



THE CONFERENCE BOARD

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The Conference Board®
France Business Cycle Indicators™

**THE CONFERENCE BOARD LEADING ECONOMIC INDEX™
(LEI) FOR FRANCE
AND RELATED COMPOSITE ECONOMIC INDEXES FOR JANUARY 2009**

Brussels, Mar. 17, 2009... The Conference Board Leading Economic Index™ (LEI) for France increased 0.1 percent and The Conference Board Coincident Economic Index™ (CEI) decreased 0.2 percent in January.

- The Conference Board LEI for France increased slightly in January, its first increase in over a year, as a result of positive contributions from industrial new orders and the yield spread. Stock prices and new unemployment claims (inverted) continued to decline in January. Between July 2008 and January 2009, The Conference Board LEI for France declined 4.9 percent (a -9.6 percent annual rate), well below the 2.1 percent decline (a -4.2 percent annual rate) during the previous six-month period. In addition, the weaknesses among the leading indicators remained widespread in recent months.
- The Conference Board CEI for France, a measure of current economic activity, declined in January (led by industrial production) for the fifth consecutive month after remaining unchanged in July and August 2008. However, the strengths and weaknesses among the coincident indicators have remained balanced in recent months. The six-month change in The Conference Board CEI for France has fallen to -0.8 percent (a -1.5 percent annual rate), down from the -0.3 percent (a -0.6 percent annual rate) between January and July 2008. Meanwhile, real GDP declined at a 2.1 percent average annual rate in the last half of 2008 (declining at a 4.6 percent annual rate in the fourth quarter of 2008), its lowest average annual rate over two quarters since 1993.
- Despite January's slight increase, the six-month decline in The Conference Board LEI for France remains the deepest since the 1974-75 recession, as a result of persistent and widespread weaknesses. The Conference Board LEI for France has fallen 8.0 percent from its most recent peak in October 2007 and The Conference Board CEI for France reached its highest level in February 2008. The recent behavior of the composite economic indexes suggests that the contraction in economic activity is likely to continue through the first half of 2009 and that economic conditions could deteriorate further in the near term.

LEADING INDICATORS. Two of the seven components that make up The Conference Board LEI for France increased in January. The positive contributors — in order from the largest positive contributor to the smallest— are industrial new orders and the yield spread. The negative contributors — beginning with the largest negative contributor— are the (inverted) new unemployment claims, building permits (residential), the stock price index, and the ratio of the deflator of manufacturing value added to unit labor cost for manufacturing*. Production expectations remained unchanged in January.

With the increase of 0.1 percent in January, The Conference Board LEI for France now stands at 101.0 (2004=100). Based on revised data, the index declined 1.0 percent in December and declined 1.5 percent in November. During the six-month span through January, the leading index decreased 4.9 percent, and one of the seven components increased (diffusion index, six-month span equals 21.4 percent).

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

Also visit the web site of our research associate in France: <http://www.rexicode.fr/index.jsv>

The next release is scheduled for Wednesday, April 22, 2009 at 10:00 A.M. CET (04:00 A.M. ET)

COINCIDENT INDICATORS. Two of the four components of The Conference Board CEI for France increased in January. The positive contributors to the index were personal consumption, and wage and salaries*. Industrial production and employment* declined in January.

With the decrease of 0.2 percent in January, The Conference Board CEI for France now stands at 105.0 (2004=100). Based on revised data, this index decreased 0.1 percent in December and decreased 0.1 percent in November. During the six-month period through January, the index decreased 0.8 percent, with two of the four series making a positive contribution (diffusion index, six-month span equals 50.0 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 index	101.9 p	100.9 p	101.0 p		
Percent Change	-1.5 p	-1.0 p	0.1 p	-4.9 p	
Diffusion	21.4	21.4	42.9	21.4	
Coincident Index	105.3 r	105.2 p	105.0 p		
Percent Change	-0.1 r	-0.1 p	-0.2 p	-0.8 p	
Diffusion	50.0	25.0	50.0	50.0	

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

Source: The Conference Board

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