Economic activity continues in a downtrend

Santa Fe's economic activity fell 1.6% during 2018's Q4 and 6.8% across the year

ICASFe

December 2018

Level:
156.5

Monthly variation:
-0.2%

Inter-year variation: -7.0%
2018's partial result: -6.8%

MAIN RESULTS

*ICASFE's level was located in **156.5**, presenting a monthly variation of **-0.2%** in respect to November 2018.*

*Inter-year variation rates descended to **-7.0%** (comparing December 2018 vs. December 2017).*

*Cumulated results during 2018's were measured in **-6.8%**.*

BOLSA DE COMERCIO DE SANTA FE

BCSF

135 AÑOS

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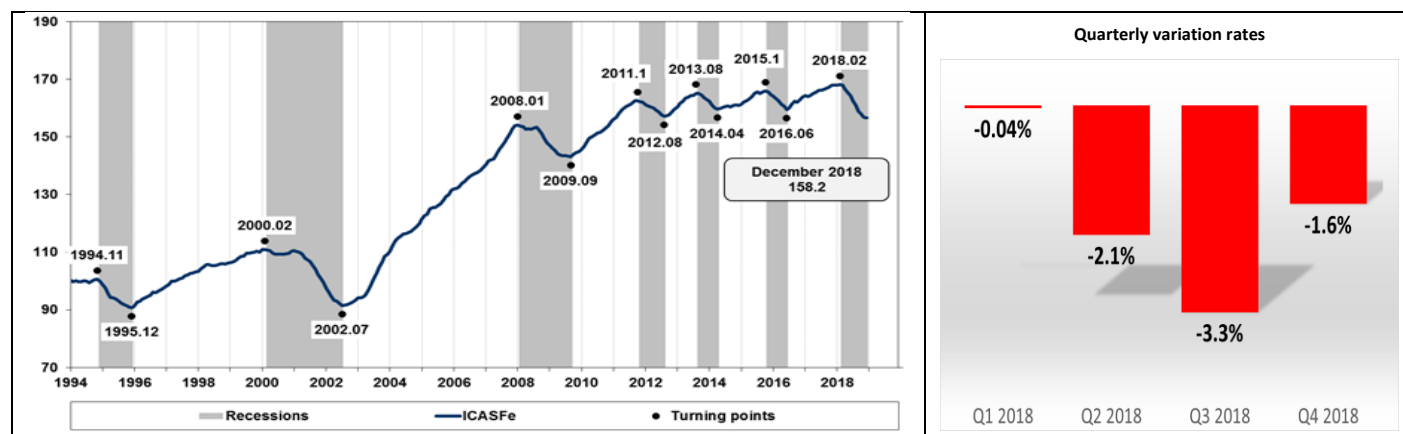• An on-line graphical tool to access historical data | Go to http://www.bolcomsf.com.ar/ces/icasfe.php

Province of Santa Fe's economic activity

In 2018 Santa Fe's economic activity declined 6.8%. The rate of contraction accelerated during the third quarter (-3.3%) and decreased again at the end of the year. Nevertheless, in the fourth quarter the economy shrank 1.6%.

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

Results from last quarter signaled certain recovery in respect to the third one (see Table 1). To this regard, four out of fourteen indicators considered by ICASFe showed strong gains, whereas three slightly improved. However, in terms of inter-year variation rates, only two indicators concluded in positive territory.

Table 1. Santa Fe's economic activity series. Cumulative variation over each period.

SERIES	2018-Q3	2018-Q4	2018
Gas used by industry*	-5.3%	9.2%	14.7%
Meat slaughter industry	-1.8%	3.1%	1.4%
Oilseed milling	5.6%	7.1%	-0.0%
Number of employees	-0.3%	-0.6%	-1.1%
Dairy production	-3.7%	-2.4%	-2.4%
Tax revenues*	-2.8%	-3.7%	-3.8%
Supermarket retail sales	-6.0%	-2.0%	-4.2%
ICASFe	-3.2%	-1.6%	-6.8%
Hydrocarbos used by agro-industry	-3.5%	3.5%	-6.9%
Electricity used by industry	-2.6%	-2.1%	-8.2%
Real wages	-7.4%	0.0%	-11.3%
Demand for new employees	-5.3%	0.6%	-20.9%
Agricultural machinery sales**	-7.2%	0.5%	-21.4%
Cement consumption	-9.6%	-13.4%	-27.8%
New vehicles' registrations	-24.7%	-14.1%	-50.8%

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

Gas used by industry rose 9.2% during the last quarter and 14.7% considering the whole year. Nonetheless, total consumption was lower than 2017's, when the manufacturing sector began to suffer a contraction. By the contrary, **electricity used by industry** decreased during both, the fourth quarter (-2.1%) and 2018 in general (-8.2%).

