

## Monthly Digest

**Number 9**  
**Year 4**

## Monthly Composite Coincident Index for the province of Santa Fe (ICASFe)

**Bolsa de Comercio de Santa Fe**  
**(Santa Fe's Chamber of Commerce)**

President  
**Dr. Eduardo González Kees**

**Fundación Bolsa de Comercio de Santa Fe**

President  
**Dr. Eduardo González Kees**

Executive Director  
**Dr. Gustavo Vittori**

### Research and Services Center

Director  
**CPN Fabio Arredondo**

Coordinator  
**Lic. María Lucrecia D'Jorge**

Researchers  
**Lic. Pedro P. Cohan**  
**Ms. Carolina E. Sagua**

Email Contact Information  
ces@bolcomsf.com.ar

Websites  
<http://ces.bcsf.com.ar/icasfe> or  
<http://www.bcsf.com.ar>

On its 10<sup>th</sup> month of  
expansion, the  
province's economic  
activity growth  
slowed down

**ICASFe**  
Base 1994 = 100  
**146.4**

**JULY 2010**  
Monthly %: **0.1%**  
Inter-year %: **4.4%**  
Accumulated (Jan-Jul):  
**3.8%**

*The province has already recovered 85% of the losses caused over economic activity levels during the last recession. This means that, in July 2010, the ICASFe did not yet reached its maximum peak registered in January 2008 although its present situation represents 99% of that measure.*

The Composite Coincident Index for the province of Santa Fe (ICASFe) constitutes a monthly indicator used to describe the global performance of the province's economy. It allows us to determine the precise dates in which recessions/expansions begin and end, as well as following the most important economic sectors' behavior. Finally, it provides a reliable source of information appropriate to support decision makers of public and private institutions.

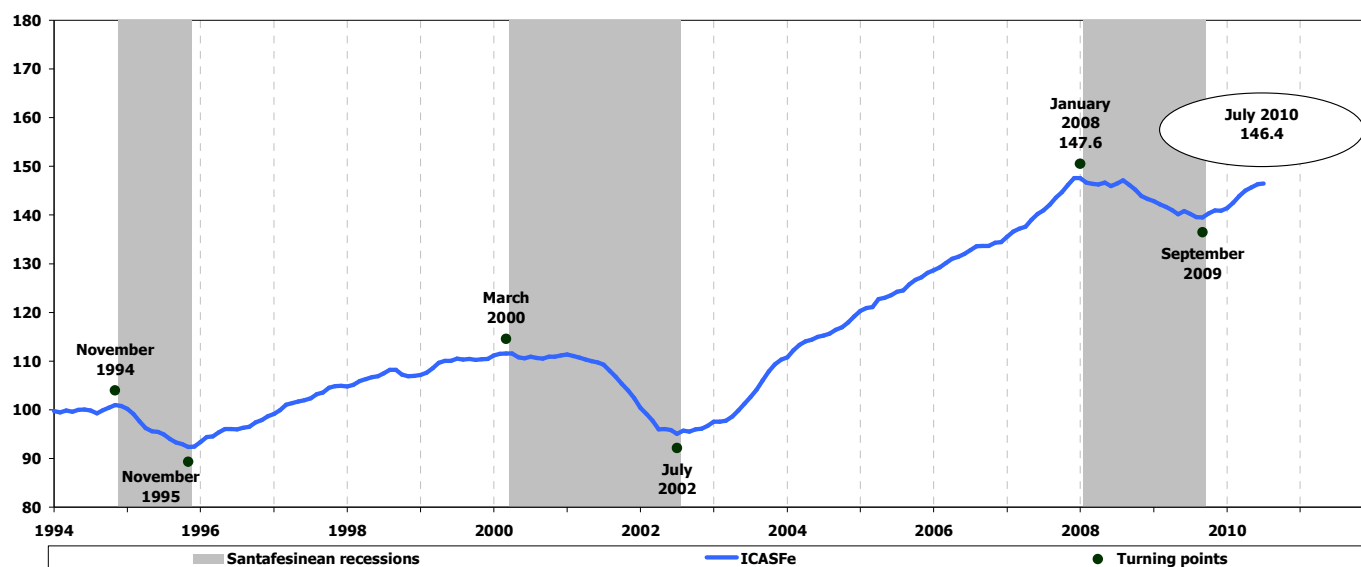
According to the last obtained results, during the month of July 2010, the ICASFe was located at **146.4**, presenting a **0.1 %** monthly variation with respect to June.

