



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 MAY 2009

**Brussels, July 22, 2009...**The Conference Board Leading Economic Index™ (LEI) for France increased 0.7 percent and The Conference Board Coincident Economic Index™ (CEI) decreased 0.1 percent in May.

- The Conference Board LEI for France increased for a second consecutive month in May, with the yield spread, stock prices and production expectations again making the largest positive contributions. Between November 2008 and May 2009, the leading economic index declined by 0.7 percent (about a -1.4 percent annual rate), far slower than the 5.3 percent decline (about a -10.4 percent annual rate) between May and November 2008. However, the weaknesses among the leading indicators have remained widespread in recent months.
- The coincident economic index, a measure of current economic activity, continued to decline in May as a negative contribution from employment\* more than offset a positive contribution from industrial production. Between November 2008 and May 2009, the coincident economic index decreased by 2.3 percent (about a -4.5 percent annual rate), faster than the 0.9 percent decline (about a -1.9 percent annual rate) during the previous six months. In addition, the weaknesses among the coincident indicators continue to be widespread. At the same time, real GDP fell at a 4.8 percent annual rate during the first quarter of 2009, following a contraction of 5.7 percent annual rate in the fourth quarter of 2008.
- After falling from November 2007 through March 2009, The Conference Board LEI for France has increased during the last two months. As a result, the pace of its six-month contraction has slowed substantially in recent months. Meanwhile, The Conference Board CEI for France has been declining since reaching its peak in February 2008. Taken together, the recent behavior of the composite economic indexes suggests that the contraction in economic activity should continue in the near term but will likely become less severe in the months ahead.

**LEADING INDICATORS.** Five of the seven components of the leading economic index increased in May. The positive contributors to the index— in order from the largest positive contributor to the smallest— are the yield spread, the stock price index, production expectations, the inverted new unemployment claims, and building permits (residential)\*. The negative contributors to the index— beginning with the largest negative contributor— are industrial new orders 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, August 19, 2009 at 4:00 A.M. ET (10:00 A.M. Paris Time)

With the increase of 0.7 percent in May, the leading economic index now stands at 100.7 (2004=100). Based on revised data, the index increased 0.7 percent in April and declined 0.5 percent in March. During the six-month span through May, the index decreased 0.7 percent, and two of the seven components increased (diffusion index, six-month span equals 28.6 percent).

**COINCIDENT INDICATORS.** One of the four components of the coincident economic index increased in May. The only positive contributor to the index was industrial production. Employment\* and personal consumption declined, while the wage and salaries component\* remained unchanged in May.

With the decrease of 0.1 percent in May, the coincident economic index now stands at 102.6 (2004=100). Based on revised data, this index decreased 0.3 percent in April and decreased 0.4 percent in March. During the six-month period through May, the index decreased 2.3 percent, with one of the four components making a positive contribution (diffusion index, six-month span equals 25.0 percent).

\* See notes under data availability.

### **ABOUT THE CONFERENCE BOARD**

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## **Summary Table of Composite Indexes**

	<b>Mar</b>	<b>2009 Apr</b>	<b>May</b>	<b>6-month Nov. to May</b>
<b>Leading Economic Index (LEI)</b>	99.3 p	100.0 p	100.7 p	
Percent Change	-0.5 p	0.7 p	0.7 p	-0.7 p
Diffusion	50.0	78.6	78.6	28.6
<b>Coincident Economic Index (CEI)</b>	103.0 p	102.7 p	102.6 p	
Percent Change	-0.4 p	-0.3 p	-0.1 p	-2.3 p
Diffusion	25.0	25.0	37.5	25.0

n.a. Not available    p Preliminary    r Revised

Indexes equal 100 in 2004

Source: The Conference Board

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The Conference Board Europe: + 32 2 675 5405

Email: [indicators@conference-board.org](mailto:indicators@conference-board.org)

Website: <http://www.conference-board.org/economics/bci/>