

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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CENTRO DE ESTUDIOS Y SERVICIOS



140 años

Desde 1884

ICASFe

Base 1994=100

MARCH 2024

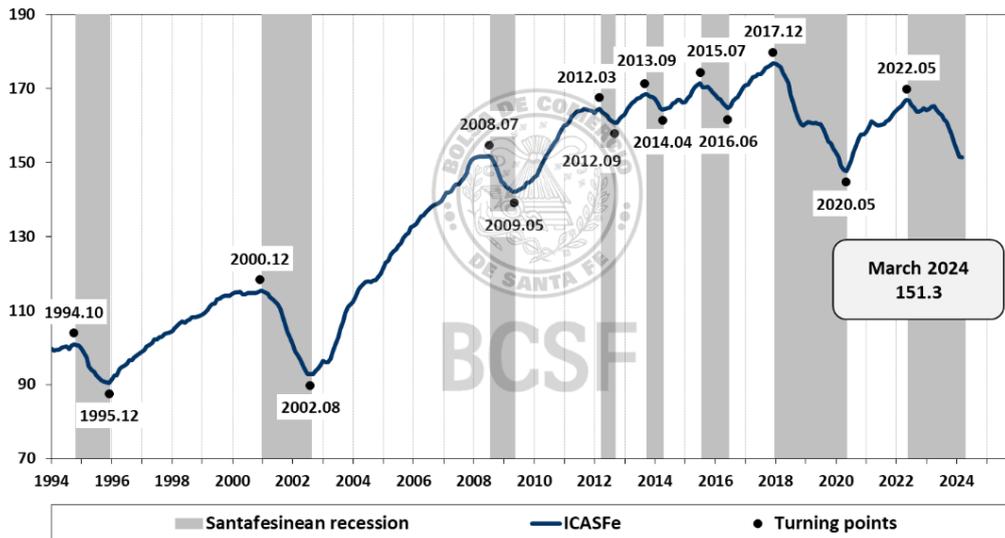
Level: 151.3

Monthly variation: -0.2%
Inter-year variation: -8.6%

Santafesinean economic activity decreased by 8.6% interannual in March

At the end of 2024's first quarter, the coincident index continued to register a significant contraction. However, last monthly measurement showed a slight deceleration.

Graph 1: Composite Coincident Index for the Province of Santa Fe (ICASFe). Base 1994=100.



Source: Research and Services Center, Santa Fe's Chamber of Commerce (Digital Graph | [Go to website](#)).

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What is ICASFe for?

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.

Technically, the indicator is a composite coincident index developed by an agreement with *Universidad Nacional de Tucumán (UNT)* which provides a reliable source of information appropriate to support decision makers of public and private institutions. Methodological information and related papers are available at <http://ces.bcsf.com.ar>

All series are filtered by seasonality and extreme values, using the X-13 ARIMA-SEATS program of the United States Census Bureau. In addition, information is always presented free of inflationary effects. The last twelve-monthly results exposed in this document are based on preliminary information and hence subject to further revisions.

As of publication No 3, Year 17, improvements in data's structure were incorporated in order to gain precision over the industrial production component (see academic document at https://www.bcsf.com.ar/ces/pdf/2022_Cohan-Zanini.pdf)

