

The Dutch growth accounts – measuring productivity with non-zero profits

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Since the year 2007 Statistics Netherlands publishes multifactor productivity statistics at the macro and meso-level in the annual publication The Dutch growth accounts. In contrast with the standard neoclassical approach, the official growth accounts of Statistics Netherlands employ an exogenous rate of return to determine capital services. As a consequence, revenues do not necessarily equal total cost of production. Therefore a balancing item "net profit" is created which represents to some extent the returns to those assets that are not covered in the measurement of capital stock. In addition to the exogenous model, Statistics Netherlands publishes growth accounts with an endogenous rate of return (neoclassical approach).

Since 2010 the asset coverage of the Dutch growth accounts has been extended with several new asset types (land, subsoil assets and inventories). The aim of this paper is to investigate the effects of these capital extensions on input cost shares, contributions to output growth, and productivity for both the exogenous and the endogenous model. Expanding the asset coverage improves the outcomes of the growth accounts in both models. Including additional asset types has an effect on input cost shares in the exogenous model and leads to different volume changes of capital input in both productivity models. In addition, the inclusion of more asset types reduces the rate of return in the endogenous model and profitability in the exogenous model. The results show that differences between the exogenous and endogenous model are reduced in the Netherlands for the period 1996-2009.