

# THE PROVINCE OF SANTA FE'S ECONOMIC DIGEST

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CENTRO DE ESTUDIOS Y SERVICIOS



140 años

Desde 1884

## ICA-SFE

Base 1994=100

JUNE 2024

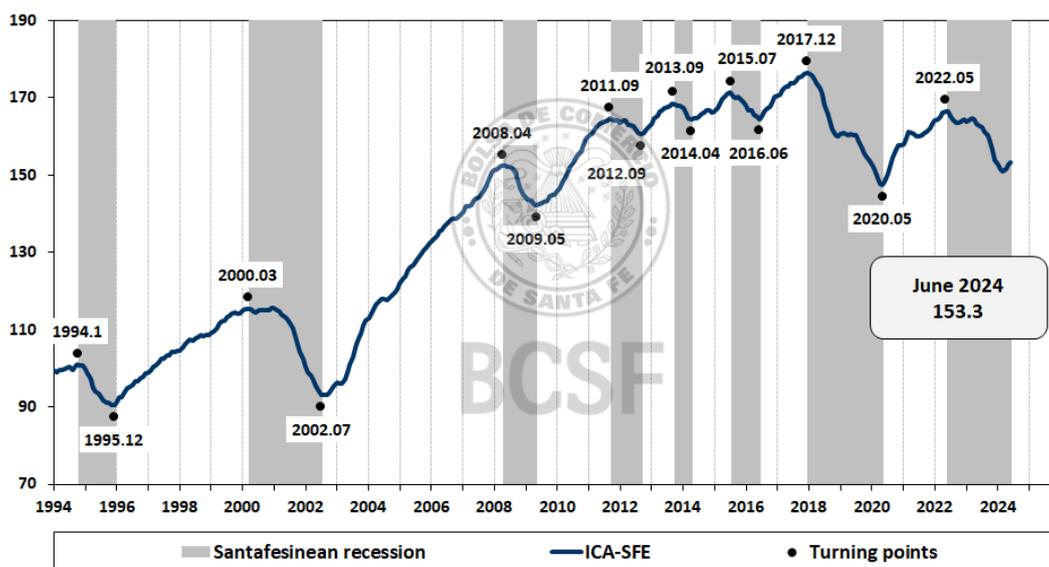
Level: 153.3

Monthly variation: 0.4%  
Inter-year variation: -5.9%

### Santa Fe's economic activity experienced an incipient recovery during the second quarter

However, the upturn recorded in April, May and June was not enough to offset the total decline accumulated in the first three months of the year.

Graph 1: Composite Coincident Index for the Province of Santa Fe (ICA-SFE). 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 ICA-SFE for?

ICA-SFE 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/icasfe.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](https://www.bcsf.com.ar/ces/pdf/2022_Cohan-Zanini.pdf))

## Santa Fe's business cycle indicators

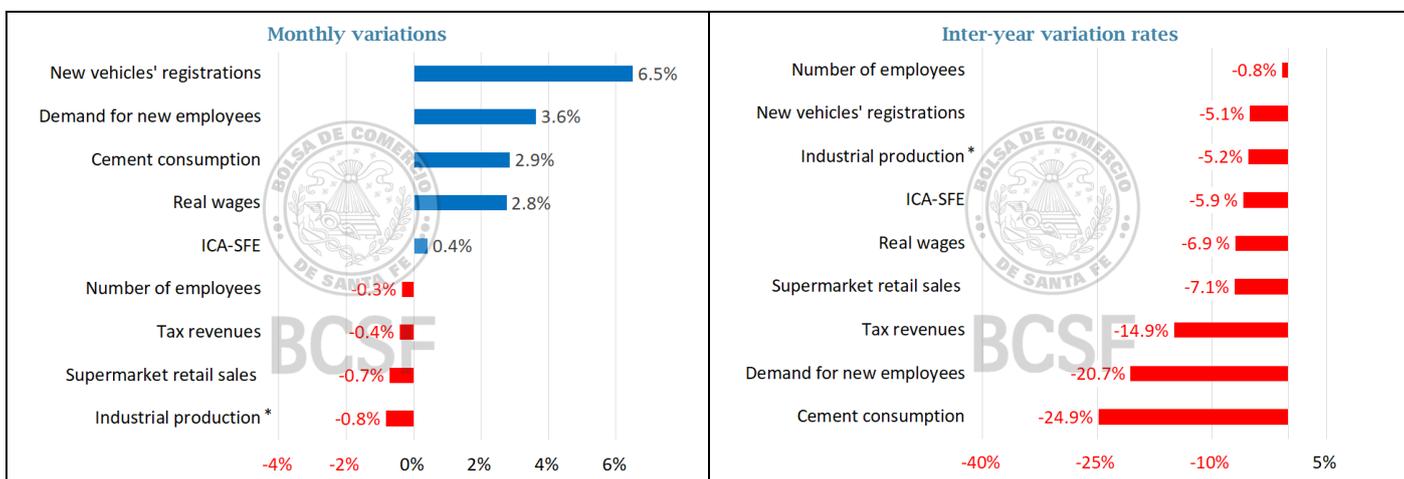
In June 2024, four indicators showed negative monthly rates, whereas four exhibited positive monthly rates. In the year-over-year comparison, results have been improving, but they remain adverse in all cases.

