

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

Monthly publication No 6/ Year 18
ISSN 2362-4876
Date: 07/02/2024



CENTRO DE ESTUDIOS Y SERVICIOS



140 años

Desde 1884

ICASFe

Base 1994=100

APRIL 2024

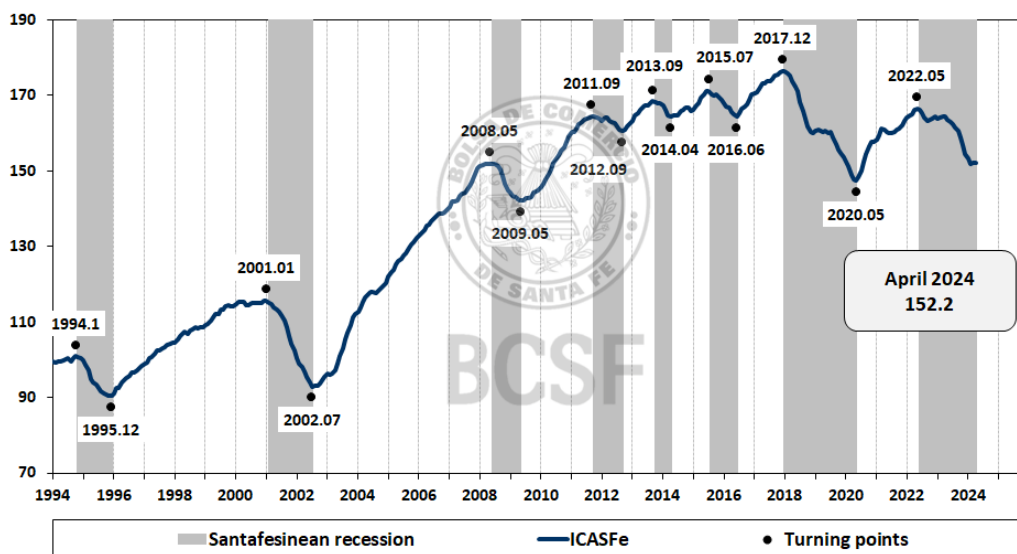
Level: 152.2

Monthly variation: -0.01%
Inter-year variation: -7.8%

Santa Fe's economic recession experiences a slowdown

As a result of incipient increases in some sub-indicators related to the province's economic cycle, in April 2024 the coincident index's monthly rate was practically null.

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](#)).

✉ ces@bolcomsf.com.ar

🌐 ces.bcsf.com.ar

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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

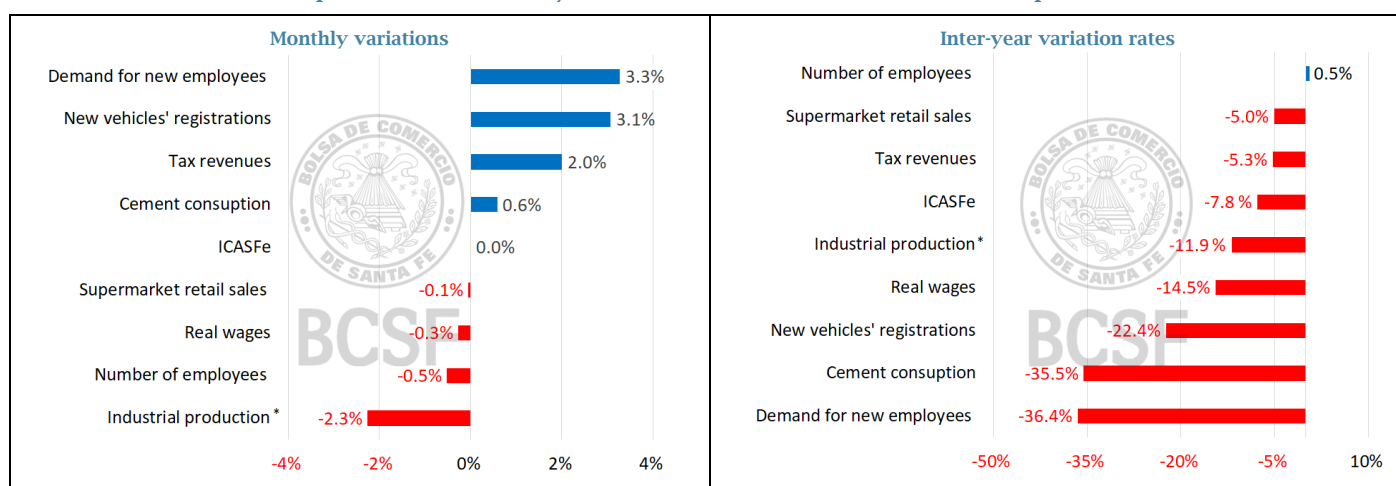
In April 2024, four of the eight sub-indicators considered by ICASFe index obtained positive monthly variations, whereas the remaining four obtained negative ones. In the year-on-year comparison, only formal employment slightly increased.

