



THE CONFERENCE BOARD

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The Conference Board[®]
France Business Cycle IndicatorsSM
THE CONFERENCE BOARD LEADING ECONOMIC INDEX[®]
(LEI) FOR FRANCE
AND RELATED COMPOSITE ECONOMIC INDEXES FOR DECEMBER 2009

Brussels, February 22, 2010... The Conference Board Leading Economic Index[®] (LEI) for France increased 0.6 percent and The Conference Board Coincident Economic Index[®] (CEI) remained unchanged in December.

- The Conference Board LEI for France increased again in December as positive contributions from the yield spread and new unemployment claims (inverted) more than offset a negative contribution from production expectations. Between June and December 2009, the leading economic index increased by 4.0 percent (about an 8.2 percent annual rate), faster than the 0.5 percent increase (about a 1.0 percent annual rate) during the first half of 2009. In addition, the strengths among the leading indicators have been widespread in recent months.
- The Conference Board CEI for France, a measure of current economic activity, remained unchanged in December. Between June and December 2009, the coincident economic index decreased by 0.3 percent (about a -0.6 percent annual rate), slower than the 1.3 percent decline (about a -2.6 percent annual rate) during the previous six months. Additionally, the strengths among the coincident indicators have become more widespread than the weaknesses in recent months. At the same time, real GDP expanded at a 2.4 percent annual rate in the fourth quarter of 2009, its third consecutive quarter of growth.
- The Conference Board LEI for France has risen sharply since the first quarter of 2009, after falling from November 2007 through March 2009. Its six-month growth rate has slowed slightly since October, but it remains near its highest level since 1999. Meanwhile, The Conference Board CEI for France has remained flat since August 2009, after a long period of decline following its February 2008 peak. Taken together, the recent behavior of the composite economic indexes suggests that economic conditions should continue to improve in the near term.

LEADING INDICATORS. Four of the seven components of the leading economic index increased in December. The positive contributors to the index— in order from the largest positive contributor to the smallest— are the yield spread, new unemployment claims (inverted), the stock price index, and building permits (residential). Production expectations was the only negative contributor to the index in December, while the ratio of the deflator of manufacturing value added to unit labor cost for manufacturing* and industrial new orders remained unchanged.

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 Tuesday, March 23, 2010 at 5:00 A.M. ET (10:00 A.M. Paris Time)

With the increase of 0.6 percent in December, the leading economic index now stands at 106.5 (2004=100). Based on revised data, this index increased 0.6 percent in November and increased 0.8 percent in October. During the six-month span through December, the index increased 4.0 percent, and five of the seven components increased (diffusion index, six-month span equals 71.4 percent).

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

After remaining unchanged in December, the coincident economic index now stands at 103.3 (2004=100). Based on revised data, this index remained unchanged in November and decreased 0.1 percent in October. During the six-month period through December, the index decreased 0.3 percent, with three of the four series making a positive contribution (diffusion index, six-month span equals 75.0 percent).

* See notes under data availability.

NOTE: Prior to March 2009, the residential building permits component of The Conference Board LEI for France is calculated as permits granted minus permits cancelled. From March 2009 going forward, the permits granted series replaces residential building permits because of delays in the publication of permits cancelled data by the source agency. The same standardization factor is applied to both series because their volatilities are similar. If the missing series becomes available, the original definition of the housing permits series may be restored at the next benchmark revision.

ABOUT THE CONFERENCE BOARD

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Summary Table of Composite Indexes

	Oct	2009 Nov	Dec	6-month Jun. to Dec
Leading Economic Index (LEI)	105.3 p	105.9 p	106.5 p	
Percent Change	0.8 p	0.6 p	0.6 p	4.0 p
Diffusion	71.4	50.0	64.3	71.4
Coincident Economic Index (CEI)	103.3 p	103.3 p	103.3 p	
Percent Change	-0.1 p	0.0 p	0.0 p	-0.3 p
Diffusion	37.5	75.0	50.0	75.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

Source: The Conference Board

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