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Bolsa de Comercio de Santa Fe



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

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Contractions in most Santa Fe's key economic sectors

ICASFe
Base 1994 = 100
155.8

August 2012
Monthly %: 0.005%
Inter-year %: -0.5%
2012's contraction: -0.7%

Data from August 2012 signals a general decline over the secondary sector, agro-industries, construction and sales of durable goods.

According to the last obtained results, during the month of August 2012, the ICASFe was located at **155.8**, presenting a **0.005%** monthly variation with respect to July.

The Composite Coincident Index for the province of Santa Fe (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.

As indicator, It provides a reliable source of information appropriate to support decision makers of public and private institutions. ICASFe was developed by a technical agreement with the Universidad Nacional de Tucumán (UNT).

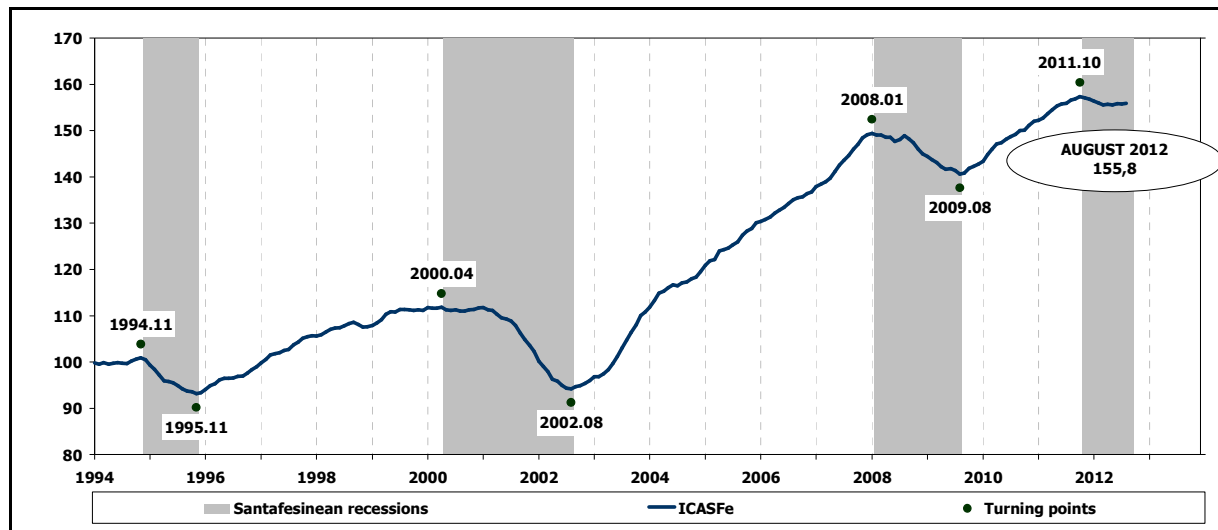
The last twelve monthly results exposed in this document are based on preliminary information and hence subject to further revisions. Calculated values gain consistency while primary sources publish consolidated data which provides an input to our indicator. Time series are handled in real terms and filtered by seasonality and outliers with the X12-ARIMA software.

Province of Santa Fe's economic activity

In August 2012 the coincident indicator presented a monthly variation of 0.005% (closed to zero). According to this result, Santa Fe's economic activity keeps facing a mild recession: since October 2011 (dated as the end the previous expansion phase) its total registered contraction is measured in **-1.0%**. If only 2012 is taking into account then its cumulated decline is around **-0.7%**.

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

Base 1994=100. Data: from January 1994 to August 2012.



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

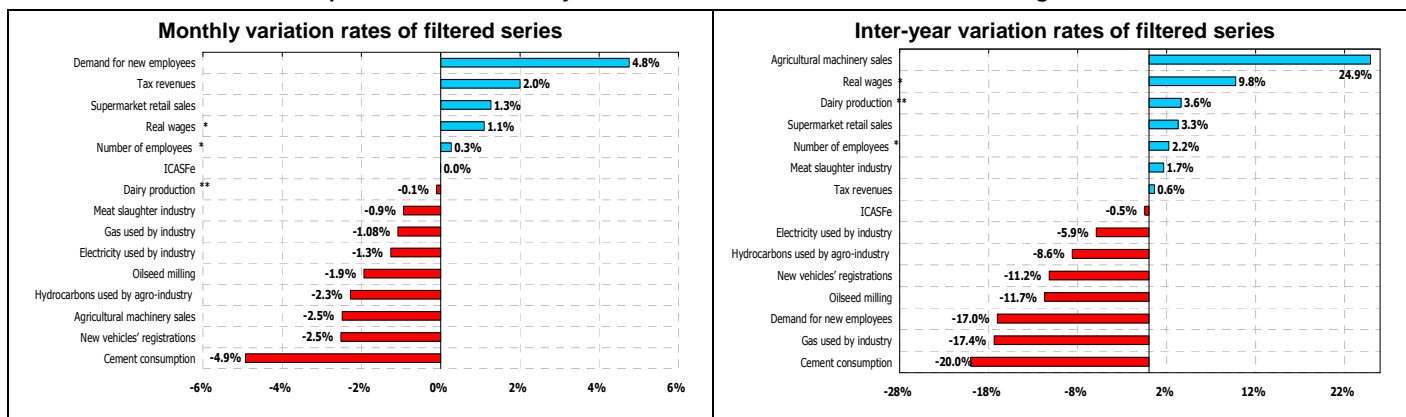
Indicator by indicator

Most series related to manufacturing activities showed a negative performance during August 2012. **Industrial electricity consumption** presented a monthly decline of **-1.3%**, which implies **-5.9%** in an inter-year comparison. **Gas consumption's** rates moved on the same direction with **-1.0** and **-17.4%**, respectively. So did **hydrocarbons used by agro-industry and transportation**, which decreased **-2.3%** in terms of July and **-8.6%** in terms of August 2011. All three cases showed high monthly declines with even more significant contractions upon their inter-year variations.

