OECD CLI Zone Aggregation Methodology

This document describes the zone aggregation methodology for the nine indicators in the OECD Composite Leading Indicator (CLI) framework. The described methodology is applied starting from February 2010.

Six indicators are calculated as weighted averages of the country indicators:

- the amplitude adjusted CLI
- the normalised CLI
- the ratio to trend of the reference series
- the trend of the reference series
- the original reference series
- the normalised reference series

In order to preserve the relationship between different forms of the indicators, the trend restored CLI is calculated as the product of the amplitude adjusted CLI and the trend of the reference series.

Finally the 12-month rate of change of the trend restored CLI and the reference series is derived from the corresponding level series.
The calculation schema of the indicators

Pure cyclical series

- CLI amplitude adjusted
- CLI normalised
- Reference series ratio to trend
- Reference series normalised

Trending series

- Reference series trend
- Reference series original

Growth rate series

- CLI trend restored
- Reference series 12mth rate of change
- CLI 12mth rate of change
- Reference series 12mth rate of change

Legend:
- Weighted average (chain linked)
- Composed
- Derived