



**THE CONFERENCE BOARD**

FOR RELEASE: 10:00 A.M. KOR, WEDNESDAY, MAY 13, 2009

The Conference Board®  
Korea Business Cycle Indicators<sup>SM</sup>  
**THE CONFERENCE BOARD LEADING ECONOMIC INDEX™  
(LEI) FOR KOREA**  
**AND RELATED COMPOSITE ECONOMIC INDEXES FOR MARCH 2009**

**The Conference Board Leading Economic Index™ (LEI)** for Korea increased 0.6 percent and **The Conference Board Coincident Economic Index™ (CEI)** increased 0.8 percent in March.

- The Conference Board LEI for Korea increased for the second consecutive month in March. The value of machinery orders in the manufacturing sector, stock prices, and bond yields all contributed to the gain in the index this month, more than offsetting the large decline in private construction orders. With March's gain, the six-month decline in the leading economic index has eased somewhat to -8.4 percent - (about a -16.1 percent annual rate) from September 2008 to March 2009. Moreover, the strengths and weaknesses among the leading indicators have become more balanced in recent months.
- The Conference Board CEI for Korea, a measure of current economic activity, also increased in March, the second straight monthly increase. Industrial production rose sharply again, while wholesale and retail trade rebounded this month. Although the six-month growth rate of the index remained negative through March, at a -2.1 percent rate (a -4.2 percent annual rate), the rate of decline has moderated somewhat. At the same time, real GDP grew at a 0.2 percent annual rate in the first quarter of 2009, up from the 18.8 percent annual rate of decline in the fourth quarter of 2008.
- After declining sharply in late 2008, The Conference Board LEI for Korea seems to have stabilized in the past couple of months, and the weaknesses among its components have also become somewhat less widespread over this period. In addition, The Conference Board CEI for Korea has also strengthened in the first quarter of 2009. Taken together, the slight improvement in both composite economic indexes since the beginning of this year suggests that economic conditions will remain weak in the near term, but the downturn in activity will likely become less severe.

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

With the 0.6 percent increase in March, The Conference Board LEI for Korea now stands at 101.3 (2004=100). Based on revised data, this index increased 0.6 percent in February and declined 1.7 percent in January. During the six-month span through March, the leading economic index decreased 8.4 percent, with three of the seven components advancing (diffusion index, six-month span equals 42.9 percent).

**COINCIDENT INDICATORS.** Three of the four components that make up The Conference Board CEI for Korea increased in March. 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 in March.

With the 0.8 percent increase in March, The Conference Board CEI for Korea now stands at 106.2 (2004=100). Based on revised data, this index increased 0.6 percent in February and remained unchanged in January. During the six-month span through March, the coincident economic index decreased 2.1 percent, with one of the four components advancing (diffusion index, six-month span equals 25.0 percent).

About The Conference Board

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**Summary Table of Composite Economic Indexes**

	<u>Jan</u>	<u>2009</u> <u>Feb</u>	<u>Mar</u>	<u>6-month</u> <u>Sep to Mar</u>
<b>Leading Economic index (LEI)</b>	100.1 r	100.7 r	101.3	
Percent Change	-1.7 r	0.6 r	0.6	-8.4
Diffusion	42.9 r	42.9 r	50.0	42.9
<b>Coincident Economic Index (CEI)</b>	104.8 p	105.4 p	106.2 p	
Percent Change	0.0 p	0.6 p	0.8 p	-2.1 p
Diffusion	75.0	50.0	75.0	25.0

n.a. Not available    p Preliminary    r Revised

Indexes equal 100 in 2004

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For more information visit our Website: [www.conference-board.org/economics/bci/](http://www.conference-board.org/economics/bci/)

The next release is scheduled for Wednesday, June 17, 2009 at 10:00 A.M. (KOR)

*In the U.S – Tuesday, June 16, 2009 at 9:00 P.M (ET)*