



THE CONFERENCE BOARD

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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 APRIL 2009

**Brussels, June 23, 2009...** The Conference Board Leading Economic Index™ (LEI) for France increased 0.6 percent and The Conference Board Coincident Economic Index™ (CEI) decreased 0.2 percent in April.

- The Conference Board LEI for France posted its first monthly increase in a year and a half in April. Stock prices, the yield spread, and production expectations contributed positively to the index more than offsetting negative contributions from new unemployment claims (inverted) and the ratio of the deflator of manufacturing value added to unit labor cost for manufacturing. Between October 2008 and April 2009, the leading economic index declined 3.2 percent (a -6.3 percent annual rate), an improvement from a decline of 4.4 percent (a -8.5 percent annual rate) during the previous six-month period. However, the weaknesses among the leading indicators have remained widespread in recent months.
- The Conference Board CEI for France, a measure of current economic activity, continued to decline in April as a result of negative contributions from employment and industrial production. However, the strengths and weaknesses among the coincident indicators have been balanced in recent months. The six-month change in the coincident economic index stands at -1.6 percent (a -3.2 percent annual rate), down from -0.9 percent (a -1.9 percent annual rate) between April and October 2008. Meanwhile, real GDP fell at a 4.7 percent annual rate during the first quarter of 2009, following a contraction of 5.7 percent annual rate in the fourth quarter of 2008.
- Although The Conference Board LEI for France increased in April, it has been falling since its most recent peak in October 2007 with widespread weaknesses among its components. However, the rate of its decline has moderated in recent months. Meanwhile, The Conference Board CEI for France has been on a downtrend since its most recent peak in February 2008, and its six-month decline is at its deepest since the 1992-93 downturn. Taken together, the recent behavior of the composite economic indexes suggests that the economic downturn is likely to continue in the near term, although the pace of the contraction may moderate slightly.

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

With the increase of 0.6 percent in April, the leading economic index now stands at 99.7 (2004=100). Based on revised data, the index declined 0.5 percent in March and declined 0.7 percent in February. During the six-month span through April, the leading index decreased 3.2 percent, and one of the seven components increased (diffusion index, six-month span equals 14.3 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.rexecode.fr/index.jsv>  
 The next release is scheduled for Wednesday, July 22, 2009 at 4:00 A.M. ET (10:00 A.M. CET)

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

With the decrease of 0.2 percent in April, the coincident economic index now stands at 103.5 (2004=100). Based on revised data, this index decreased 0.3 percent in March and decreased 0.4 percent in February. During the six-month period through April, the coincident index decreased -1.6 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.

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**Summary Table of Composite Indexes**

	Feb	2009 Mar	Apr	6-month Oct. to Apr
<b>Leading index</b>	99.6 p	99.1 p	99.7 p	
Percent Change	-0.7 p	-0.5 p	0.6 p	-3.2 p
Diffusion	28.6	42.9	71.4	14.3
<b>Coincident Index</b>	104.0 r	103.7 p	103.5 p	
Percent Change	-0.4 r	-0.3 p	-0.2 p	-1.6 p
Diffusion	12.5	50.0	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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