



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

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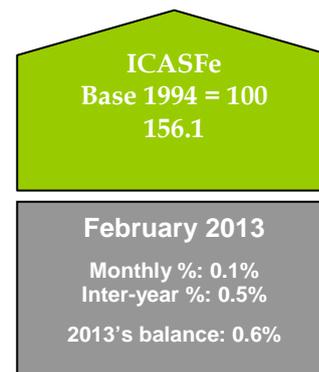
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Positive rates but not strong enough to reactivate the productive sector



In February 2013 Santa Fe's economic activity grew 0.1%. However most indicators related to production do not present signs of recovery.

According to the last obtained results, during the month of February 2013, the ICASFe was located at **156.1**, presenting a **0.1%** monthly variation with respect to January.

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.

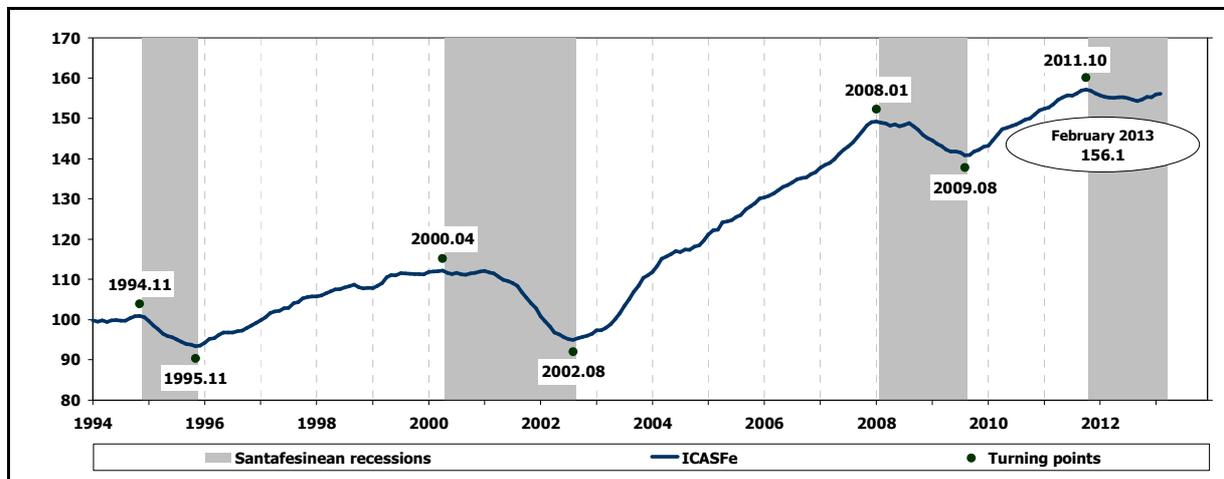
As indicator, It provides a reliable source of information appropriate to support decision makers of public and private institutions. ICASFe was developed by a technical agreement with the Universidad Nacional de Tucumán (UNT).

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 February 2013 Santa Fe's economic activity increased 0.1%, cumulating a total variation of 0.6% across the first two months of the year. Nevertheless, the province is still under recession since November 2011 (which means sixteen dated months) and this mild expansion is not sufficient enough to speak about a truly recovery. In fact, many sub-indicators are not signaling any improvement.

Graph 1 - ICASFe - Monthly Composite Coincident Index for the Province of Santa Fe -
Base 1994=100. Data: from January 1994 to February 2013.



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

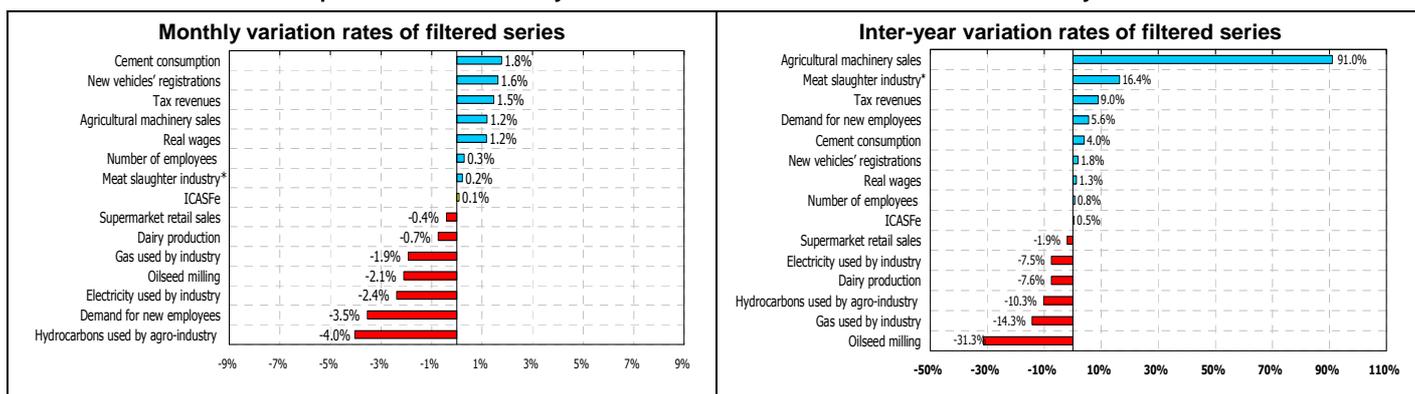
Indicator by indicator

In February 2013, 50,0% of the sub-indicators used in order to calculate the province's economic activity registered monthly expansions and 60,0% also grew inter-yearly.