Indicators related to investment in durable goods continued to show monthly increases in May and June, placing the series within the group that contributes positively to ICA-SFE's monthly rates. **New vehicles' registrations** experienced a monthly variation of 6.5%, and a cumulative increase of 10.8% during the first half of the year (following a 19.1% decline accumulated in 2023). **Cement consumption's** monthly variation was measured in 2.9%. Inter-yearly, both indicators remain in negative territory, although the decline's rhythm has decelerated: -5.1 and -24.9%, respectively.

In respect to Santa Fe's labor market, a partial recovery was measured in **real wages**, showing an increase of 2.8%. However, in year-on-year terms, the decline remains around 6.9%. Business expectations to increase personnel (**demand for new employees**) also improved, within a rise of 3.6% compared to May, though they accumulated a 20.7% decline in respect to June 2023.

**Formal employment** (new registrations) in the province continues to decline. Between May and June, the rate was -0.3%, accumulating a decrease of 2.0% between December 2023 and June 2024. The series' interannual rates stand at -0.8%. It is worth noting that this contraction was more pronounced in the private sector, which recorded a rate of -2.3%.

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



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

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

Further information: visit the [database](#) and [interactive charts](#).

In June, despite the recovery of salaries' purchasing power, **supermarket sales** in Santa Fe's province (large commercial areas) declined once again. Compared to May, the rate was -0.7%, whereas compared to June 2023, the series accumulated a drop of 7.1%. In addition, **tax revenues**, measured in real terms, contracted by 0.4% monthly, accumulating a -4.7% decline during the first half of the year. Local tax collection accumulated eleven consecutive months of decreases, and federal funds (national resources sent to Santa Fe) returned to negative territory after two months of growth (April-May). Compared to June 2023, the gauge experienced a drop of -14.9%.

**Industrial production** experienced a monthly decline of 0.8% and continues to show a year-on-year decrease (-5.2% for June 2024). The following [section](#) details particular behavior of main manufacturing sector indicators, adding information, when possible, related to July 2024.

## Industrial sector's complementary indicators

**Consumption of liquid hydrocarbons** in the province of Santa Fe (excluding naphtha and fuel oil) registered a slight monthly increase of 0.1% in June 2024, whereas the year-on-year growth rate slowed down, settling at 2.6% (from 5.0% in March). **Industrial gas consumption** in Santa Fe also showed positive rates, 1.8% for June and 4.3% inter-yearly. **Industrial electricity** in the province experienced a monthly variation of -2.2%. On a year-on-year comparison, rates have remained red since January 2023. Compared to June 2023, values were 7.8% lower.

Representative series of **diary production** in the province (indicative of 11 representative companies) showed a slightly positive rate of 0.1% in June 2024, maintaining some stability in the recovery. However, in year-on-year terms, the rate remains significantly negative, signaling a decline of **16.3%**.

