

New Estimates of Multifactor Productivity by Province

Jean-Francois Arsenault (Centre for the Study of Living Standards)

Andrew Sharpe (Centre for the Study of Living Standards)

Wulong Gu (Statistics Canada)

Abstract

The objective of this report is to present new estimates for multifactor productivity (MFP) or total factor productivity for the provinces. In contrast to previous estimates of MFP, these estimates take account of changes in labour composition or quality and changes in capital composition or quality. The estimates have been prepared by Statistics Canada for the Centre for the Study of Living Standards (CSLS). The paper is divided into three main sections. The first section provides an overview of the methodologies and data sources used by Statistics Canada to construct the provincial multifactor productivity database. The second section outlines the basic elements of the growth accounting framework. The third section presents the new estimates for labour productivity, capital productivity, multifactor productivity, labour composition or quality, and sources of growth. Both provincial and industry dimensions of the results are discussed.