Tax revenues, considering both local and federal resources, increased 1.5% in February and are now located 9.0% above 2012's levels. But it's worth noting that the province's funds are being boosted by *Ingresos Brutos* which are having a favorable impulse since October 2012 (when new rates were applied).

Cement consumption, as proxy of the construction sector's performance, continued with the recovery process observed since 2012's fourth quarter and presented a positive monthly variation of 1.8%. Compared to February 2012 the series grew 4.0%.

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



(*) Contains estimated data.

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

New vehicles' registrations increased again in February with a monthly variation of 1.6% and an inter-year one of 1.8%. However, the series does not yet display a solid performance. On the other hand, **supermarket retail sales** declined -0.4% in respect to January and registered their fifth consecutive negative inter-year variation rate (-1.9%).

The industrial sector is suffering an unfavorable general performance (just certain particular sectors show mild recoveries). To this regard, **electricity consumption** decreased -2.4% in monthly terms and -7.5% in an inter-year comparison. In the case of **industrial gas**, these rates were measured in -1.9 and -14.3%, respectively. By the contrary, **agricultural machinery sales** signaled a positive

monthly expansion of 1.2% and an inter-year recovery of 91.0% (but one year ago this series reached a historical low level).

In regard to agro-industrial activities, only the **meat slaughter sector** registered positive variation rates: 0.2% (monthly) and 16.4% (inter-yearly). But these results are still not sufficient enough to regain a proper historical level. **Dairy production** decreased **-0.7%** in February which implies an inter-year contraction of **-7.6%**. **Oilseed milling** went on the same direction with rates of **-2.1** and **-31.3%**, respectively; although, considering 2012/13 campaign's results this series could surely improve if the local and international contexts favor the market.

As a consequence of the agro-industrial stalemate, **hydrocarbons' consumption** used for production and transportation went down **-4.0%** in February in line with a negative inter-year variation rate of **-10.3%**.

Registered jobs are showing a stable behavior but the private segment is flattening out since the beginning of 2012 and public employment reached a plateau during 2012's last quarter. In February 2013 the series signaled an extremely mild variation rate of 0.3% and an inter-year expansion of 0.8%. **Demand for new employees**, which generally leads total employment, declined **-3.5%** but is still above 2012's levels (5.6%). In respect to disposable incomes, **real wages** are also slowing down presenting a monthly variation rate of 1.2% and an inter-year one of 1.3%.

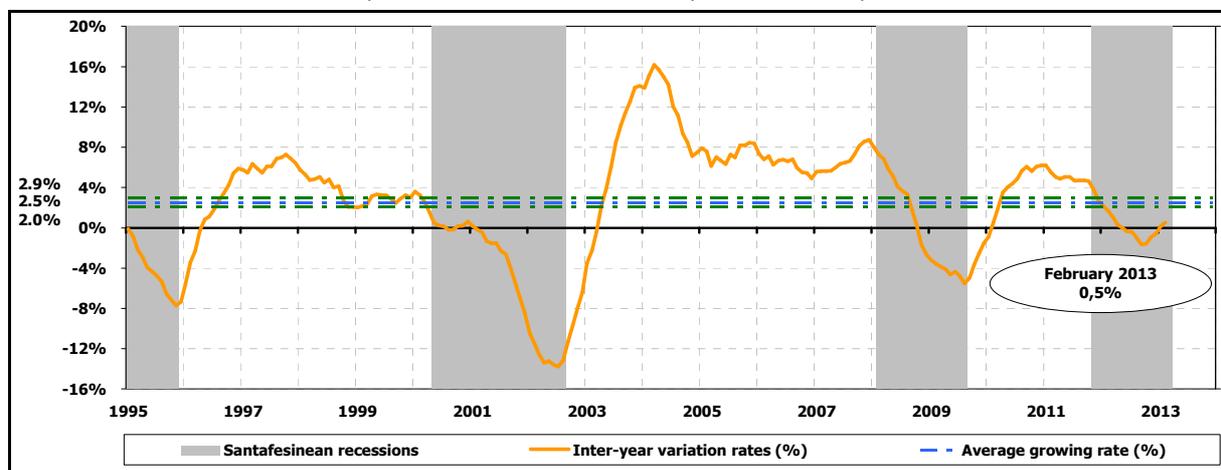
Summary and perspectives.

ICASFe's inter-year variation rates reached 0.5%. In fact, if economic activity keeps growing softly, inter-year variations will stay in positive terrain. This so, because the comparison is now centred between present levels against the recession's worst period.

Santa Fe's economic growth during 2013's first quarter is being mainly sustained by the construction activity, agricultural machinery sales, new vehicles' registrations and disposable resources from both private and public basis. By de contrary, retail sales and the productive sector show a general negative performance; especially agro-industrial activities.

Within an unfavourable macroeconomic context in order to recover production, the economic plateau is expected to persist during the rest of the semester, with erratic monthly ups and downs.

Graph 3 - Monthly Composite Index of the province of Santa Fe -
Inter-year variations. Data: from January 1995 to February 2013.



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>