Among indicators that registered positive monthly variations, business expectations to increase personnel (**demand for new employees**) stood out with a rate of 3.3% compared to March. However, it should be noted that the series remains at very low levels compared to the peaks reached before the current recession. To this regard, in terms of its inter-year benchmark, the gauge accumulates a total decrease of **-36.4%**.

Moreover, indicators related to investment in durable goods also showed incipient recoveries. In this sense, **new vehicles' registrations** experienced a monthly improvement of 3.1% in April 2024, after having contracted by **6.0%** cumulatively during the first quarter of the year. Likewise, **cement consumption** in the province signaled a slight increase of 0.6% in April, after twelve consecutive declines. In year-on-year terms, both indicators showed significant declines, of **-22.4** and **-35.5%**, respectively.

Finally, **local tax revenues (in real terms)** achieved a monthly increase of 2.0%, driven by inflation's slowdown and increasing federal funds. Compared to April 2023, the series experienced a total drop of **-5.3%**.

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



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

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

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

On the other hand, **industrial production** continues to show a significant contraction, within an overall decline of **2.3%** between March and April 2024, and an interannual drop of **-11.9%**. The following [section](#) details particular aspects that allow a full-scale analysis of manufacturing sector's development. Information regarding to May 2024 is included if available.

Registered jobs (new registrations) recorded a new monthly decrease, in this case by **0.5%**, which represents the fifth consecutive decline. It is worth noting that the contraction is mainly observed in registered private employment. The year-on-year rate was slightly positive (0.5%), indicating a significant reduction in magnitude. As anticipated in last month's report, **real wages** in the province continued to fall in April, around **-0.3%** compared to March. In year-over-year terms, the indicator stands at **-14.5%**, after its seventh consecutive negative figure.

Regarding to retail consumption, representative series of **supermarket sales** in the province of Santa Fe (large commercial areas) recorded a negative monthly variation of **-0.1%** in April. In year-on-year terms, it accumulated a decline of **5.0%**.

Industrial sector's complementary indicators

Consumption of liquid hydrocarbons in the province of Santa Fe (excluding naphtha and fuel oil) decreased for the second consecutive time, with a monthly rate of **-0.9%** in April; however, it remains positive in terms of its inter-year benchmark (1.4%). Representative series of **industrial gas consumption** in Santa Fe also registered a negative variation in April (**-0.5%**), in line with previous month's behavior (**-2.3%** recorded in March). On an annual basis, the decrease was measured in **-2.4%**. Regarding to **industrial electricity**, during 2024's second bimester, total consumption was practically identical than 2023's. Nevertheless, there

is an observable slowdown in the decline rate in terms of previous year, of around **-0.9%**. **Diary production** in the province of Santa Fe is going down since February 2022, although the gauge experienced a deceleration during the last two months. Particularly in April 2024, its monthly variation was slightly negative (**-0.2%**), whereas the year-over-year one showed a decline of **-12.1%** (April 2024/April 2023); after 19 consecutive months of negative annual rates.

