

## 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>

Mild increment at the  
beginning of 2013

ICASFe  
Base 1994 = 100  
155.9

January 2013  
Monthly %: 0.5%  
Inter-year %: 0.1%  
2013's balance: 0.5%

*Since 2012's fourth quarter Santa Fe's economic activity shows a soft recovery. These results are not sufficient enough to consider a consistent shift over its trend.*

According to the last obtained results, during the month of January 2013, the ICASFe was located at **155.9**, presenting a **0.5%** monthly variation with respect to December.

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).

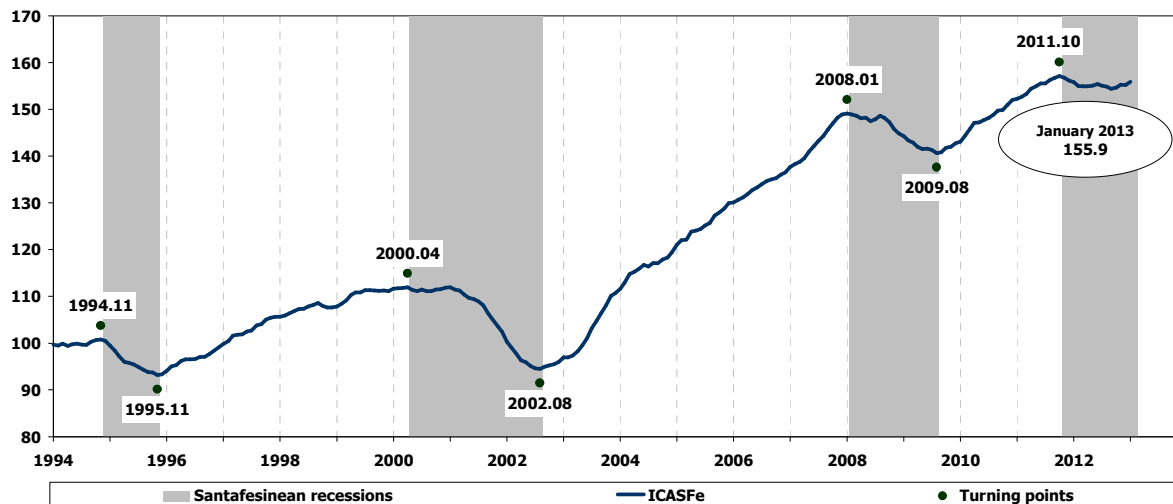
The last twelve monthly results exposed in this document are based on preliminary information and hence subject to further revisions. Calculated values gain consistency while primary sources publish consolidated data which provides an input to our indicator. Time series are handled in real terms and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

## Province of Santa Fe's economic activity

Along the cyclical phase in progress since November 2011 the province's economic activity is being characterized by stagnation. Within fifteen months of recession its cumulated contraction is measured in only **-0.9%**. However, since 2012's last quarter a mild recovery is being captured by ICASFe and 2013 began with a positive monthly variation of 0.5%.

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

Base 1994=100. Data: from January 1994 to January 2013.



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

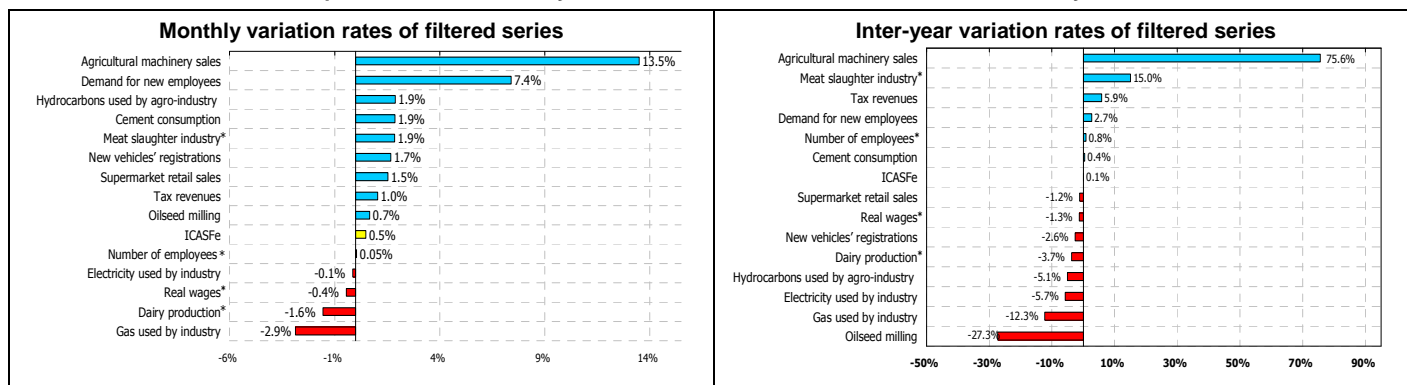
## Indicator by indicator

In January 2013 ten of the fourteen sub-indicators used in order to calculate the province's economic activity showed monthly expansions but only six of them grew in terms of an inter-year comparison.

