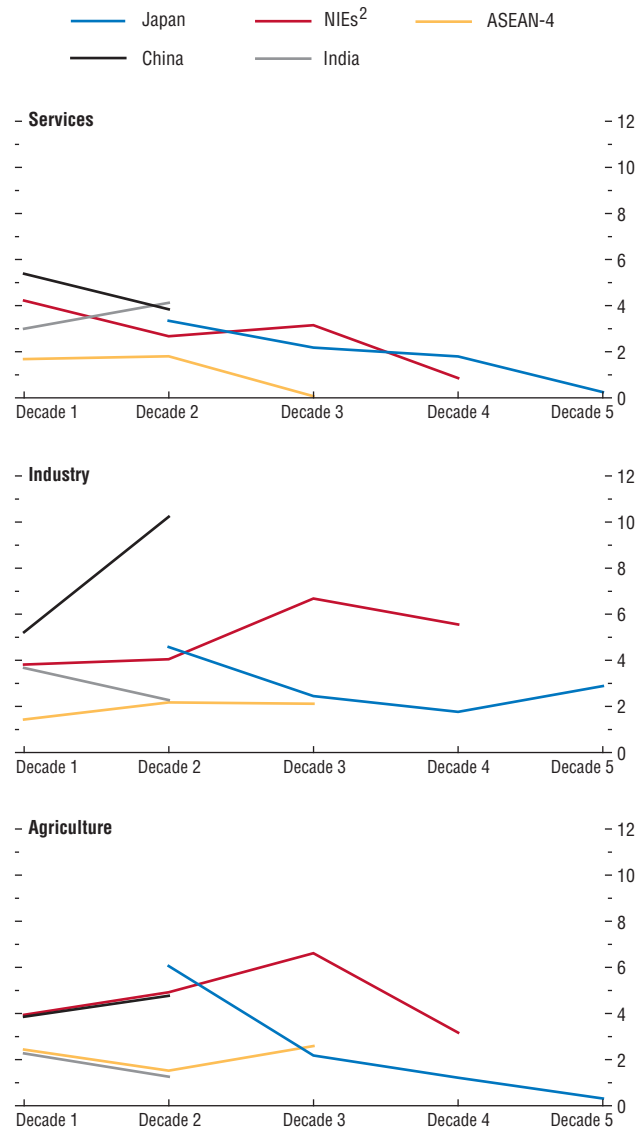


Figure 3.8. Sectoral Productivity Growth Since Takeoff¹
(Annual percent change)

After the initial takeoff, productivity growth eventually decelerated, especially in services, bringing the catch-up process in this sector to a halt before full convergence has been achieved.



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

¹Not all years since takeoff have available data. The 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, and 1982 for India.

²Taiwan Province of China and Hong Kong SAR are excluded because data are only available from Decade 2 onwards. The broad patterns are robust to including these two latter economies in the group. Singapore is also excluded from the panel on agriculture, owing to the sector's marginal role in that country.