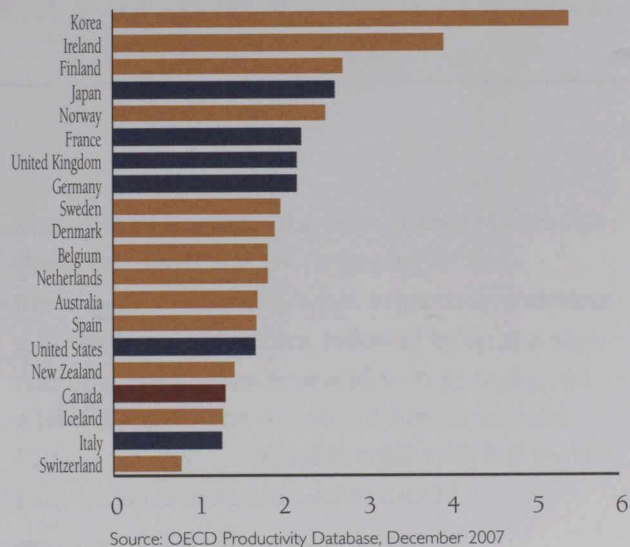


FIGURE 3-11
Relative Labour Productivity in Canada, 1991-2007



Source: Industry Canada calculations based on data from Statistics Canada and the U.S. Bureau of Labor Statistics

FIGURE 3-12
Labour Productivity: Growth in Selected OECD Countries
(1981-2006 average annual growth rate in percent)



Productivity measures the efficiency with which an economy transforms inputs into outputs. Partial measures of productivity consider a single input: labour productivity or capital productivity. Labour productivity is measured as gross domestic product (GDP) per hour worked while capital productivity is measured as GDP per unit of capital. Multifactor productivity (MFP) is a complex measure and consists of GDP per unit of a combined bundle of labour and capital. Growth in labour productivity is closely linked to changes in real labour compensation over time. Growth in labour productivity may come from applying more capital (machinery and equipment, structures) to the production process or from technological change. Productivity can be measured either in level or growth terms. As with GDP, most of the attention is focused on productivity growth and on comparisons of productivity growth across countries.