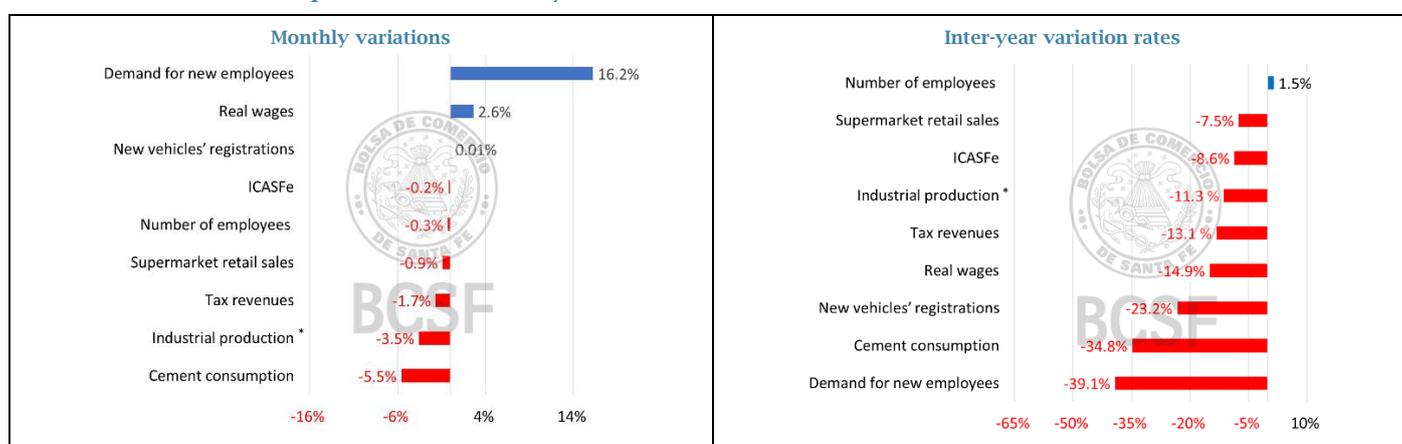
Santa Fe's business cycle indicators

In March 2024, five of eight sub-indicators considered in ICASFe index continued to register negative monthly variations, one remained unchanged, and two showed positive rates. In relation to March 2023, that is to say, on a year-on-year basis, only formal employment continued to rise.

Registered jobs (new registrations) decreased by **0.3%** during March, remaining in positive territory in a year-on-year comparison, although cutting to 1.5%. For its part, set of **real wages** of registered employees in the province signaled an interannual loss in purchasing power of **-14.9%**, in spite of presenting a slight monthly recovery compared to February (2.6%). This positive rate responds to a joint impact of salary agreements and a slowdown over inflation; however, it is expected to contract again in subsequent months.

Representative series of **supermarket retail sales** in the province of Santa Fe (large commercial areas) registered a negative monthly variation of **-0.9%** in March. On interannual terms, the series accumulated a drop of **7.5%**.

Graph 2: Economic activity's indicators for the Province of Santa Fe. March 2024.



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

(*) Latest data available: February 2024. Missing figures were estimated.

See each series' individually evolution at <https://www.bcsf.com.ar/ces/base-datos/>

Business expectations to increase personnel (**demand for new employees**) indicated a positive monthly variation, although it remains in negative territory compared to March 2023 (**-39.1%**). It should be noted that this series regularly exhibits greater volatility and higher amplitude than most other sub-indicators, which justifies its monthly rate's magnitude (16.2%). In terms of level, the series is **51.5%** below from its maximum peak, reached in June 2022.

For its part, **new vehicles' registrations** experienced a practically null monthly rate (0.01%), whereas on a year-on-year comparison it registered a drop of **-23.2%**. Another indicator of investment in durable goods, **cement consumption** in the province, presented rates of **-5.5** and **-34.8%** monthly and interannually, respectively. These results are related to a lower private demand and a contraction in allocated funds for national public infrastructure in Santa Fe.

Meanwhile, **industrial production** continues to show an unfavorable performance within a general fall of **3.5%** between February and March 2024, and **-11.3%** compared to March 2023. The following section details particular aspects that allow a full-scale analysis of manufacturing sector's development. Information regarding to April 2024 is included if available.

Finally, **local tax revenues (in real terms)** showed its 9th consecutive negative monthly variation (**-1.7%**). It is worth noting, the decline in stamp tax resources and the reduction of federal funds (national resources transferred to Santa Fe), measured on a year-on-year decrease of **-13.1%**.

Industrial sector's complementary indicators

Consumption of liquid hydrocarbons in the province of Santa Fe (excluding naphtha and fuel oil) experienced a monthly increase of 0.8% (2024's first quarter accumulated 1.3%). An incipient reactivation observed in some agribusiness sectors and higher demand for input supplies mainly explain this increase. On a year-on-year comparison the series' rate reached 5.5%.

For its part, representative series of **industrial gas consumption** in Santa Fe registered a monthly drop of **-2.6%**, after two positive monthly variations. Compared to the same month in 2024, its rate was **-1.8%**, whereas its interannual one was around **-20.0%** towards the end of 2023.

