



THE CONFERENCE BOARD

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The Conference Board®

Germany Business Cycle IndicatorsSM

**THE CONFERENCE BOARD LEADING ECONOMIC INDEX (LEI)
FOR GERMANY
AND RELATED COMPOSITE ECONOMIC INDEXES FOR NOVEMBER 2008**

This month's release incorporates annual benchmark revisions to the composite economic indexes, which bring them up-to-date with revisions in the source data. Also, the base year of the composite economic indexes has been changed to 2004=100 from 1990=100. 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 not be 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.

The Conference Board Leading Economic Index (LEI) for Germany declined 2.2 percent and The Conference Board Coincident Economic Index (CEI) decreased 0.5 percent in November.

- The Leading Economic Index continued its sharp downtrend in November as new orders in investment goods industries, stock prices and consumer confidence made the largest negative contributions. Since May 2008, the LEI has declined by 8.0 percent (about a -15.3 percent annual rate), well below the 3.9 percent decline (about a -7.7 percent annual rate) between November 2007 and May 2008. However, the strengths and weaknesses among the leading indicators have become balanced.
- The Coincident Economic Index, a measure of current economic activity, declined for a third consecutive month in November led by decreases in industrial production and manufacturing sales. Since May 2008, the CEI has fallen by 0.7 percent (about a -1.3 percent annual rate), a reversal from the 0.8 percent increase (about a 1.5 percent annual rate) during the previous six months. In addition, the weaknesses among the coincident indicators have become more widespread in recent months. At the same time, real GDP has declined at a 1.9 percent average annual rate during the second and third quarter of 2008, well below the 3.5 percent average annual rate of increase during the fourth quarter of 2007 and first quarter of 2008.
- The Leading Economic Index has been declining since July 2007 and the pace of this decline has become steeper in recent months as the six-month growth rate for the LEI reached its lowest level since 1974. The Coincident Economic Index fluctuated around a flat trend in the first half of 2008, but has fallen significantly since August 2008. The declining composite indexes continue to suggest that economic activity is likely to remain weak going into 2009 and that the current contraction in economic activity may become deeper in the near term.

LEADING INDICATORS. Two of the seven components in the leading economic index increased in November. The positive contributors — in order from the largest positive contributor to the smallest — are inventory change series* and gross enterprises and properties income*. Negative contributors — in order from largest to smallest — are new orders in investment goods industries, stock prices, consumer confidence, yield spread and new residential construction orders*.

With the 2.2 percent decrease in November, the leading economic index now stands at 94.7 (2004=100). Based on revised data, this index declined 2.7 percent in October and declined 0.9 percent in September. During the six-month span through November, the index decreased 8.0 percent, with three of the seven components increasing (diffusion index, six-month span equals 50.0 percent).

**See notes under data availability*

COINCIDENT INDICATORS. One of the four components that make up the coincident economic index increased in November. The positive contributor to the coincident economic index was employed persons. Industrial production, manufacturing sales and retail trade declined in November.

With the 0.5 percent decrease in November, the coincident economic index now stands at 104.8 (2004=100). Based on revised data, this index decreased 0.3 percent in October and decreased 0.3 percent in September. During the six-month period through November, the index decreased -0.7 percent, with one of the four components increasing (diffusion index, six-month span equals 25.0 percent).

** See notes under data availability.*

ABOUT THE CONFERENCE BOARD. Founded in 1916, The Conference Board is the premier business membership and research network. The Conference Board has become a global leader in helping executives build strong professional relationships, expand their business knowledge and find solutions to a wide range of business challenges. The Conference Board's Economics Program, is a recognized source of forecasts, economic analysis and objective indicators such as the Leading Economic Indicators and the Consumer Confidence Index.

This role is part of a long tradition of research and education that stretches back to the compilation of the first continuous measure of the cost of living in the United States in 1919. In 1995, The Conference Board assumed responsibility for computing the composite indexes from the U.S. Department of Commerce. The Conference Board now produces business cycle indexes for the U.S., Australia, France, Germany, Korea, Japan, Mexico, Spain and the U.K. To subscribe to any of these indexes, please contact customer service at 212-339-0345, or email indicators@conference-board.org.

Summary Table of Composite Indexes

	2008	2008	2008	6-month
	Sep	Oct	Nov	May to Nov
Leading Economic Index (LEI)	99.5 p	96.8 p	94.7 p	
Percent Change	-0.9 p	-2.7 p	-2.2 p	-8.0 p
Diffusion	50.0	28.6	42.9	50.0
Coincident Economic Index (CEI)	105.6 r	105.3 r	104.8 p	
Percent Change	-0.3	-0.3 r	-0.5 p	-0.7 p
Diffusion	62.5	25.0	12.5	25.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

Source: The Conference Board All Rights Reserved

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The next release is scheduled for Wednesday, February 18, 2009 at 10:00 A.M. CET (4:00 A.M. ET)