As of May 2024, there is a notable recovery over **pig slaughters'** series. During the last three months, the series accumulated nearly 4.0% of recovery, after losing more than **6.0%** between October and February. **Bovine slaughters**, on the other hand, recovered by 0.4% in May, after a decline of more than **6.0%** between March and April. The representative series of **agricultural machinery production** in the province of Santa Fe also recorded a positive monthly growth rate of 3.3%. As for interannual rates, they remain negative since September 2022, although decelerating. In May 2024 the gauge reached **-21.0%**.

Following increased grain availability, **soybean and sunflower seeds milling** in the province of Santa Fe continues to show a significant recovery compared to April-May 2023 (around +20.0%). However, in May 2024, the series dropped **-2.6%**, indicating a slight decline in terms of the first quarter.

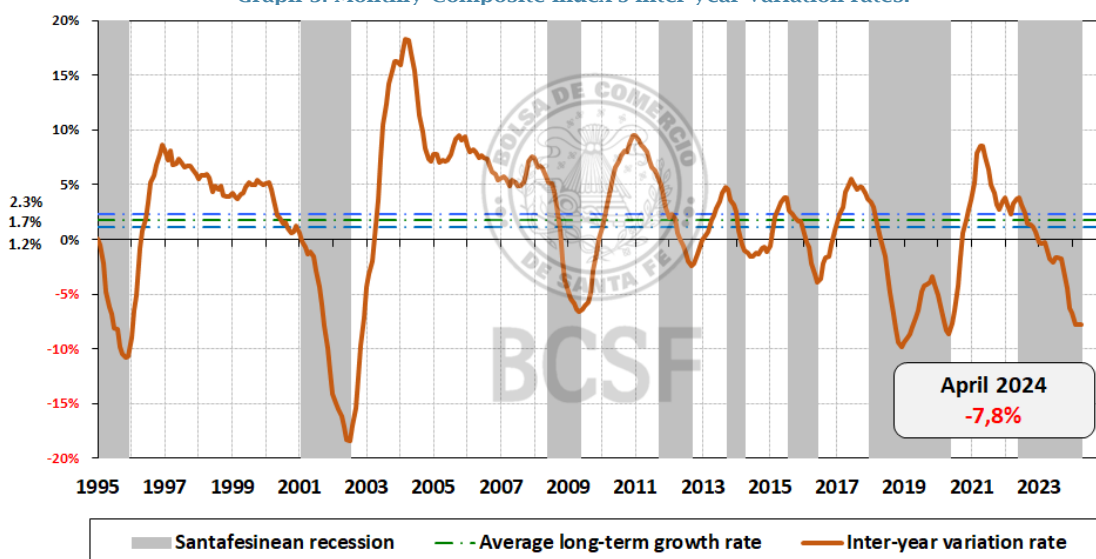
Summary and perspectives

Coincident index's interannual variation rates reached **-7.8%** in April 2024 (see **Graph 3**), signaling a slight deceleration over the contraction's dynamic.

In fact, the current recession, which began in June 2022, has now accumulated **23 months**. Throughout this period, ICASFe's silhouette has shown **three distinct stages**. Initially, during the first four months of the phase, there was a cumulative decline of **-1.9%**. Subsequently, between October 2022 and April 2023, a small recovery was recorded, during which activity offset 0.9% of the previous decline. If compared to the shape of a hill, the steepest slope occurred from May 2023 to February 2024. During this stage, the total accumulated decline was **-8.0%**.

However, in the last two measurements, monthly rates have been practically null, visually indicating a brake in the recessionary process. Nevertheless, the conditions to assert that we have reached recession's trough are not yet in place. Even though there is an incipient recovery in some indicators, their sustainability is highly related to national macroeconomics. On another front, industrial activity continues to contract, as does the creation of registered jobs positions. In line with this, real disposable income remains strongly affected by the recession, keeping consumption levels subdued.

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

President

Escibano Martín Vigo Lamas

Research and Services Center

Executive Director

Escib. Martín Vigo Lamas

Director

Lic. María Lucrecia D'Jorge

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