

## **Canada-U.S. Productivity Level Comparisons: New Estimates**

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### **Abstract**

With an aging population and increased competition from emerging economies, high productivity performance is the key to sustain the high level of our living standard. Strong productivity performance also ensures firms' ability to compete in the world markets, attract highly mobile capital and skilled workers, and move up the value-chain. This is especially important for Canada, which is situated next to the United States, a much larger country with a highly dynamic economy. The objective of this study is to assess the strengths and weaknesses of Canadian industries in productivity relative to their U.S. counterparts, making use of newly available 2002 benchmark data on bilateral commodity purchasing power parities (PPPs) jointly developed by Statistics Canada and the U.S. Bureau of Labor Statistics. The results show that Canada is more productive than the United States in a number of resource-based industries, but trails the United States in most of the service industries as well as high-tech manufacturing industries.