

# **Where Did Canada's Productivity Growth Go in the Early 2000s: An Industry Perspective?**

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## **Abstract**

Labour productivity growth in Canada and the United States grew roughly at the same pace between 1996 and 2000. Moreover, their growth performance improved significantly compared to the first half of the 1990s. Since 2001, labour productivity growth has started to diverge between Canada and the United States. While Canada's labour productivity growth has started to slow down, it has continued to pick-up in the U.S. Given the recent release of BEA data, it is much easier to compare the industry sources of the recent productivity growth with those in earlier periods and between Canada and the United States. Thus, this paper investigates the industry sources of the recent productivity growth divergence between Canada and the United States, as well as its timing, within the broader context of the productivity performance in both countries since the mid-1990s.

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