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 our indicator. Time series are handled in real terms and filtered by seasonality and outliers with the X12-ARIMA software.

### Province of Santa Fe's economic activity

During the ten month that took place since the beginning of the present expansion, the economic activity in the province increased 4.8%. This implies that 85% of the losses caused by the last recession (-5.6% between January 2008 and September 2009) were already recovered. On the other hand, July's monthly relative variation in terms of June 2010 was calculated in 0.1%, the lowest positive rate registered during 2010.

**Graph 1 - ICASFe - Monthly Composite Coincident Index of the Province of Santa Fe -**  
Base 1994=100. Data: from January 1994 to July 2010.



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

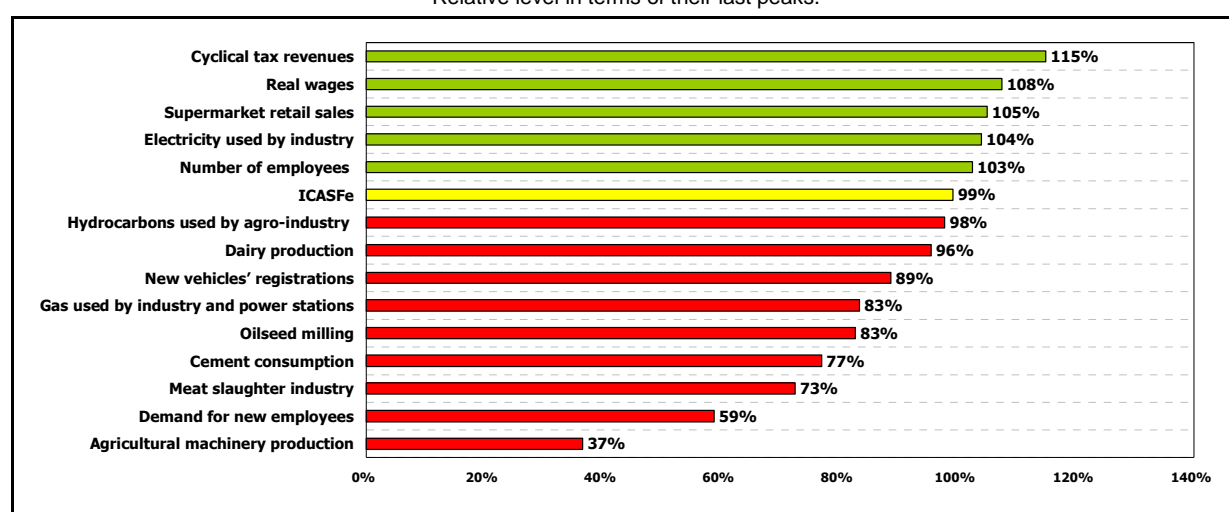
### Indicator by indicator

Along with the present economic expansion, five of the fourteen representative sub-indicators included in the coincident index have beaten their peaks achieved before the last recession; whereas the other nine sub-indicators, by the contrary, are still below their historic maximum level. The first group is composed by cyclical tax revenues, which are already 15% above their registered highest point; real wages, an 8%, supermarket real retail sales, a 5%, electricity used by industry, a 4%, and formal employment, a 3%.

Based on processed information from July 2010, the ICASFe reached 99% (146.4) of January 2008's peak, which was measured in 147.6.

Indoors santafesinean agro-industrial sector; dairy production, oilseed milling and meat slaughter industry managed to recover 96, 83 and 73% of their past maximum levels, respectively. In fact, hydrocarbons used by agro-industry are considered to be reaching 98% of their previous highest measure, registered in July 2007, six months before the begging of the last recession (January 2008). Agricultural machinery production suffered a strong contraction during the downturn (-139.5%) but afterwards was also one of the first indicators which began to recover. Nevertheless, even though its expansion started four months before general economic activity, in July 2010 the series is located at 37% of its maximum past level.

