

News Release

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Using the Composite Indexes: *The Leading Economic Index (LEI) provides an early indication of significant turning points in the business cycle and where the economy is heading in the near term. The Coincident Economic Index (CEI) provides an indication of the current state of the economy. Additional details are below.*

The Conference Board Leading Economic Index® (LEI) for France Declined in January

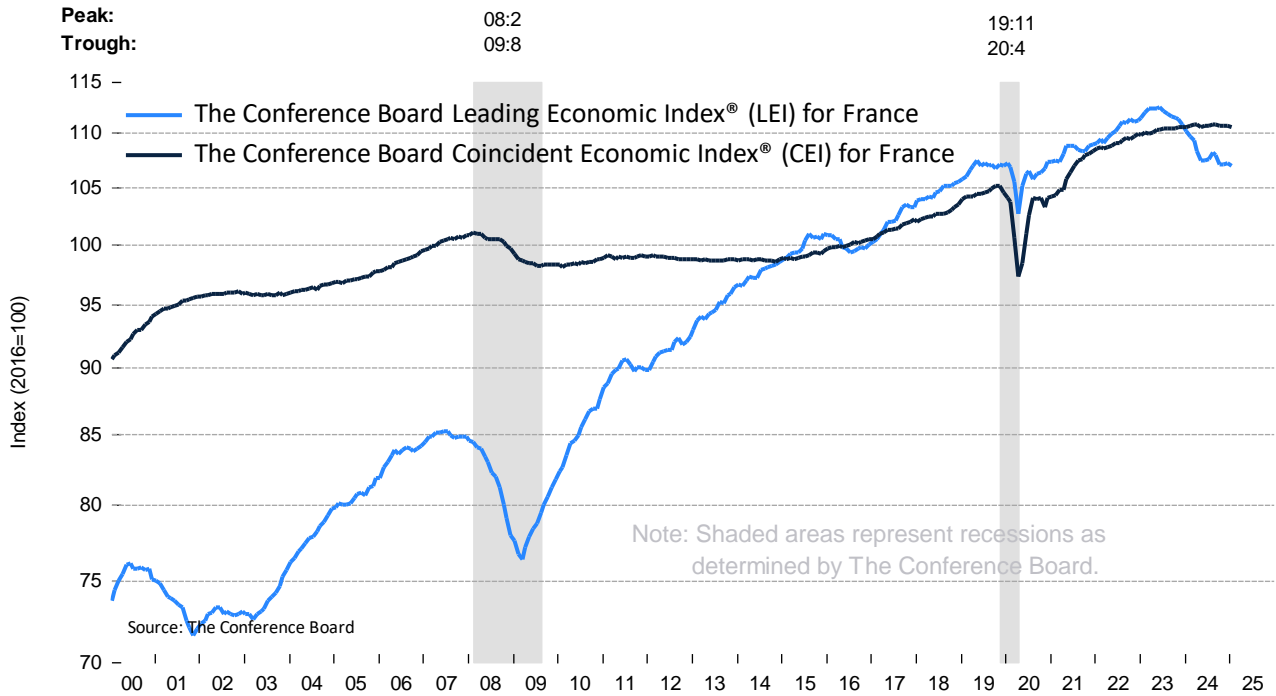
The Conference Board Leading Economic Index® (LEI) for France declined by 0.3% in January 2025 to 106.9 (2016=100), after rising by 0.1% in December 2024. The France LEI contracted by 0.7% over the six-month period between July 2024 and January 2025, much less than the 2.4% decline over the previous six-month period.

The Conference Board Coincident Economic Index® (CEI) for France ticked down by 0.1% to 110.6 (2016=100) in January 2025, after no change in December 2024. Over the six-month period between July 2024 and January 2025, the CEI for France also decreased by 0.1%, reversing the 0.1% gain over the previous six-month period between January and July 2024.

“After remaining largely flat in the second half of 2024, the France LEI declined at the start of 2025,” said **Allen Li, Associate Economist at The Conference Board**. “In January, financial components improved, but non-financial ones weakened, led by industrial new orders and new unemployment claims. This likely reflected economic and political uncertainties present at the end of last year and going into 2025. After being relatively stable in the second half of 2024, the six-month growth trajectory of the France LEI cooled slightly with the latest monthly pullback. However, it remains well above the threshold signaling a recession and there were more strengths than weaknesses among its components over the past 6 months. Overall, the LEI suggests a slowdown in growth that is potentially due to a multitude of headwinds, including fiscal spending cuts and tax hikes, which are likely to weigh on business confidence and investment, along with trade uncertainties around US tariffs and slower global growth. The Conference Board currently forecasts France GDP growth to slow to 0.5% in 2025, downwardly revised from 0.7%, from 1.1% in 2024.”

The next release is scheduled for Friday, April 18, 2025, at 9:30 A.M. ET.

The France LEI declined in January 2025



Non-financial components of the France LEI weakened in January

The Conference Board Leading Economic Index® and Component Contributions (Percent)

	Jan. '25	6 mo. ending Jan. '25
Financial Components		
Stock Price SBF250 Index	0.10	0.01
Yield Spread, 10 year minus short-term rates #	0.08	-0.30
Non-Financial Components		
Ratio Deflator of Value Added to Unit Labor Cost (Q)**	-0.01	0.06
Production Expectations	-0.01	0.04
Industrial New Orders	-0.31	-0.22
New Unemployment Claims*,**	-0.14	-0.05
Building Permits, Residential	0.01	0.18

Source: The Conference Board

* Inverted series; a negative change in this component makes a positive contribution.

