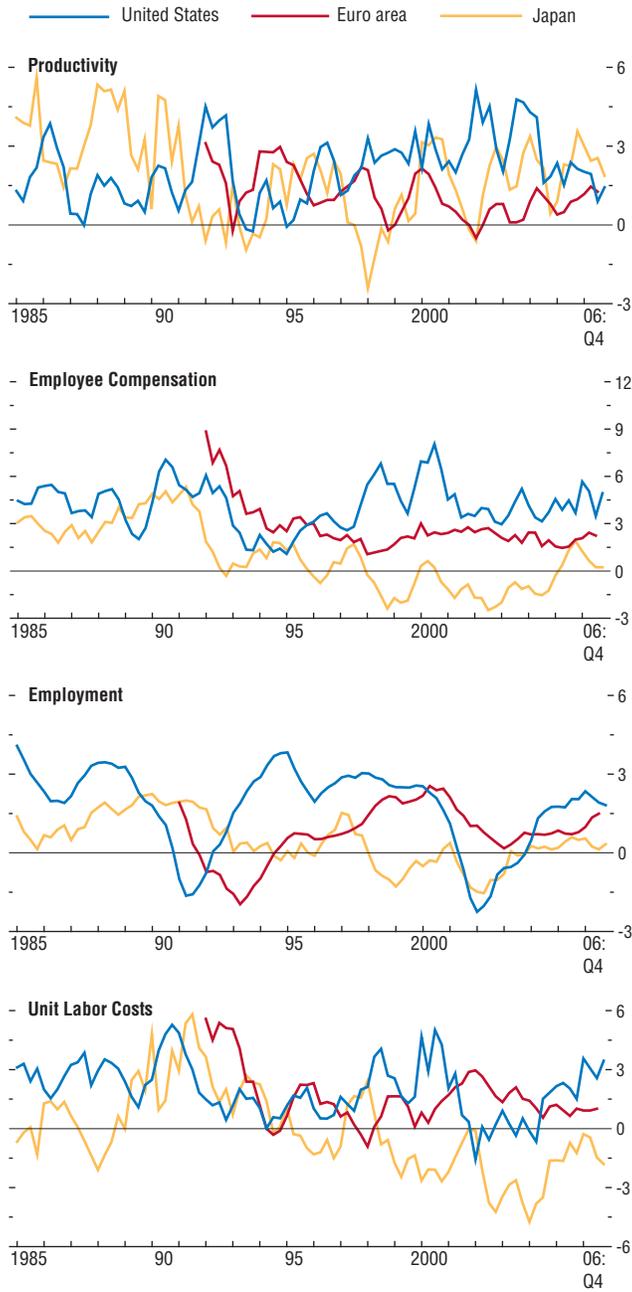


Figure 1.11. Productivity and Labor Cost Developments in Selected Advanced Economies¹

(Percent change from four quarters earlier)

Slowing productivity and rising compensation have put upward pressure on unit labor costs in the United States. However, unit labor cost increases have moderated in Europe—as productivity performance has strengthened—and continue to fall in Japan.



Sources: Haver Analytics; OECD, *Economic Outlook*; and IMF staff calculations.

¹Estimates are for the nonfarm business sector for the United States, and the whole economy for the euro area and Japan.