**Graph 2 - Economic activity's indicators for the Province of Santa Fe -**  
Relative level in terms of their last peaks.



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

In spite of its strong recovery, private investment on durable goods still shows space for further growth. New vehicles' registrations and cement consumption, two related indicators, reached in July 2010 89 and 77% of their historical highest levels, respectively. To this matter, it's important to remember that, in Santa Fe, the construction sector had its peak one month before the general economic activity entered into recession while new vehicles' registrations leaded the ICASFe by 3 months.

In relationship to the labour market, the number of registered employees and their real wages went above their past peaks during July 2010. On the other hand, demand for new workers was only located at 59% of its previous maximum level achieved in January 2008, although it started to recover 4 months before general economic activity (May 2009). This means that today's companies' expectations are not yet closed to their past levels reached during the previous growing phase.

#### ○ Perspectives on the province's further economic activity

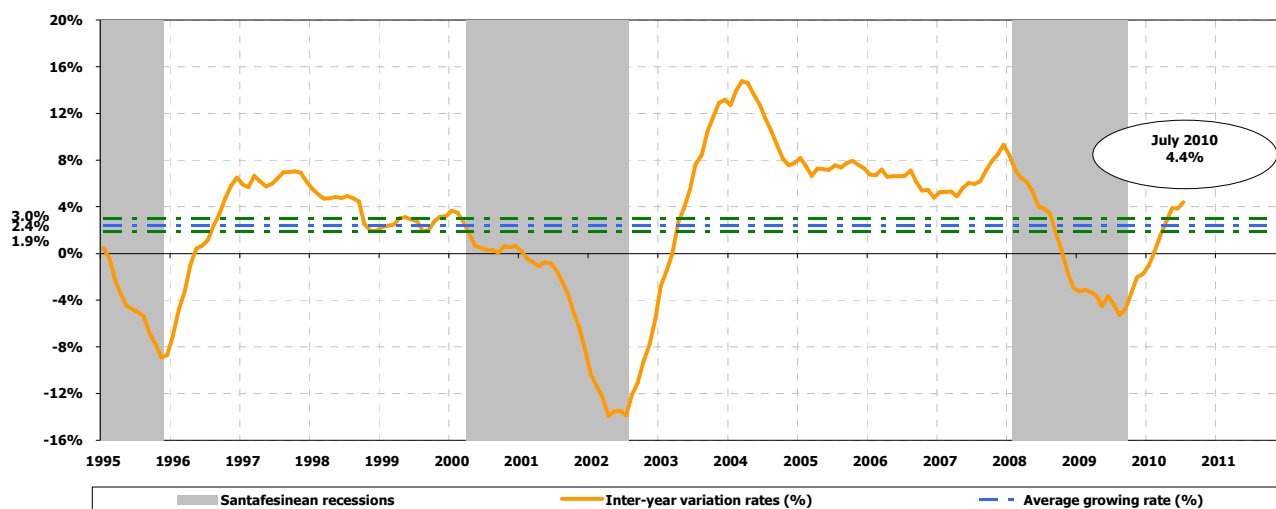
As anticipated in previous monthly digests, ICASFe's inter-year variation rates kept growing up and reached to 4.4% in July 2010; two perceptual points over the long term average variation.

The present expansion began with a monthly positive variation proximately to 1.1% during September and November 2009. Afterwards, a mild contraction of **-0.1%** was registered in December of that year; and in 2010, monthly variations were around 0.5% during the first semester but became more moderated within the seventh month.

In this stage of the economic expansion, it's interesting to consider the experience recovered by the indicator in previous phases. To this matter, ICASFe's actual level is still below its registered record achieved in January 2008. The same situation is observed over nine of the representative sub-indicators included in the coincident index. In this group of series which share a gap in terms of their past activity levels, the most significant variables are the construction sector and main agro-industrial branches.

Perspectives for 2010's third quarter are aligned with most postulated trends expected for the national and international economy which basically refer to a process of mild expansion.

**Graph 3 - Monthly Composite Index of the province of Santa Fe -**  
Inter-year variations. Data: from January 1995 to July 2010.



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

*In order to download our statistical database as well as methodological documents and other related publications, please visit our website in: <http://ces.bcsf.com.ar>*