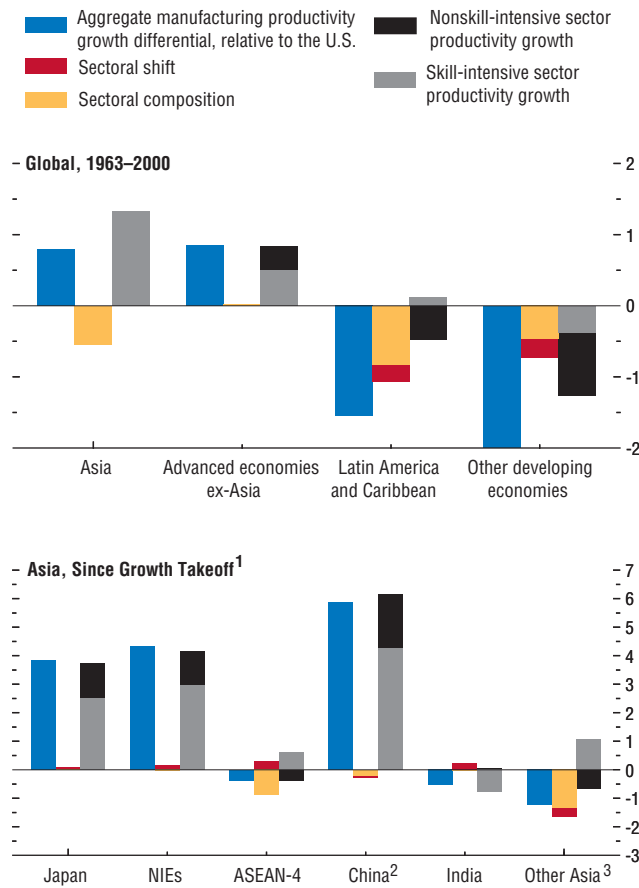


Figure 3.11. Contributions to Average Manufacturing Productivity Growth Differential with the United States
(Percentage points, per year)

Most of Asia's catch-up in manufacturing productivity was attributable to high productivity growth within skill-intensive sectors. The contribution from sectoral composition was actually negative, driven by the lower share of value added in skill-intensive sectors vis-à-vis the United States.



Sources: World Bank, *World Development Indicators* (2006); UNIDO, Industrial Statistics database; and IMF staff calculations.

¹The growth takeoff is defined as occurring in 1955 for Japan, 1967 for the newly industrialized economies (NIEs), 1973 for the ASEAN-4 (Indonesia, Malaysia, the Philippines, and Thailand), 1979 for China, 1982 for India, and 1990 for other Asian economies.

²Data for China start in 1990.

³Other Asia includes only Bangladesh, Pakistan, and Sri Lanka.