Hydrocarbons used by agro-industry improved 3.5% between October and December but diminished 6.9% over the year. As for **oilseed milling** the series had a positive performance during the las two quarters, recovering from first semester's declined.

Dairy production presented negative variation rates dropping 2.4% over the year whereas **meat slaughter industry** increased 1.4%, boosted over the last quarter.

Agricultural machinery sales performed poorly as well, dropping 21.4% in 2018. In a similar position were **new vehicles' registrations** within a net cumulated variation rate of -50.8%. In addition, **cement consumption** lost 27.8%, also affected by a sharp decrease across the last quarter.

In relation to the labor market, total **number of jobs** declined 1.1% over 2018. Expectations and purchasing power also went down. **Demand for new employees** decreased 20.9%, and **real wages** lost 11.3%. In the same direction, **supermarket retail sales** contracted 4.2%.

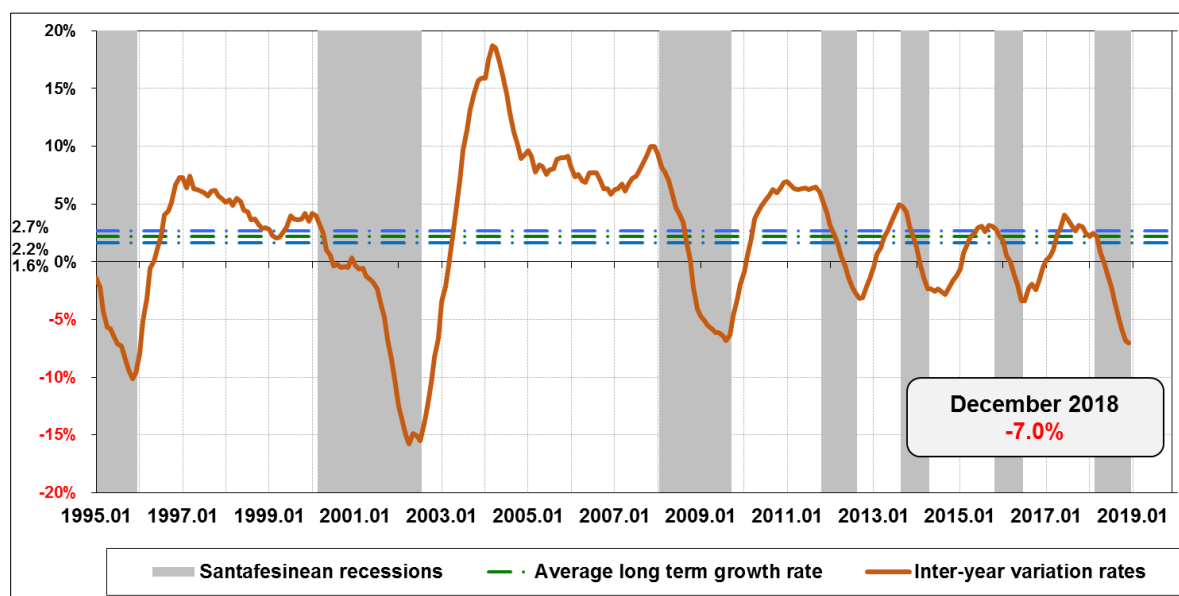The public sector also internalized negative outcomes from recession and **tax revenues** decreased 3.8%.

Summary and perspectives

ICASFe's inter-year variation rates reached -7.0%, going below December 2017's level. To this regard, present recession is stronger than 2009's (related to the international financial crisis that went global and also spilled over Argentina).

Moreover, economic instability put strain on most economic sectors during all 2018. Simultaneously, purchasing power declined affecting both retail consumption and durable goods.