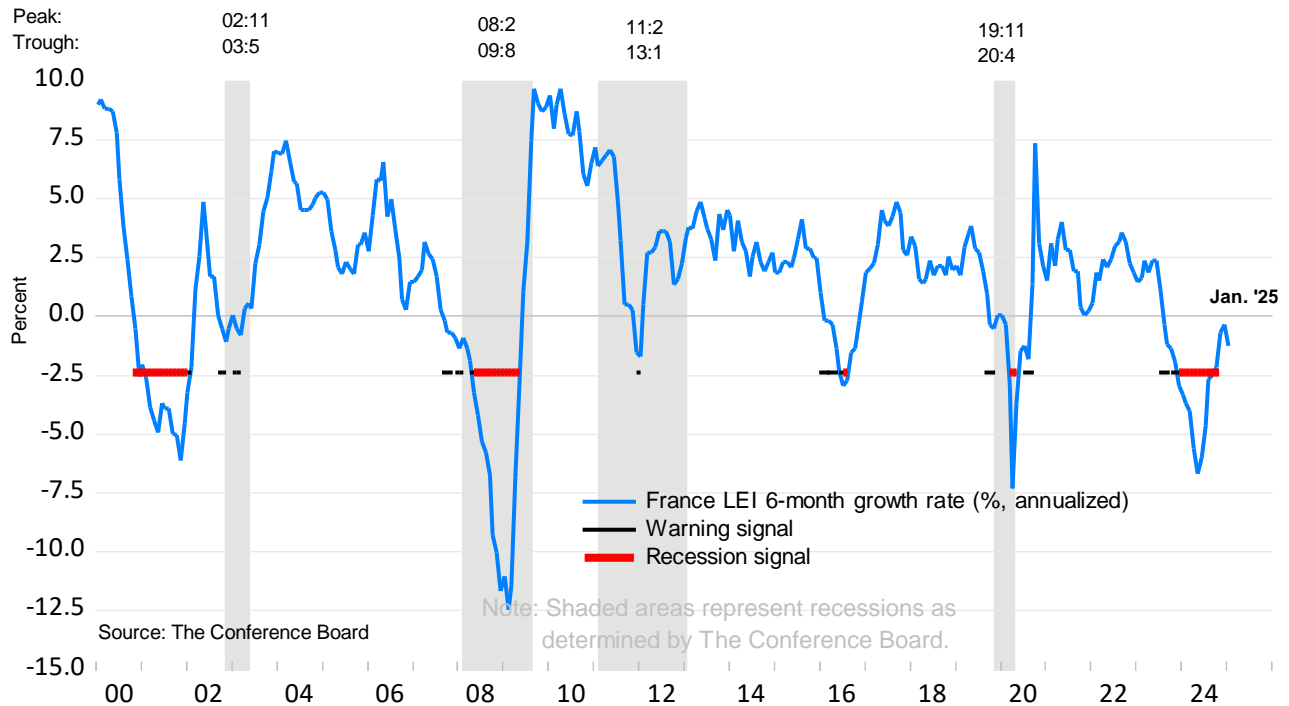
** Statistical imputation. -- Q: Quarterly series; these series are converted to a monthly series through a linear interpolation.

The short-term rates used are Day-to-Day Loan rate, Euribor, and Ester through the history of this variable.

LEI change might not equal sum of its contributions due to application of trend adjustment factor.

Note: The January 2025 datapoint for New Unemployment Claims are based on statistical imputation. The data published for the January 2025 includes the automatic additions of several previously nonregistered jobseekers groups that artificially increased the figures published by France Travail and Dares. For more information, refer to: https://statistiques.francetravail.org/stmt/static/methode_2018

The six-month growth rate of the France LEI dipped



NOTE: The chart illustrates the so-called **3Ds**—**duration, depth, and diffusion**—for interpreting a downward movement in the LEI. **Duration** refers to how long the decline has lasted. **Depth** denotes the size of decline. Duration and depth are measured by the rate of change of the index over the most recent six months. **Diffusion** is a measure of how widespread the decline is among the LEI's component indicators—on a scale of 0 to 100, a **diffusion index** reading below 50 indicates most components are weakening.

The **3Ds rule** signals an impending recession when: 1) the diffusion index lies below 50, shown by the black warning signal lines in the chart; and 2) the LEI's six-month rate of decline falls below the threshold of -2.4%. The **red recession signal lines** indicate months when both criteria are met simultaneously—and thus that a recession is likely imminent or underway.

About The Conference Board *Leading Economic Index*® (LEI) and *Coincident Economic Index*® (CEI) for France

The composite economic indexes are key elements in an analytic system designed to signal peaks and troughs in the business cycle. Comprised of multiple independent indicators, the indexes are constructed to summarize and reveal common turning points in the economy in a clearer and more convincing manner than any individual component.

The CEI reflects current economic conditions and is highly correlated with real GDP. The LEI is a predictive tool that anticipates—or “leads”—turning points in the business cycle by around twelve months.

The seven components of *Leading Economic Index*® for France are:

- Yield Spread
- Stock Prices
- Building Permits
- New Unemployment Claims
- Industrial New Orders
- Production Expectations
- Ratio P/L Cost

The four components of the *Coincident Economic Index*® for France are:

- Industrial Production
- Personal Consumption
- Employment (Private sector)
- Wages and Salaries

To access data, please visit: <https://data-central.conference-board.org/>

About The Conference Board

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