



THE CONFERENCE BOARD

FOR RELEASE: 10:00 A.M. (PARIS TIME), TUESDAY, MARCH 23, 2010

The Conference Board®  
France Business Cycle Indicators<sup>SM</sup>  
**THE CONFERENCE BOARD LEADING ECONOMIC INDEX®  
(LEI) FOR FRANCE**  
**AND RELATED COMPOSITE ECONOMIC INDEXES FOR JANUARY 2010**

**Brussels, March 23, 2010...**The Conference Board Leading Economic Index® (LEI) for France increased 0.8 percent and The Conference Board Coincident Economic Index® (CEI) remained unchanged in January.

- The Conference Board LEI for France increased again in January as the yield spread and industrial new orders made the largest positive contributions. Between July 2009 and January 2010, the leading economic index increased by 4.4 percent (about an 8.9 percent annual rate), faster than the 1.1 percent increase (about a 2.2 percent annual rate) between January and July 2009. In addition, the strengths among the leading indicators have remained widespread in recent months.
- The Conference Board CEI for France, a measure of current economic activity, was again unchanged in January. This index was revised modestly upwards from August through November 2009, after new data for employment became available. Between July 2009 and January 2010, the coincident economic index increased by 0.1 percent (about a 0.2 percent annual rate), a reversal from the 1.0 percent decline (about a -1.9 percent annual rate) during the previous six months. Additionally, the strengths among the coincident indicators have remained widespread in recent months. At the same time, real GDP expanded at a 2.4 percent annual rate in the fourth quarter of 2009, its third consecutive quarter of growth.
- The Conference Board LEI for France has risen sharply since the first quarter of 2009, and though its six-month growth rate has dipped slightly from October 2009, this rate remains near its highest level since 1976. Meanwhile, The Conference Board CEI for France has increased slightly since August 2009, after a long period of decline, and its six-month change has turned positive for the first time since April 2008. Taken together, the recent behavior of the composite indexes suggests that the improvement in economic activity should continue in the near term.

**LEADING INDICATORS.** Five of the seven components of the leading economic index increased in January. The positive contributors to the index— in order from the largest positive contributor to the smallest— are the yield spread, industrial new orders, inverted new unemployment claims, the stock price index and production expectations. The negative contributors to the index— beginning with the largest negative contributor— are building permits (residential) and the ratio of the deflator of manufacturing value added to unit labor cost for manufacturing\*.

Please visit our website at <http://www.conference-board.org/economics/bci>

Also visit the website of our research associate in France: <http://www.rexecode.fr/index.jsv>

The next release is scheduled for Wednesday, April 21, 2010 at 4:00 A.M. ET (10:00 A.M. Paris Time)

With the increase of 0.8 percent in January, the leading economic index now stands at 107.4 (2004=100). Based on revised data, this index increased 0.5 percent in December and increased 0.5 percent in November. During the six-month span through January, the index increased 4.4 percent, and five of the seven components increased (diffusion index, six-month span equals 71.4 percent).

**COINCIDENT INDICATORS.** Two of the four components of the coincident economic index increased in January. The positive contributors to the index were industrial production and wage and salaries\*. Personal consumption and employment\* declined in January.

After remaining unchanged in January, the coincident economic index now stands at 103.6 (2004=100). Based on revised data, this index remained unchanged in December and increased 0.1 percent in November. During the six-month period through January, the index increased 0.1 percent, with three of the four series making a positive contribution (diffusion index, six-month span equals 75.0 percent).

\* See notes under data availability.

**NOTE:** Prior to March 2009, the residential building permits component of The Conference Board LEI for France is calculated as permits granted minus permits cancelled. From March 2009 going forward, the permits granted series replaces residential building permits because of delays in the publication of permits cancelled data by the source agency. The same standardization factor is applied to both series because their volatilities are similar. If the missing series becomes available, the original definition of the housing permits series may be restored at the next benchmark revision.

## **ABOUT THE CONFERENCE BOARD**

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### **Summary Table of Composite Indexes**

	Nov	2009 Dec	2010 Jan	6-month Jul. to Jan
<b>Leading Economic Index (LEI)</b>	106.1 p	106.6 p	107.4 p	
Percent Change	0.5 p	0.5 p	0.8 p	4.4 p
Diffusion	50.0	64.3	71.4	71.4
<b>Coincident Economic Index (CEI)</b>	103.6 r	103.6 p	103.6 p	
Percent Change	0.1 r	0.0 p	0.0 p	0.1 p
Diffusion	75.0	62.5	62.5	75.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

Source: The Conference Board

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