



THE CONFERENCE BOARD

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The Conference Board®
Germany Business Cycle IndicatorsSM
THE CONFERENCE BOARD LEADING ECONOMIC INDEXTM
(LEI) FOR GERMANY
AND RELATED COMPOSITE ECONOMIC INDEXES FOR JANUARY 2009

BRUSSELS, MAR. 18, 2009... The Conference Board Leading Economic IndexTM (LEI) for Germany declined 2.2 percent and The Conference Board Coincident Economic IndexTM (CEI) decreased 1.4 percent in January.

- The Conference Board LEI for Germany continued declining in January, with new orders in investment goods industries and consumer confidence making the largest negative contributions to the index. Between July 2008 and January 2009, the leading economic index declined by 11.1 percent (about a -21.0 percent annual rate), well below the 4.5 percent decline (about a -8.9 percent annual rate) between January and July 2008. In addition, the weaknesses among the leading indicators have remained widespread in recent months.
- The Conference Board CEI for Germany, a measure of current economic activity, registered its largest monthly decline in its 44 year history in January. All four components declined and industrial production and manufacturing sales made the largest negative contributions. Between July 2008 and January 2009, the coincident economic index decreased by 2.9 percent (about a -5.8 percent annual rate), far below the 0.1 percent increase (about a 0.2 percent annual rate) during the previous six months. At the same time, real GDP declined at an average annual rate of 5.2 percent during the second half of 2008 (including a -8.2 annual rate during the fourth quarter), its largest two-quarter contraction since 1963.
- The Conference Board LEI for Germany has been generally falling since July 2007. The pace of this decline has continued to accelerate in recent months and the six-month growth rate for the index has dropped to the lowest level in its 44 year history. Meanwhile, The Conference Board CEI for Germany has fallen sharply since August 2008. Taken together, the persistent and deep declines in the composite economic indexes continue to suggest that the economic downturn should continue through at least the first half of 2009, and that the contraction in economic activity may remain deep in the near term.

LEADING INDICATORS. Two of the seven components in The Conference Board LEI for Germany increased in January. The positive contributors — in order from the largest positive contributor to the smallest— are yield spread, and inventory change series*. Negative contributors—in order from largest to smallest— are new orders in investment goods industries, consumer confidence, new residential construction orders*, stock prices and gross enterprises and properties income*.

With the 2.2 percent decrease in January, The Conference Board LEI for Germany now stands at 89.6 (2004=100). Based on revised data, this index declined 2.8 percent in December and declined 2.2 percent in November. During the six-month span through January, the index decreased 11.1 percent, with two of the seven components increasing (diffusion index, six-month span equals 28.6 percent).

**See notes under data availability*

COINCIDENT INDICATORS. None of the four components that make up The Conference Board CEI for Germany increased in January. The negative contributors were industrial production, manufacturing sales, employed persons, and retail trade.

With the 1.4 percent decrease in January, The Conference Board CEI for Germany now stands at 102.4 (2004=100). Based on revised data, this index decreased 0.6 percent in December and decreased 0.6 percent in November. During the six-month period through January, the index decreased 2.9 percent, with none of the four components increasing (diffusion index, six-month span equals 12.5 percent).

** See notes under data availability.*

About The Conference Board

For over 90 years, The Conference Board has created and disseminated knowledge about management and the marketplace to help businesses strengthen their performance and better serve society. The Conference Board operates as a global independent membership organization working in the public interest. It publishes information and analysis, makes economics-based forecasts and assesses trends, and facilitates learning by creating dynamic communities of interest that bring together senior executives from around the world. The Conference Board is a not-for-profit organization and holds 501(c)(3) tax-exempt status in the United States. For additional information about The Conference Board and how it can meet your needs, visit our website at www.conference-board.org.

Summary Table of Composite Indexes

	2008		2009	6-month
	Nov	Dec	Jan	Jul to Jan
Leading Economic Index (LEI)	94.2 r	91.6 p	89.6 p	
Percent Change	-2.2 r	-2.8 p	-2.2 p	-11.1 p
Diffusion	42.9	28.6	28.6	28.6
Coincident Economic Index (CEI)	104.5 r	103.9	102.4 p	
Percent Change	-0.6	-0.6 r	-1.4 p	-2.9 p
Diffusion	25.0	25.0	0.0	12.5

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

Source: The Conference Board All Rights Reserved

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The next release is scheduled for Tuesday, April 21, 2009 at 10:00 A.M. CET (4:00 A.M. ET)