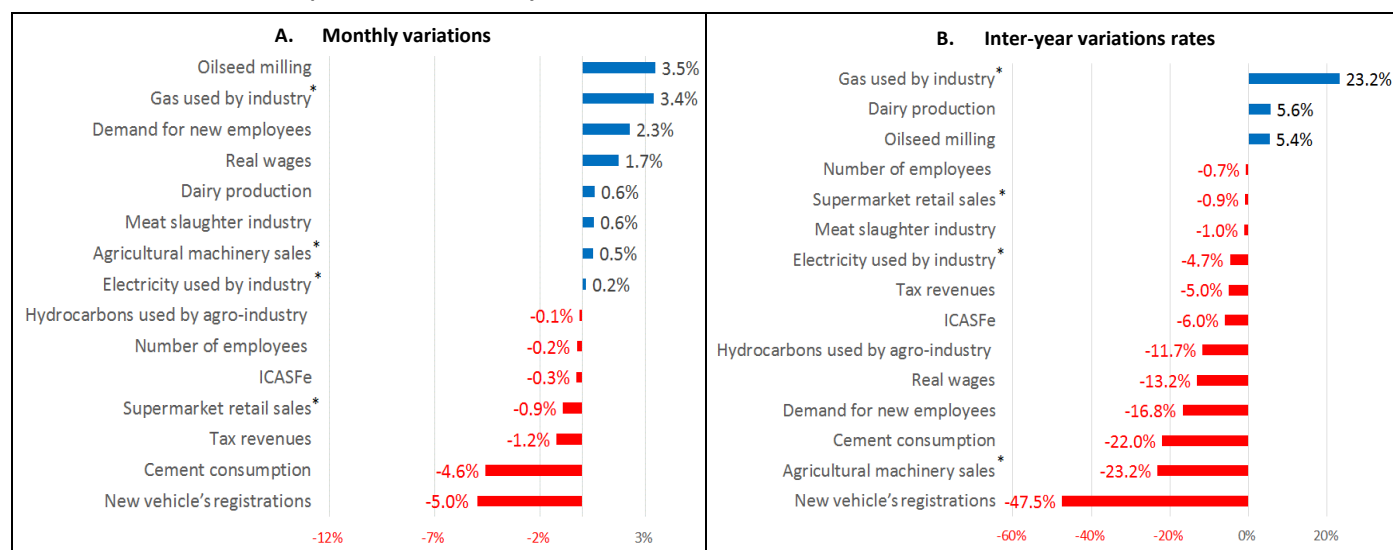


Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

In spite of aggregated decline, eight of the fourteen sub-indicators considered by ICASFe increased in respect to October. Nonetheless, on an inter-year comparison, most of them showed negative variation rates. In fact, only three of them went over their inter-year benchmark.

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



Last available data from: (*) October 2018. Unavailable data was estimated.

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

Oilseed milling improved 3.5% in November and grew 5.4% over the past twelve months. In regard to **dairy production**, the series increased 0.6%, reaching an inter-year expansion of 5.4%. **Meat slaughter industry** moved up 0.6%, but remained in negative territory compared with October 2017's level (-1.0%). So did **agricultural machinery sales** within a positive monthly variation rate of 0.5% and an inter-yearly one of -23.2%.

As regards to the industrial sector, estimations for **gas and electricity consumption** presented positive variation rates (3.4 and 0.2% respectively). By the contrary, **hydrocarbons used by agro-industry** fell 0.1% in November and 11.7% over the past year.

Labor market's performance signaled unfavorable results. Total **number of employees** diminished 0.2% and 0.7% over the last twelve months; whereas **demand for new workers** recovered 2.3% in November but lost -16.8% inter-yearly. **Real wages** gained 1.7% in November partially recovering purchasing power (the series stayed 13.2% below November's 2017 level).

Both retail consumption and investment in durable goods kept losing positions in real terms. **Supermarket sales** dropped 0.9% and **new vehicle's registrations** plummeted 5.0% in November (-47.5% year over year). **Cement consumption** shrank other 4.6% this month, cumulating a total contraction of 22.0% in the past year.

Finally, province's **tax revenues** registered a variation of -1.2% and diminished 5.0% over the last twelve months. This decrease was caused mainly because of smaller amounts of money received from federal resources. It is worth pointing out that, despite registered inflation, taxes linked Gross Incomes continued to increase.

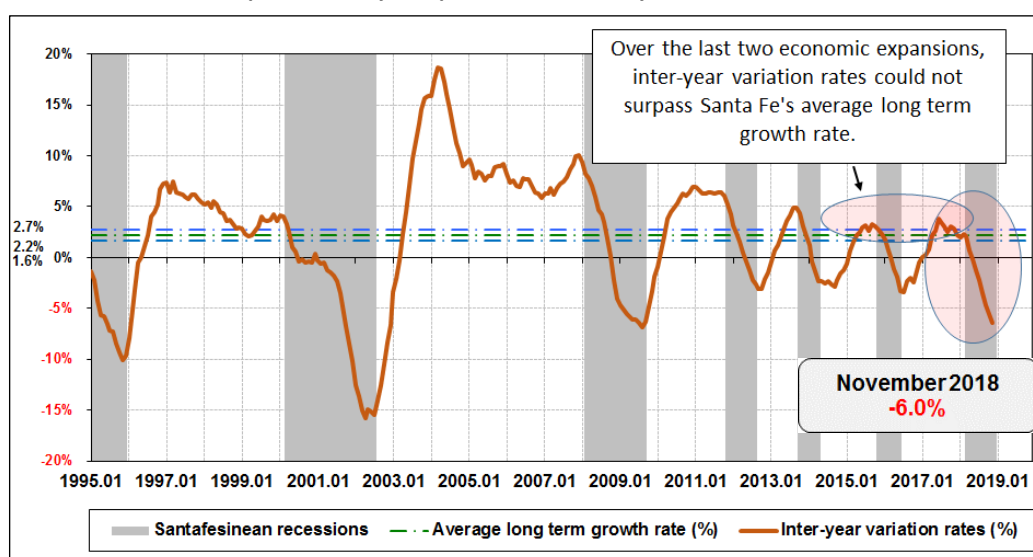
Summary and perspectives

ICASFe was located -6.0% below November 2017's level. Furthermore, despite particular recoveries, aggregated results signal a strong negative effect over most productive activities. To this regard, Graph 3 points out certain interesting matters:

- 1- During the last two economic expansions, ICASFe's year over year variation rates did not exceed average long term growth's superior benchmark: in line with an economic stagnation.
- 2- Bearing in mind 2017's economic performance, up to March 2018 the gauge was still positive (2.0%) beginning to fall from there on.
- 3- During the nine months of recession, year over year rates descended from 0.6% in April to -6.0% in November.

These considerations constitute 2019's baseline in order to internalize perspectives for Santa Fe's economic performance.

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



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