

THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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140 años

Desde 1884

ICASFe

Base 1994=100

MAY 2024

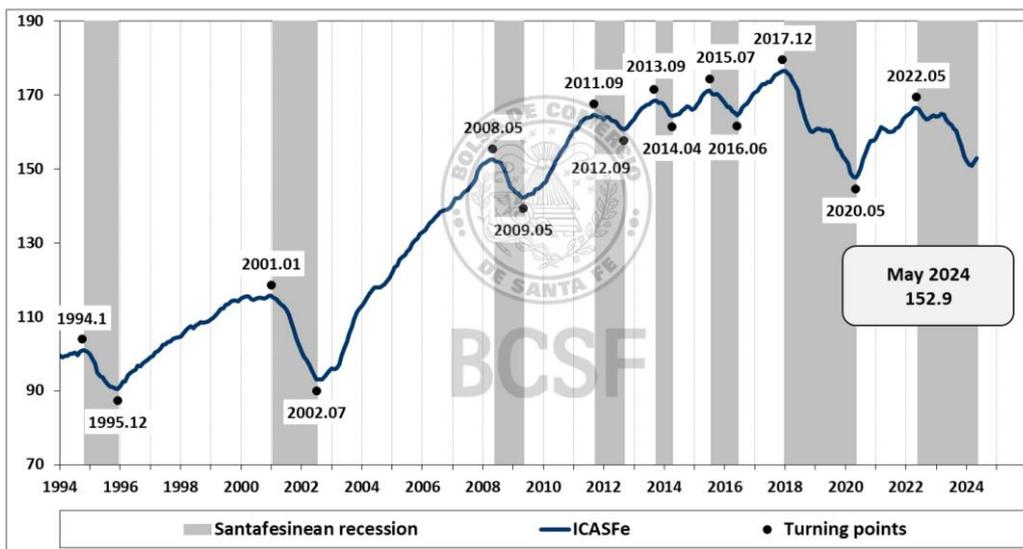
Level: 152.9

Monthly variation: 0.8%
Inter-year variation: -6.6%

Second positive monthly rate for Santa Fe's economic activity

After a period of intensifying recession, different sectors of Santa Fe's economy already showed incipient recoveries during April and May 2024.

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 <https://www.bcsf.com.ar/ces/index.php>

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

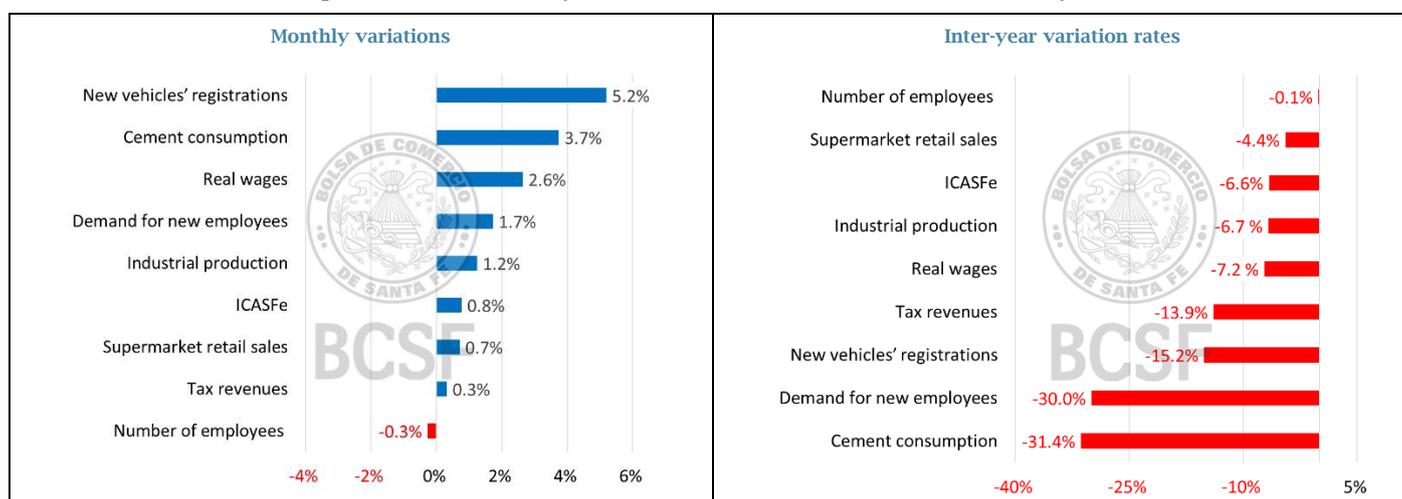
In May 2024, only the series related to employment signaled a monthly drop. Remaining seven series achieved positive variations. However, in the year-on-year comparison, results still remain negative in all cases.

Indicators related to investment in durable goods showed recoveries between April and May. In this sense, **new vehicles' registrations** experienced a monthly increase of 5.2%, its fourth consecutive monthly positive rate. Likewise, **cement consumption** recovered 3.7% in May, within its third consecutive rise. Nevertheless, in year-on-year terms, these two indicators still show significant falls of **-15.2%** and **-31.4%**, respectively.