Oilseed milling registered a monthly negative rate of **-1.9%**, reaching a total contraction of **-11.7%** compared to August 2011. **Dairy production** (last available data from July 2012) also experienced a monthly decline (**-0.1%**) but the series still pointed out a 3.6% positive inter-year expansion.

Estimated data for **meat slaughter industry** indicated a monthly contraction of **-0.9%** within an inter-year relative growth of 1.7%. But it is worth noting that this positive variation does not mean a truly recovery. In a long term horizon, present levels of production are still low, especially considering the bovine segment. A similar situation was pictured by agricultural machinery production's indicator which presented monthly and inter-year negative variations of **-2.5** and **-24.9%**, respectively.

Graph 2 - Economic activity's indicators for the Province of Santa Fe - August 2012 -



(*) Contains estimated data for August 2012; (**) Last available data from July 2012.

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

With a **-2.5%** variation in August, **new vehicles' registrations** showed consecutive declines since May 2012. This month its inter-year contraction reached **-11.2%**.

Construction sector's activity fell down significantly in 2012. Moreover, this month **cement consumption** decreased **-4.9%**, which implies an inter-year contraction of **-20.0%** (considering August 2011).

Indicators related to the labour market presented a stable behaviour. **Demand for new employees** increased 4.8% for the second month in a row whereas its inter-year comparison was still negative in **-17.0%**. Based on estimated data, the **total number of registered jobs** kept growing in August (0.3), which implies an inter-year expansion of 2.2%. In the case of **real wages**, both rates were measured in 1.1 and 9.8%, respectively. In line with these results, **supermarket retail sales** increased 1.3%, signalling a total expansion of 3.3% compared with August 2011.

Tax revenues registered a positive variation rate of 2.0% in August, which allowed the series to stay 0.6% above its inter-year level. The consumer price index published for the province of Santa Fe by *Instituto Provincial de Estadísticas y Censos (IPEC)* keeps presenting a deceleration of inflation since April 2012. Whereas a 25.0% of inflation was expected at the beginning of the year, last available information for 2012 (data from January to August) signals an annualised increase of only 19.8%. This index is used in order to deflate ICASFe's sub-indicators expressed in current monetary units: real wages, supermarket retail sales and tax revenues.

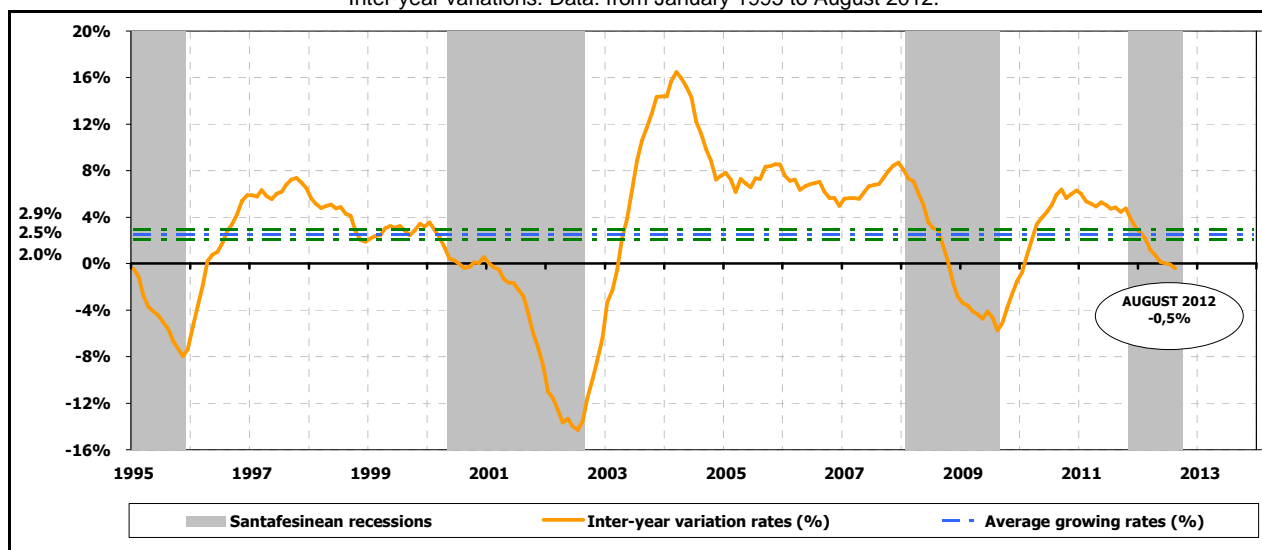
Summary and perspectives

ICASFe's monthly variation rate for August 2012 was closed to zero. In addition, its inter-year comparison registered a contraction of **-0.5%**.

Based on available data related to the eighth month of the year, further perspectives for the economy are even more discouraging than during the first semester. A contraction trend is clearly hitting upon many key economic sectors: especially over manufacturing activities, agro-industry, construction and sales of durable goods. By the moment, supermarket retail sales are still showing a regular performance based on real salary adjustments (at least within registered employment). But it's worth noting that labour variables do not yet verify turns and they probably will; most series have lagged characteristics.

Finally, in spite of its recent registered deceleration, it is important to take into account an increasing expected inflation for 2012 and 2013.

Graph 3 - Monthly Composite Index of the province of Santa Fe -
Inter-year variations. Data: from January 1995 to August 2012.



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>

An **on-line graphical tool** is also available in our site, which allows to monitor all fourteen sub-indicators' performance individually: <http://www.bolcomsf.com.ar/ces/icasfe.php>