



THE CONFERENCE BOARD

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The Conference Board®

France Business Cycle IndicatorsSM

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

Brussels, September 22, 2009... The Conference Board Leading Economic Index™ (LEI) for France increased 0.5 percent and The Conference Board Coincident Economic Index™ (CEI) decreased 0.1 percent in July.

- The Conference Board LEI for France increased for the fourth consecutive month as the yield spread, industrial new orders and new unemployment claims (inverted) made the largest positive contributions. Between January and July 2009, the leading economic index increased by 1.5 percent (about a 3.0 percent annual rate), a large improvement over the 5.4 percent decline (about a -10.4 percent annual rate) between July 2008 and January 2009. In addition, the strengths among the leading indicators have become more widespread than the weaknesses in recent months.
- The Conference Board CEI for France, a measure of current economic activity, declined in July after increasing in May and June. The six-month decline in the coincident economic index now stands at 0.8 percent (about a -1.5 percent annual rate), slower than the 1.7 percent decline (about a -3.4 percent annual rate) during the previous six months. Additionally, the strengths and weaknesses among the leading indicators have become balanced in recent months. At the same time, real GDP increased at a 1.4 percent annual rate during the second quarter of 2009, its first quarterly increase since the beginning of 2008, following a contraction of 5.3 percent annual rate during the first quarter.
- After falling from November 2007 through March 2009, The Conference Board LEI for France has strengthened during the past four months. As a result, its six-month growth rate has reached its highest level since August 2007. Meanwhile, The Conference Board CEI for France has been essentially flat since the end of the first quarter after trending downward for a year following its peak in February 2008. Taken together, the recent behavior of the composite economic indexes suggests that the downturn in economic activity is bottoming out, and that the economy may be moving closer to a recovery.

LEADING INDICATORS. Four of the seven components of the leading economic index increased in July. The positive contributors to the index— in order from the largest positive contributor to the smallest— are the yield spread, industrial new orders, the inverted new unemployment claims and building permits (residential)*. The negative contributors to the index— beginning with the largest negative contributor— are production expectations, the stock price index 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 web site of our research associate in France: <http://www.rexecode.fr/index.jsv>

The next release is scheduled for Wednesday, October 21, 2009 at 4:00 A.M. ET (10:00 A.M. Paris Time)

With the increase of 0.5 percent in July, the leading economic index now stands at 102.0 (2004=100). Based on revised data, the index increased 0.9 percent in June and increased 0.7 percent in May. During the six-month span through July, the index increased 1.5 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 July. The positive contributors to the index were wage and salaries* and industrial production. Employment* and personal consumption* declined in July.

With the decrease of 0.1 percent in July, the coincident economic index now stands at 103.2 (2004=100). Based on revised data, this index increased 0.1 percent in June and increased 0.1 percent in May. During the six-month period through July, 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

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Summary Table of Composite Indexes

	May	2009 Jun	Jul	6-month Jan. to Jul
Leading Economic Index (LEI)	100.6 p	101.5 p	102.0 p	
Percent Change	0.7 p	0.9 p	0.5 p	1.5 p
Diffusion	78.6	78.6	64.3	57.1
Coincident Economic Index (CEI)	103.2 r	103.3 p	103.2 p	
Percent Change	0.1 r	0.1 p	-0.1 p	-0.8 p
Diffusion	50.0	75.0	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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