



THE CONFERENCE BOARD

FOR RELEASE: 10:00 A.M. (PARIS TIME), WEDNESDAY, DECEMBER 16, 2009

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 OCTOBER 2009**

Next month's release will incorporate annual benchmark revisions to the composite indexes, which bring them up-to-date with revisions in the source data. These revisions do not change the cyclical properties of the indexes. The indexes are updated throughout the year, but only for the previous six months. Data revisions that fall outside of the moving six-month window are not incorporated until the benchmark revision is made and the entire histories of the indexes are recomputed. As a result, the revised indexes will no longer be directly comparable to those issued prior to the benchmark revision.

For more information, please visit our website at <http://www.conference-board.org/economics/bci/> or contact us at [indicators@conference-board.org](mailto:indicators@conference-board.org).

**Brussels, December 16, 2009...The Conference Board Leading Economic Index™ (LEI) for France increased 0.9 percent and The Conference Board Coincident Economic Index™ (CEI) decreased 0.1 percent in October.**

- The Conference Board LEI for France increased again in October. Most of the components contributed positively to the index this month, more than offsetting a substantial negative contribution from new unemployment claims. Between April and October 2009, the leading economic index increased by 4.3 percent (about an 8.8 percent annual rate), a reversal from the 3.2 percent decline (about a -6.3 percent annual rate) between October 2008 and April 2009. In addition, the strengths among the leading indicators have become increasingly widespread in recent months.
- The Conference Board CEI for France, a measure of current economic activity, declined for a fourth consecutive month in October. The index was revised lower from June to September as a result of a downward revision to third quarter employment. Between April and October 2009, the coincident economic index decreased by 0.4 percent (about a -0.8 percent annual rate), slower than the 2.0 percent decline (about a -4.0 percent annual rate) during the previous six months. Additionally, the strengths and weaknesses among the coincident indicators have remained balanced in recent months. At the same time, real GDP expanded at a 1.1 percent annual rate in the third quarter of 2009, the same rate of increase as in the previous quarter.
- After falling from November 2007 through March 2009, The Conference Board LEI has risen sharply since the first quarter of this year. Its six-month growth rate has continued to accelerate, reaching its highest level since 2000. Meanwhile, The Conference Board CEI for France has been mostly falling since reaching a peak in February 2008, but the pace of its decline has gradually eased. Taken together, the recent behavior of the composite economic indexes suggests that economic conditions will continue to improve in the near term.

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, January 20, 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 October. The positive contributors to the index— in order from the largest positive contributor to the smallest— are the yield spread, building permits (residential)\*, production expectations, industrial new orders and the stock price index. Inverted new unemployment claims made the only negative contribution to the index in October, while the ratio of the deflator of manufacturing value added to unit labor cost for manufacturing\* remained unchanged.

With the increase of 0.9 percent in October, the leading economic index now stands at 104.0 (2004=100). Based on revised data, this index increased 0.8 percent in September and increased 0.8 percent in August. During the six-month span through October, the index increased 4.3 percent, and six of the seven components increased (diffusion index, six-month span equals 85.7 percent).

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

With the decrease of 0.1 percent in October, the coincident economic index now stands at 102.7 (2004=100). Based on revised data, this index decreased 0.1 percent in September and decreased 0.1 percent in August. During the six-month period through October, the index decreased 0.4 percent, with two of the four series making positive contributions (diffusion index, six-month span equals 50.0 percent).

\* See notes under data availability.

**CORRECTION NOTICE.** On December 15, 2009, a technical database error that affected four components of The Conference Board LEI for France in September was corrected. These components were 1) the yield spread, 2) the stock price index, 3) industrial new orders and 4) production expectations. As a result, the level and monthly change for September 2009 was lower than was reported in the November 17, 2009 release. However, the recent and historical cyclical behavior of the leading economic index was not affected by the database error or its correction.

## **ABOUT THE CONFERENCE BOARD**

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

	Aug	2009 Sep	Oct	6-month Apr. to Oct
<b>Leading Economic Index (LEI)</b>	102.3 p	103.1 p	104.0 p	
Percent Change	0.8 p	0.8 p	0.9 p	4.3 p
Diffusion	50.0	71.4	71.4	85.7
<b>Coincident Economic Index (CEI)</b>	102.9 p	102.8 p	102.7 p	
Percent Change	-0.1 p	-0.1 p	-0.1 p	-0.4 p
Diffusion	25.0	25.0	37.5	50.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

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