

Estimates of multifactor productivity growth in the provinces, 2019

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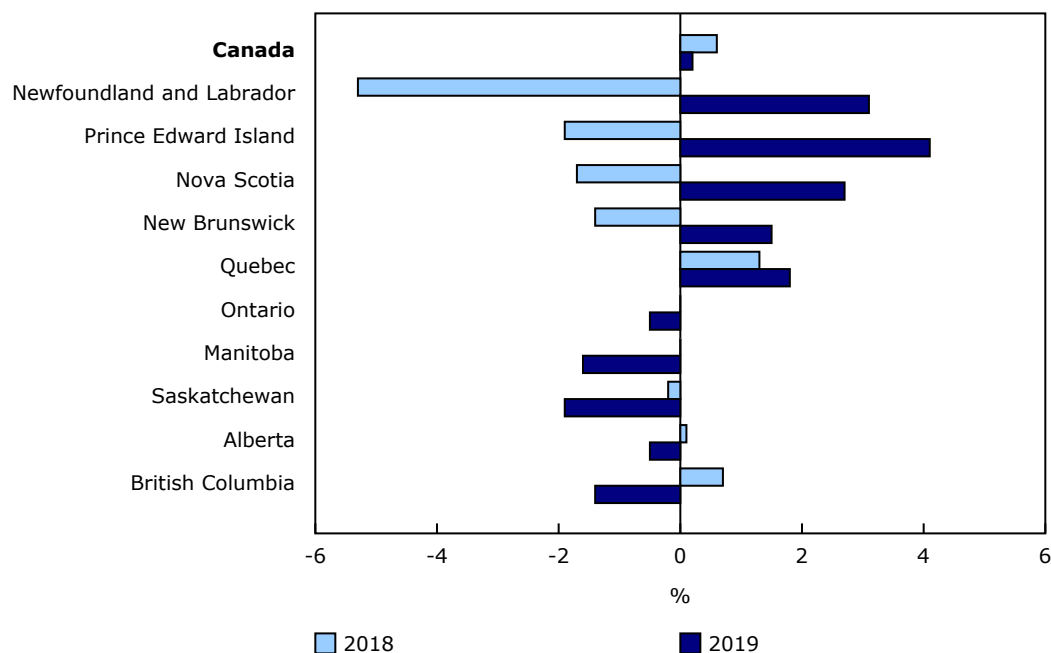
Multifactor productivity in the business sector increased in the four Atlantic provinces and Quebec in 2019, and declined in Ontario and the four Western provinces. Multifactor productivity measures the extent to which inputs are efficiently used in the production process. Growth in this area is often associated with technological change, organizational change and economies of scale.

For Canada overall, multifactor productivity increased 0.2% in the business sector in 2019, following a 0.6% gain in 2018.

Prince Edward Island (+4.1%), Newfoundland and Labrador (+3.1%) and Nova Scotia (+2.7%) saw the largest increases in multifactor productivity in 2019.

Multifactor productivity declined the most in Saskatchewan (-1.9%), Manitoba (-1.6%) and British Columbia (-1.4%).

Chart 1
Multifactor productivity growth in the business sector, by province, 2018 and 2019



Source(s): Table 36-10-0211-01.

Multifactor productivity growth has risen in every province except Newfoundland and Labrador and Manitoba since the global recession and financial crisis in 2008 and 2009.

From 2000 to 2018, multifactor productivity growth increased in every province except Newfoundland and Labrador and Manitoba.



In 2019, multifactor productivity growth in the four Atlantic provinces and Quebec exceeded their average growth rate from 2010 to 2018. Conversely, in Ontario and the four Western provinces, multifactor productivity growth in 2019 was much lower than their average growth rate from 2010 to 2018.

Table 1
Annual average growth in multifactor productivity in the business sector by province, for the periods 2000 to 2010, 2010 to 2018 and 2019

	2000 to 2010	2010 to 2018	2019
	average annual % growth		annual % growth
Canada	-0.6	0.6	0.2
Newfoundland and Labrador	2.4	-3.2	3.1
Prince Edward Island	0.1	0.4	4.1
Nova Scotia	-0.3	0.3	2.7
New Brunswick	-0.5	0.1	1.5
Quebec	-0.1	0.6	1.8
Ontario	-0.4	0.9	-0.5
Manitoba	0.7	0.7	-1.6
Saskatchewan	-1.5	-0.9	-1.9
Alberta	-1.9	0.3	-0.5
British Columbia	-0.1	1.3	-1.4

Note(s): The growth rates represent annual compound growth rates.

Source(s): Table [36-10-0211-01](#).

Note to readers

This release covers the database on provincial multifactor productivity and related variables by the business sector industry from 1997 to 2019. Data include multifactor productivity, value-added, capital input and labour input in the aggregate business sector and major subsectors.

*This database is constructed using a methodology that is similar to the one used to construct [multifactor productivity growth estimates and industry productivity database, 2019](#), released in *The Daily* on April 19, 2021.*

*Data in this release reflect the estimate of [gross domestic product by industry: provinces and territories, 2019](#), published in *The Daily* on June 1, 2020; [flows and stocks of fixed residential capital by type of asset, provincial and territorial for 2019](#), published in *The Daily* on November 19, 2020; and [Hours worked and labour productivity in the provinces and territories, 2019](#), published in *The Daily* on February 12, 2021.*

Multifactor productivity measures at Statistics Canada are derived from a growth accounting framework that allows analysts to isolate the effects of increases in input intensity and skills upgrading on the growth in labour productivity. The residual portion of labour productivity growth that is not attributable to increases in input intensity and skills upgrading, is called "growth in multifactor productivity." It measures the efficiency with which the inputs are used in production. Growth in this area is often associated with technological change, organizational change or economies of scale.

Multifactor productivity: Interactive tool

Today's release is accompanied by the [Multifactor Productivity: Interactive Tool](#), an interactive web application that allows users to create customized outputs from the databases on multifactor productivity and related variables at the national level (1402). The customized outputs include the comparison of growth in multifactor productivity and related variables over time, the comparison of growth in multifactor productivity and related variables across industries, and the contribution of individual industries to aggregate growth in multifactor productivity and related variables.

Available tables: table [36-10-0211-01](#).

Definitions, data sources and methods: survey number [1402](#).

A description of the method used to derive productivity measures can be found in the "[User Guide for Statistics Canada's Annual Multifactor Productivity Program](#)," as part of *The Canadian Productivity Review* series ([15-206-X](#)).

The documentation about revisions to multifactor productivity growth estimates can be found in "[Revisions to the Multifactor Productivity Accounts](#)" as part of *The Canadian Productivity Review* series ([15-206-X](#)).

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).