

Monthly Digest

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Bolsa de Comercio de Santa Fe



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
Sra. Carolina E. Sagua

Email Contact Information
ces@bolcomsf.com.ar

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

Moderate economic
growth.

ICASFe
Base 1994 = 100
158.4

September 2011

Monthly %: 0.3%
Inter-year %: 4.4%

The province's economic activity increased 3.1% between January and September 2011; slower than during 2010's equivalent period (5.2%). Deceleration is mainly explained by a poor development of series related to agro-industry.

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.

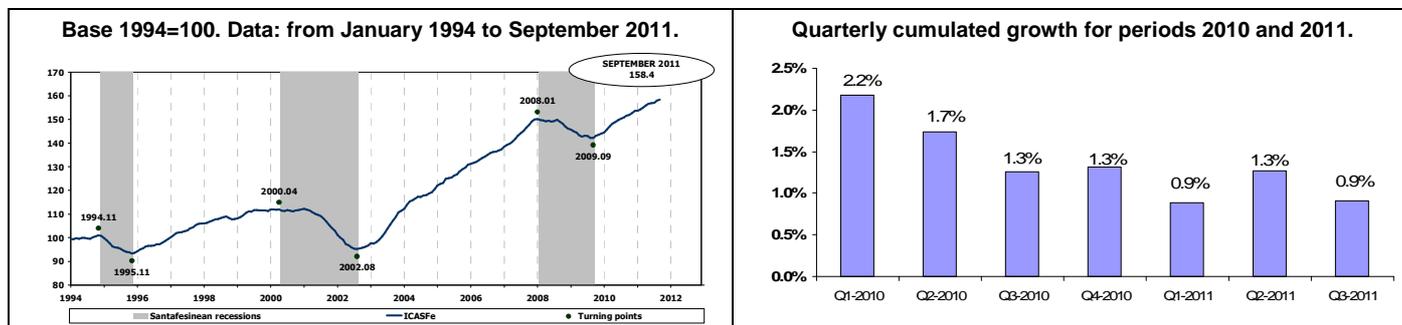
According to the last obtained results, during the month of September 2011, the ICASFe was located at **158.4**, presenting a **0.3%** monthly variation with respect to August.

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.

o **Province of Santa Fe's economic activity**

In September 2011 the province's economic activity registered its twenty-fourth month of expansion with a monthly variation of 0.3%. According to this result, economic growth during 2011's third quarter reached 0.9%; a positive rate but lower than in the previous quarter.

Graph 1 - ICASFe - Monthly Composite Coincident Index for the Province of Santa Fe -



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

o **Indicator by indicator**

Considering all monthly rates cumulated along 2011's first three quarters, seven of the fourteen representative indicators grew slower than during than period in 2010. In addition, two series turned negative; which means a contraction in absolute terms. Finally, the other five indicators registered a higher expansion.

Real wages increased 13.8% in 2011, basically doubling 2010's growth (7.6%). Moreover, formal employment also improved its performance passing from 2.8 to 3.7%, comparing both periods. On the other hand, demand for new jobs is still positive but slowed down from 2.8 to 1.1%.

Graph 2 - Economic activity's indicators for the Province of Santa Fe - Cumulated monthly rates for each period -

Indicator	January-September 2010	January-September 2011
New vehicles' registrations	24.4%	20.0%
Dairy production*	6.4%	18.8%
Real wages**	7.6%	13.8%
Hydrocarbons used by agro-industry	8.0%	10.2%
Gas used by industry and power stations	22.8%	9.5%
Oilseed milling	36.7%	5.5%
Tax revenues	10.2%	4.6%
Supermarket retail sales	4.9%	4.1%
Number of employees **	2.8%	3.7%
ICASFe	5.3%	3.1%
Demand for new employees	2.8%	1.1%
Electricity used by industry***	10.7%	0.5%
Meat slaughter industry	-21.6%	-3.0%
Cement consumption	21.9%	-4.4%
Agricultural machinery production	102.0%	-87.0%

* Last available data is from August 2011.

** Contains estimated data for July, August, and September 2011.

* Last available data is from July 2011.

