



News Release

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FOR RELEASE: 10:00 A.M. (PARIS TIME), WEDNESDAY, OCTOBER 20, 2010

The Conference Board®
France Business Cycle IndicatorsSM
THE CONFERENCE BOARD LEADING ECONOMIC INDEX®
(LEI) FOR FRANCE
AND RELATED COMPOSITE ECONOMIC INDEXES FOR AUGUST 2010

Brussels, October 20, 2010...The Conference Board Leading Economic Index® (LEI) for France increased 0.9 percent and The Conference Board Coincident Economic Index® (CEI) remained unchanged in August.

- The Conference Board LEI for France increased sharply again in August, with production expectations and the yield spread making the largest positive contributions. Between February and August 2010, the leading economic index increased 3.8 percent (about a 7.8 percent annual rate), faster than the increase of 3.1 percent (about a 6.3 percent annual rate) during the previous six-month period. In addition, the strengths among the leading indicators have been somewhat more widespread than the weaknesses in recent months.
- The Conference Board CEI for France, a measure of current economic activity, remained unchanged in August after increasing the previous month. In the six-month period ending August 2010, the coincident economic index increased 0.8 percent (about a 1.6 percent annual rate), faster than the increase of 0.2 percent (about a 0.4 percent annual rate) between August 2009 and February 2010. In addition, the strengths among the coincident indicators have remained very widespread, with all four components increasing over the past six months. Real GDP increased at a 2.8 percent annual rate in the second quarter of 2010, following an increase of 0.7 percent annual rate in the first quarter.
- The Conference Board LEI for France has been on an upward trend since April 2009, and the index is now 0.6 percent above its most recent peak in October 2007. In addition, its six-month growth rate picked up in August, though it remains below the growth rates reached late last year. Meanwhile, The Conference Board CEI for France has increased modestly in 2010, with its six-month growth rate also picking up slightly in recent months. Taken together, the behavior of the composite indexes suggest that economic activity should continue to grow, albeit moderately, in the near term.

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

Also visit the website of our research associate in France: <http://www.coe-rexecode.fr/public>

The next release is scheduled for Monday, November 22, 2010 at 4:00 A.M. ET (10:00 A.M. Paris Time)

LEADING INDICATORS. Five of the seven components of the leading economic index increased in August. The positive contributors to the index -- in order from the largest positive contributor to the smallest -- are production expectations, the yield spread, the inverted new unemployment claims, industrial new orders, and the stock price index. 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 in manufacturing*.

With the increase of 0.9 percent in August, the leading economic index now stands at 111.1 (2004=100). Based on revised data, this index increased 0.9 percent in July and declined 0.4 percent in June. During the six-month span through August, the index increased 3.8 percent, and four of the seven components increased (diffusion index, six-month span equals 57.1 percent).

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

After remaining unchanged in August, the coincident economic index now stands at 104.4 (2004=100). Based on revised data, this index increased 0.3 percent in July and decreased 0.1 percent in June. During the six-month period through August, the index increased 0.8 percent, with all four series making a positive contribution (diffusion index, six-month span equals 100.0 percent).

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

	Jun	2010 Jul	Aug	6-month Feb. to Aug
Leading Economic Index (LEI)	109.1 p	110.1 p	111.1 p	
Percent Change	-0.4 p	0.9 p	0.9 p	3.8 p
Diffusion	7.1	64.3	64.3	57.1
Coincident Economic Index (CEI)	104.1 p	104.4 p	104.4 p	
Percent Change	-0.1 p	0.3 p	0.0 p	0.8 p
Diffusion	37.5	87.5	50.0	100.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

Source: The Conference Board

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