After a short recovery recorded by **industrial electricity consumption** in the province of Santa Fe between December 2023 and February 2024, monthly contractions were again registered during March and April. Meanwhile, its interannual variation also signaled an accumulated drop during last year.

Diary production in Santa Fe continues on a downward path, within a monthly drop of **-1.8%** in March. Moreover, its year-on-year decrease worsened, obtaining a rate of **-14.3%**.

Internalizing updated information until April 2024, **soybean and sunflower seeds milling** experienced certain slowdown, considering previous 6 months' consecutive positive variations. On a year-on-year basis, rates remain positive, April's variation was 26.2% (Apr 2024/Apr 2023). In particular, soybean milling recovery continues: in April, 885.000 more tons were destined across provincial territory compared to March. By the contrary, sunflower milling decreased by 1.000 tons.

In April 2024, **agricultural machinery production** in the province of Santa Fe presented a slightly positive monthly rate, after accumulating twelve months of declines. On interannual terms, its decrease was measured in **-34.2%**.

Bovine slaughter in the province of Santa Fe once again registered negative rates both in monthly terms (**-4.4%**) and interannually (**-15.2%**). Regarding to **pig slaughters**, after some ups and downs, the series grew again in April, within rates of 1.9 and 5.4%, respectively.

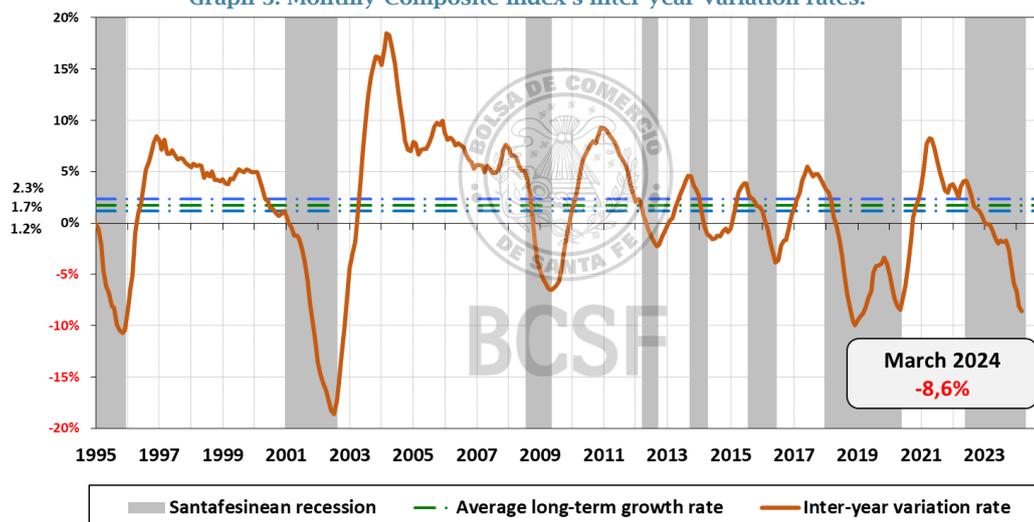
Summary and perspectives

Coincident index's interannual variation rates reached **-8.6%** in March 2024 (see [Graph 3](#)), accounting a hardship scenario for economic activity.

It is important to highlight that during March 2024 most economic cycle indicators performed at low levels. Compared to their maximum peak from before 2018-20's recession, last month measurements implied: representative series of consumption, local tax resources and industry (in general) were close to **20.0%** below benchmark; registered salaries' purchasing power presented a greater distance, of around **30.0%**; for construction and vehicle registrations, declines reached **-40.0** and **-70.0%**; whereas, labor demand is about **50.0%** below its peak. In this context, as also signaled in latest reports, although incipient signs of recovery may begin to appear in some specific indicators, they are still marginal in order to think about a full economic recovery.

Finally, in March 2024 ICASFe's level was **14.5%** below its maximum benchmark from December 2017, what gives account of the path to be taken to reach a new stage of growth.

Graph 3: Monthly Composite Index's inter-year variation rates.



Source: Research and Services Center, Santa Fe's Chamber of Commerce (Digital Graph | [Go to website](#)).

Santa Fe's Chamber of Commerce

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