In respect to Santa Fe's labor market, a partial recovery was measured in **real wages**, signaling an increase of 2.6% as a result of inflation reduction and salary agreements. However, in year-on-year terms, it registered a drop of **-7.2%**. Business expectations to increase personnel (**demand for new employees**) obtained their fifth consecutive positive monthly rate, which was 1.7% for May. These series continue to be at significant low levels in relation to maximums peaks reached before current recession; and in interannual terms it accumulated a drop of **30.0%**.

Registered jobs (new registrations) recorded a new monthly decrease, in this case of **0.3%**, accumulating a drop of **1.6%** between December 2023 and May 2024. In fact, interannual rates switched to negative territory (**-0.1%**), after remaining positive during recent years.

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



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

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

Concomitantly with the recovery of salaries' purchasing power, a slight positive rate was computed in **supermarket sales** in Santa Fe's province (large stores). The gauge increased 0.7% in terms of April, whereas compared to May 2023, accumulated a drop of **4.4%**. In the same direction, **tax revenues** achieved a slight monthly recovery of 0.3%, driven fundamentally by federal funds (national resources sent to Santa Fe) in a context of falling own tax collection. Compared to May 2023, a decrease of **-13.9%** is estimated.

For its part, **industrial production** experienced a monthly improvement of 1.2% starting from a very low level and, therefore, maintains a year-on-year decline (**-6.4%** for May). The following section details particular behavior of main manufacturing sector indicators, adding information related to June 2024.

Industrial sector's complementary indicators

Consumption of liquid hydrocarbons in the province of Santa Fe (excluding naphtha and fuel oil) increased significantly during May (2.9%), which explained a year-on-year jump of 4.8%. On the contrary, **industrial gas consumption** in Santa Fe registered its third consecutive negative monthly rate (**-0.8%**), accumulating a drop of **5.2%** compared to May 2023. Representative series of **diary production** in the province continued to slow down, showing a practically null variation in May. Moreover, it remained in negative territory on the year-on-year comparison, accumulating a decrease of **-17.6%** during last year.

As of June 2024, a new monthly increase was recorded in **bovine slaughters** (1.2%). In interannual terms the series dropped **8.7%**, decreasing in relation to previous months. **Pig slaughters** fell **0.3%** in June but remained in a positive territory compared to June 2023 (1.2%). **Agricultural machinery production** fails to rebound. In regard to June 2024's data, this series recorded its 15th consecutive monthly drop – around **4.5%** - and its 22nd consecutive interannual one (**-32.9%**).

Soybean and sunflower seeds milling in the province of Santa Fe increased by 1.2% monthly and 25.5% interannually (given a low benchmark).

Summary and perspectives

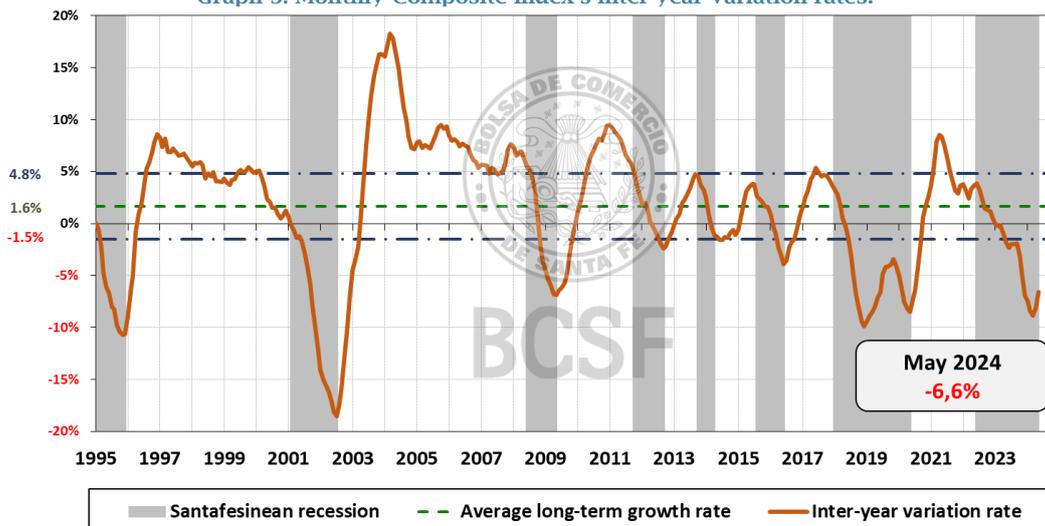
Coincident index's interannual variation rates reached **-6.6%** in May 2024 (see **Graph 3**). This result once again implies a slight break over recession but still, leaves the indicator well below its inferior confidence band.

In addition, graphs of main representative series of Santa Fe's economic cycle showed an incipient rebound in recent months (although started from very low levels). Among factors explaining a better performance across the second quarter of the year, a restored scenario for 2023/24 agricultural campaign stands out compared to previous one. As a consequence, ICASFe index begins to show an outline of a possible provincial activity recovery.

Obviously, within each analyzed sector it is necessary to wait a few months before being able to confirm results' sustainability. Agricultural outputs within monetary and policy decisions on a national level will also make a difference.

In terms of perspectives, macroeconomic dynamics still seem volatile, especially since inflation and exchange rates' path remains uncertain. All important elements to think about second semester's projections.

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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<https://www.bcsf.com.ar/ces/quienes-somos.php>