**Agricultural machinery sales** presented a monthly increment of 13.5% and grew 75.6% inter-yearly. Nevertheless, all its cumulated expansion during 2012 only allowed the series to reach 45.0% of 2008's highest historic level. **Meat slaughter industry** experienced a similar behavior with rates of 1.9 and 15.0%, respectively; its level in January 2013 is 34.0% below its last's peak from June 2009. **Oilseed milling** also improved in January (0.7%) but presents a significant drop in terms of 2012 (**-27.3%**). **Dairy production** has reached a plateau since 2012's second semester; in January the series faced a monthly decrease of **-1.6%** and an inter-year one of **-3.7%**, respectively.

**Industrial energy consumption** is falling both monthly and inter-yearly. **Electricity** inputs decreased **-0.1** and **-5.7%**; whereas **industrial gas** declined **-2.9** and **-12.3%**, respectively. Moreover, hydrocarbons used by agro-industry and transportation grew 1.9% in January but are still **-5.1%** down in terms of 2012.

**Graph 2 - Economic activity's indicators for the Province of Santa Fe - January 2013 -**



(\*) Contains estimated data.

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

Santa Fe's construction industry, analysed by **cement consumption**, is growing since 2012's fourth quarter. To this regard, in January 2013 its monthly variation rate was measured in 1.9% and its inter-year one reached 0.4%. Nevertheless, in spite of its recovery, the gauge's present level is still far below 2010's highest historic activity. Another sub-indicator related to investment in

durable goods, **new vehicles' registrations**, also presented a positive variation rate in January (1.7%) but its inter-year comparison was still negative (-2.6%). **Supermarket retail sales** increased 1.5% in January and almost reached 2012's analogue level with an inter-year rate of -1.2%.

**Demand for new employees** is recovering since 2012's second semester but is also located at a low performance level, historically speaking. In January 2013 the series presented a 7.4% monthly increment and 2.7% growth in terms of January 2012. **Total registered jobs** presented a positive monthly variation of 0.05% and increased 0.8% in terms of January 2012. On the opposite direction, **real wages** declined -0.4% in January which implies a total inter-year contraction of -1.3%.

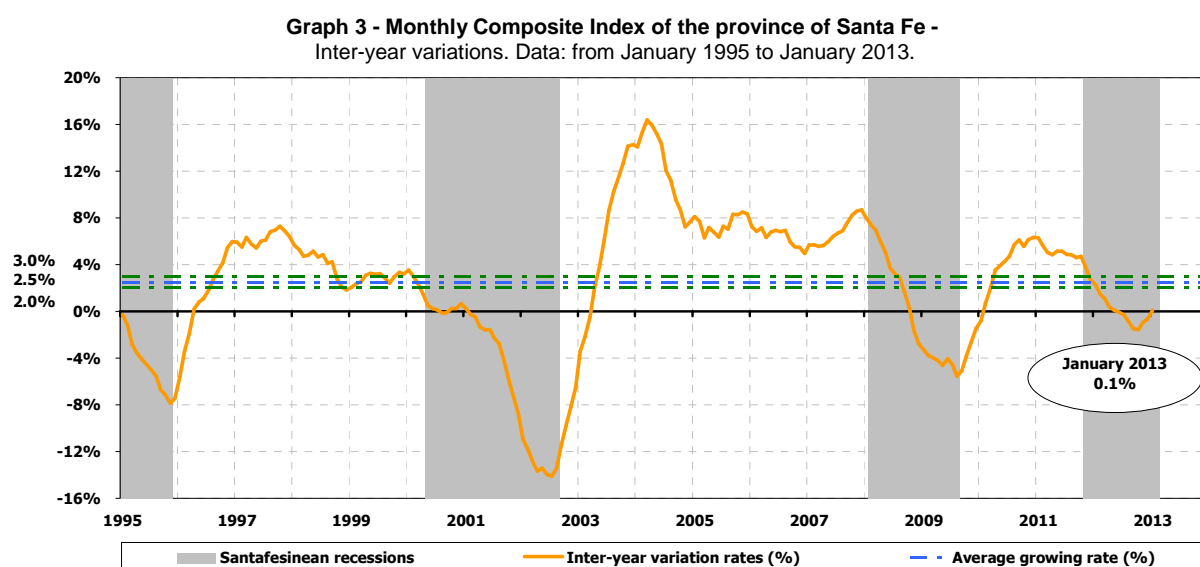
Helped by increases in both provincial and federal funds, in January 2013 **tax revenues** improved 1.0% in monthly terms and 5.9% inter-yearly.

### Summary and perspectives.

ICASFe's inter-year variation rates signalled a mild expansion of 0.1% in January 2013. This means economic activity in Santa Fe is showing a very weak recovery and it is basically at the same level it was at the beginning of 2012.

During this month many key economic sectors kept showing positive rates (most began during 2012's fourth quarter). For example, cement consumption and new vehicles' registrations. However, industrial activities are not clearly recovering and in spite of some positive variations, their general performance is still below pre-recession levels.

Private rentability is strongly being affected by the macroeconomic national context; especially because of inflation and a high tributary burden. As a consequence, Investment is also going through a delicate situation. Taking all these issues into account it is hard to picture a solid recovery during 2013's first semester.



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

#### In order to download or get access to:

- Statistical database, methodological documents and related publications: <http://ces.bcsf.com.ar>
- An on-line graphical tool which shows all fourteen sub-indicators' historical information (series): <http://www.bolcomsf.com.ar/ces/icasfe.php>