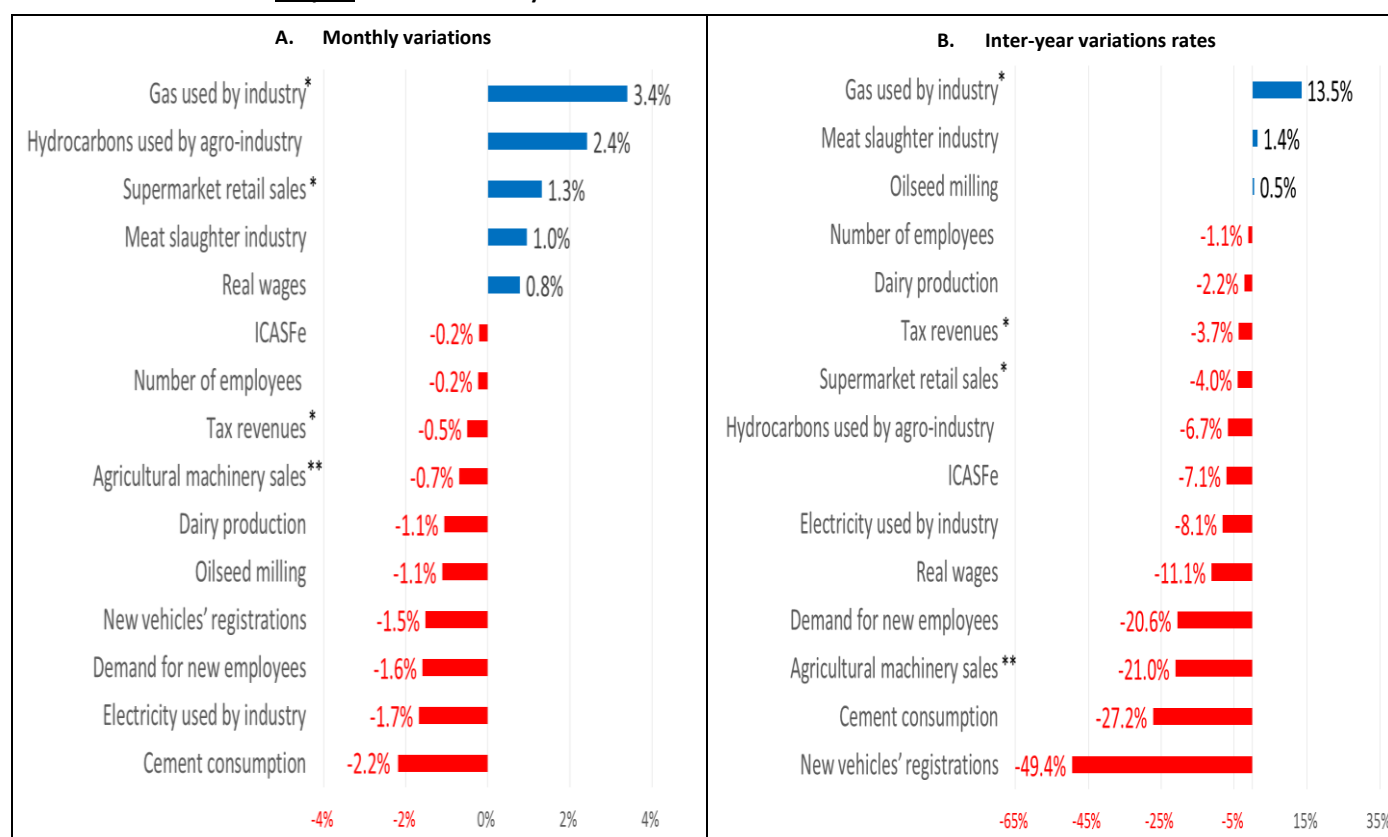As for perspectives, over the last quarter of the year certain activities related to agro-industry showed mild signs of recovery. This could create a positive impact in the province's economy; nonetheless, for the moment, is difficult to imagine a short-term upswing.

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. December 2018.

A. Monthly variations	B. Inter-year variations rates
Gas used by industry* — 3.4%	Gas used by industry* — 13.5%
Hydrocarbons used by agro-industry — 2.4%	Meat slaughter industry — 1.4%
Supermarket retail sales* — 1.3%	Oilseed milling — 0.5%
Meat slaughter industry — 1.0%	Number of employees — -1.1%
Real wages — 0.8%	Dairy production — -2.2%
ICASFe — -0.2%	Tax revenues* — -3.7%
Number of employees — -0.2%	Supermarket retail sales* — -4.0%
Tax revenues* — -0.5%	Hydrocarbons used by agro-industry — -6.7%
Agricultural machinery sales** — -0.7%	ICASFe — -7.1%
Dairy production — -1.1%	Electricity used by industry — -8.1%
Oilseed milling — -1.1%	Real wages — -11.1%
New vehicles' registrations — -1.5%	Demand for new employees — -20.6%
Demand for new employees — -1.6%	Agricultural machinery sales** — -21.0%
Electricity used by industry — -1.7%	Cement consumption — -27.2%
Cement consumption — -2.2%	New vehicles' registrations — -49.4%

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