



THE CONFERENCE BOARD

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

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. 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 Korea increased 1.5 percent and **The Conference Board Coincident Economic Index™ (CEI)** for Korea increased 0.3 percent in November.

- The Conference Board LEI for Korea increased in November following no change in October, as large positive contributions by private construction orders, real exports and letter of credit arrivals more than offset a negative contribution from value of machinery orders. With this month's gain, the six-month growth rate in the leading economic index continued to pick up, to 7.1 percent (about a 14.7 percent annual rate) in the six-month period through November 2009, well above the 0.5 percent rate (about a 1.0 percent annual rate) for the previous six months. In addition, the strengths among the leading indicators have remained widespread in recent months although the gains have been volatile.
- The Conference Board CEI for Korea, a measure of current economic activity, also increased in November following a small decline in October. Industrial production increased sharply, while total employment and the wholesale and retail sales component made negative contributions to the index. With this month's small gain, the coincident economic index increased by 2.0 percent (about a 3.9 percent annual rate) during the six-month period ending in November 2009, up from the 0.6 percent growth (about a 1.1 percent annual rate) for the previous six months. At the same time, real GDP has continued to expand, by 12.3 percent (annual rate) in the third quarter of 2009, following an average increase of 5.6 percent (annual rate) for the first half of the year.
- Although its six-month growth rate has moderated somewhat in the last three months, The Conference Board CEI for Korea has recovered substantially since early 2009. At the same time, The Conference Board LEI for Korea is now back above its September 2008 level; however, it is still well below its most recent peak reached in November 2007. Taken together, the current behavior of the composite indexes and their components suggests that the economy will continue to recover, but likely at a more modest pace in the near term.

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

With the 1.5 percent increase in November, The Conference Board LEI for Korea now stands at 111.6 (2004=100). Based on revised data, this index remained unchanged in October and increased 2.4 percent in September. During the six-month span through November, the leading economic index increased 7.1 percent, with six of the seven components advancing (diffusion index, six-month span equals 85.7 percent).

COINCIDENT INDICATORS. Two of the four components that make up The Conference Board CEI for Korea increased in November. The positive contributors were industrial production and monthly cash earnings*. Total employment and the wholesale and retail sales component declined in November.

With the 0.3 percent increase in November, The Conference Board CEI for Korea now stands at 109.7 (2004=100). Based on revised data, this index decreased 0.3 percent in October and increased 0.8 percent in September. During the six-month span through November, the coincident economic index increased 2.0 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 January 13, 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>Sep</u>	2009 <u>Oct</u>	<u>Nov</u>	6-month <u>May to Nov</u>
Leading Economic index (LEI)	109.9 r	109.9 r	111.6	
Percent Change	2.4	0.0	1.5	7.1
Diffusion	92.9	50.0	71.4	85.7
Coincident Economic Index (CEI)	109.7 p	109.4 p	109.7 p	
Percent Change	0.8 p	-0.3 p	0.3 p	2.0 p
Diffusion	87.5	50.0	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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For more information visit our Website: www.conference-board.org/economics/bci/

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

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