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

Two series related to the secondary sector are also included in the group of accelerating indicators. The first one is dairy production; which grew 18.8% between January and September 2011 whereas during those nine months its expansion was only 6.4% in 2010. Hydrocarbons used by agro-industry improved on the same direction and achieved 2.2 extra perceptual points in 2011 than in 2010.

On the other hand, is important to highlight that all the other series related to agro-industry are either decelerating or falling. Agricultural machinery production, as main example, has already decreased **-87.0%** along the year; against an expansion of 102.0% during 2010's analogue period. Regarding to industrial energy consumption, gas utilization registers a contraction of 58.4%; comparing both periods its cumulated growth went from 22.8 to 9.5%. To this matter, electricity even registered a stronger relative decrease calculated in **-95.6%**. Oilseed milling grew 5.5% during 2010; moderately positive after showing an important catch up of 36.7% between January and September 2010. Finally, meat slaughter industry kept falling (**-3.0%**) but this year its contraction was a lot less significant than during 2010 (**-21.6%**).

Retail consumption and durable goods explained an important part of 2010's growth; nevertheless, during these last months most representative indicators related to these topics are presenting a remarkable slow down. New vehicles' registrations went from 24.4% in 2010 to 20.0% in 2011 and cement consumption registered a negative cumulate rate of **-4.4%**, considering the last three quarters (between 2010's Q1-Q3 the series grew 21.9%). Then again, supermarket retail sales increased 4.1% in 2011; 17.4% below 2010's measure.

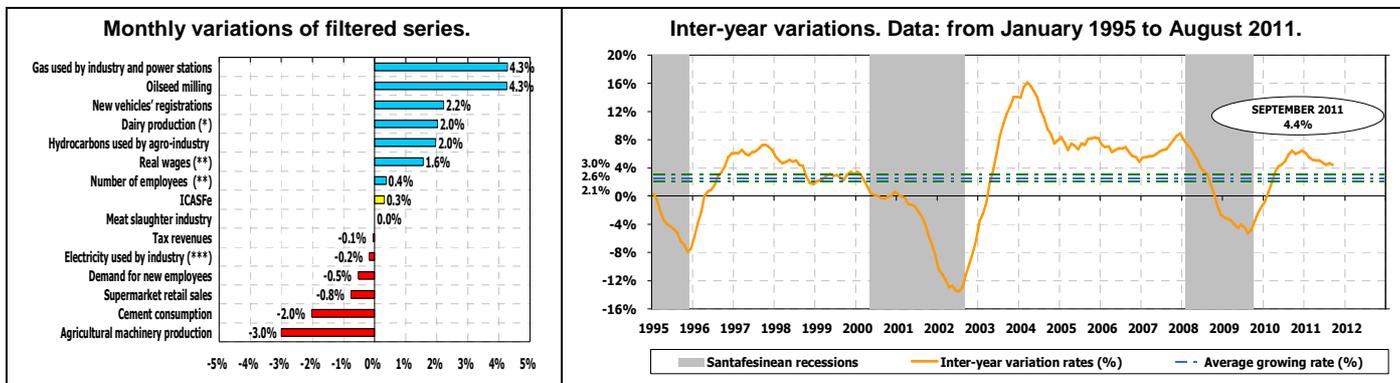
At last, fiscal incomes enlarges with lower intensity since 2011's second half. During the entire analysed period their improvement was measured in 4.6%; 5.6 points behind 2010.

o **September's summary and further perspectives**

ICASFe's inter-year variation rates were measured in 4.4% in September 2011. As a consequence, the gauge is still getting closer to the upper statistical band (3.0%) built up considering its long average growing rate (2.6%).

This last month eight representative series registered positive monthly variation rates (see Graph 3). However, if the period January – September is considered, most series related to the agro-industrial sector registered a slower growth in 2011 compared to 2010. This local scenario, in accordance with today's national economic performance, adds certain doubts about the present expansion's stability along 2012.

Graph 3 - Composite Index for the province of Santa Fe -



* Last available data is from August 2011.

** Contains estimated data for July, August, and September 2011.

* Last available data is from July 2011.

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>