



THE CONFERENCE BOARD

FOR RELEASE: 10:00 A.M. KST, FRIDAY, FEBRUARY 12, 2010

The Conference Board®
Korea Business Cycle IndicatorsSM
**THE CONFERENCE BOARD LEADING ECONOMIC INDEX™
(LEI) FOR KOREA**
AND RELATED COMPOSITE ECONOMIC INDEXES FOR DECEMBER 2009

The Conference Board Leading Economic Index™ (LEI) for Korea increased 2.1 percent and **The Conference Board Coincident Economic Index™ (CEI)** for Korea increased 0.5 percent in December.

- The Conference Board LEI for Korea increased again in December, and it rose for nine of the twelve months in 2009. The strength in the leading economic index was very widespread this month, with all the components contributing positively to the index. With the gain in December, the leading economic index increased by 8.1 percent (about a 16.9 percent annual rate) in the second half of 2009, well above the 2.8 percent rate (about a 5.7 percent annual rate) for the previous six months ending in June. In addition, the strengths among the leading indicators have remained widespread in recent months.
- The Conference Board CEI for Korea, a measure of current economic activity, also increased in December. Industrial production continued to advance sharply, and the wholesale and retail sales component also made a large positive contribution to the index. Despite this month's gain, the six-month growth rate of the coincident economic index continued to slow, to 1.7 percent (about a 3.3 percent annual rate) in the second half of 2009, down sharply from 6.0 percent (about a 12.3 percent annual rate) for the previous six months. At the same time, real GDP growth also slowed substantially in the fourth quarter of the year, to 0.7 percent (annual rate) from the rapid increases of 13.6 percent in the third quarter and 11.0 percent in the second quarter of 2009.
- The Conference Board LEI for Korea continues to grow, and its six-month growth rate has picked up lately. At the same time, The Conference Board CEI for Korea has also continued to increase. However, its six-month growth rate has gradually slowed. Taken together, the current behavior of the composite indexes and their components suggests that the economic recovery will continue, but perhaps remain at a modest pace in the near term.

LEADING INDICATORS. All seven components that make up The Conference Board LEI for Korea increased in December. The positive contributors – from the largest positive contributor to the smallest – were real exports FOB, the (inverted) index of inventories to shipments, stock prices, private construction orders, letter of credit arrivals, value of machinery orders, and the (inverted) yield of government public bonds.

With the 2.1 percent increase in December, The Conference Board LEI for Korea now stands at 114.3 (2004=100). Based on revised data, this index increased 1.8 percent in November and remained unchanged in October. During the six-month span through December, the leading economic index increased 8.1 percent, with five of the seven components advancing (diffusion index, six-month span equals 71.4 percent).

COINCIDENT INDICATORS. Three of the four components that make up The Conference Board CEI for Korea increased in December. The positive contributors– in order from the largest positive contributor to the smallest – were industrial production, the wholesale and retail sales component, and monthly cash earnings. Total employment declined.

With the 0.5 percent increase in December, The Conference Board CEI for Korea now stands at 110.4 (2004=100). Based on revised data, this index increased 0.4 percent in November and decreased 0.3 percent in October. During the six-month span through December, the coincident economic index increased 1.7 percent, with three of the four components advancing (diffusion index, six-month span equals 75.0 percent).

DATA AVAILABILITY. The data series used to compute **The Conference Board Leading Economic Index™** (LEI) and **The Conference Board Coincident Economic Index™** (CEI) for Korea reported in this release are those available “as of” 10 A.M. (ET) on February 10, 2010.

* The series in the coincident economic index based on The Conference Board’s estimates is monthly cash earnings. There is no forecasted series in the leading economic index.

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Summary Table of Composite Economic Indexes

	<u>Oct</u>	<u>2009</u> <u>Nov</u>	<u>Dec</u>	<u>6-month</u> <u>Jun to Dec</u>
Leading Economic index (LEI)	109.9	111.9 r	114.3	
Percent Change	0.0	1.8 r	2.1	8.1
Diffusion	50.0	71.4 r	92.9	71.4
Coincident Economic Index (CEI)	109.4 p	109.8 p	110.4 p	
Percent Change	-0.3 p	0.4 p	0.5 p	1.7 p
Diffusion	50.0	50.0	75.0	75.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

Source: The Conference Board

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For more information visit our Website: www.conference-board.org/economics/bci/

The next release is scheduled for Friday, March 12, 2010 at 10:00 A.M. (KST)

In the U.S – Thursday, March 11, 2010 at 8:00 P.M (EST)