

Abstract for “Decompositions of Productivity Growth into Sectoral Effects”

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The paper provides some new decompositions of labour productivity growth and Total Factor Productivity (TFP) growth into sectoral effects. These new decompositions draw on the earlier work of Tang and Wang (2004). The economy wide labour productivity growth rate turns out to depend on the sectoral productivity growth rates, real output price changes and changes in sectoral labour input shares. The economy wide TFP growth decomposition into explanatory factors is similar but some extra terms due to real input price change make their appearance in the decomposition.

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Key Words

Total Factor Productivity, labour productivity, index numbers, sectoral contributions to growth