

Study: Productivity growth and international competitiveness, 1995 to 2007

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Gains in productivity and international competitiveness in Canadian industries are partly attributable to technical progress in the United States, according to a new study released today.

The study examines the impact that technical progress in foreign countries has on productivity growth and international competitiveness in Canada as well as in several other countries. Technical progress abroad is gaining in importance as domestic industries increasingly import intermediate inputs to lower their production costs.

Canadian industries have notably benefited from productivity gains and technical progress in US industries, with many importing a large share of intermediate inputs from the United States.

From 1995 to 2000, productivity in Canada's production of goods and services grew 0.86% per year on average. About one-quarter of this growth was attributable to productivity gains in foreign countries, mostly the United States.

Between 2000 and 2007, productivity in Canadian industries grew at a slower pace, increasing 0.23% per year on average. Over 65% of the overall growth was attributable to productivity gains in foreign countries.

The research paper "Productivity Growth and International Competitiveness," part of *The Canadian Productivity Review* (15-206-X), is now available from the *Browse by key resource* module of our website under *Publications*.

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