As of July 2024, **bovine and pig slaughter** (in aggregate terms) recorded its third consecutive positive monthly variation (in this case, +1.4%). To this regard, since May 2024, the series has accumulated an increase of approximately 2.8%. In year-over-year terms, it remains in negative territory (**-3.6%**), although the decline is decelerating. Meanwhile, **agricultural machinery production** obtained a slight monthly increase in July of 0.5%, though it remains negative in an interannual comparison (**-16.3%**).

Finally, there continues to be a significant recovery in **soybean and sunflower seeds milling** in the province of Santa Fe, which began in September 2023. Specifically, in July 2024, an additional 321,552 tons of soybeans were allocated for milling within the province compared to June. In the other direction, sunflower seed milling decreased by 24,766 tons. Considering both, the series' monthly rate was 6.2% and, on a year-on-year basis, there was an increase of 51.2% (July 2024/July 2023).

### Summary and perspectives

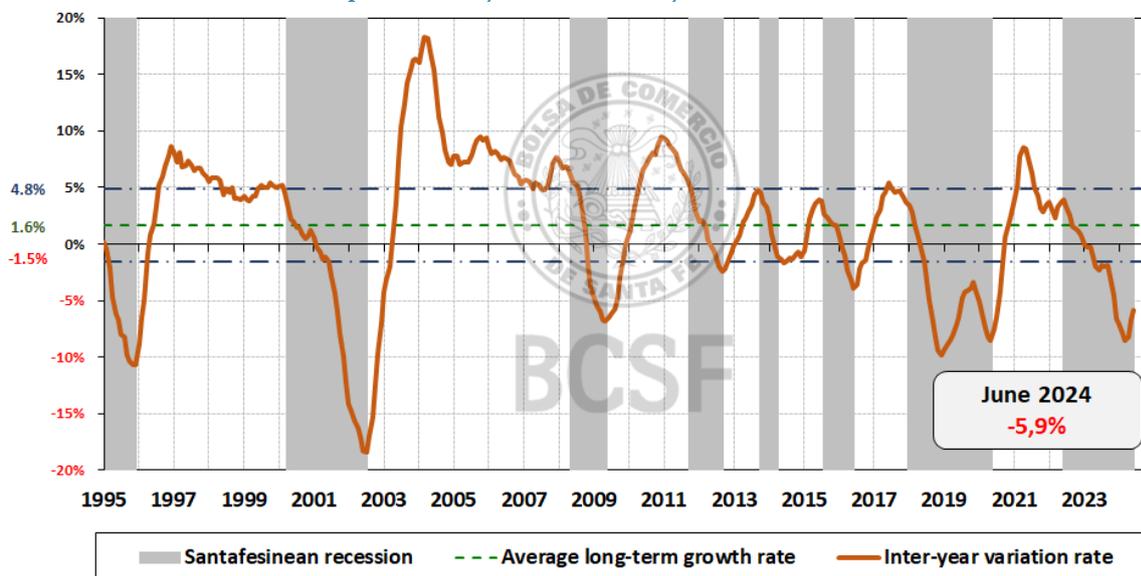
ICA-SFE interannual variation rates stood at **-5.9%** in June 2024 (see [Graph 3](#)), indicating a slowdown in the rate of decline by nearly three percentage points compared to March 2024 (**-8.5%**). This situation, related to an incipient recovery observed during the second quarter of the year, left an almost neutral, though negative, balance for the first half of the year (**-0.4%**).

Until **March 2024**, the recession indicated by the ICA-SFE index had been deepening. In fact, between June 2022 and March 2024, the current recession phase had lasted 22 months and accumulated a decline of **9.3%** (higher values than average of previous seven recessions). However, from the **second quarter** onwards, positive results began to be recorded, supporting the idea of a trough in Santa Fe's current contraction phase.

Factors driving the onset of this recovery are primarily related to the improved performance of agro-industrial sectors; as well as the slowdown in inflation, which improved the labor force purchasing power in the province, particularly of those in the formal sector.

Looking ahead to the second half of the year, indicators that will warrant the most attention are those related to employment, in conjunction with the industrial sector performance, which continues to face serious challenges in achieving sustained growth.

Graph 3: Monthly ICA-SFE's inter-year variation rates.



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

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