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Productivity Liaison Group

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Preliminary Layout

- 1. Sources of Economic Growth
- 2. Labour Productivity
- 3. Unit Labour Costs
- 4. QALI
- 5. KLEMS
- 6. Capital Services



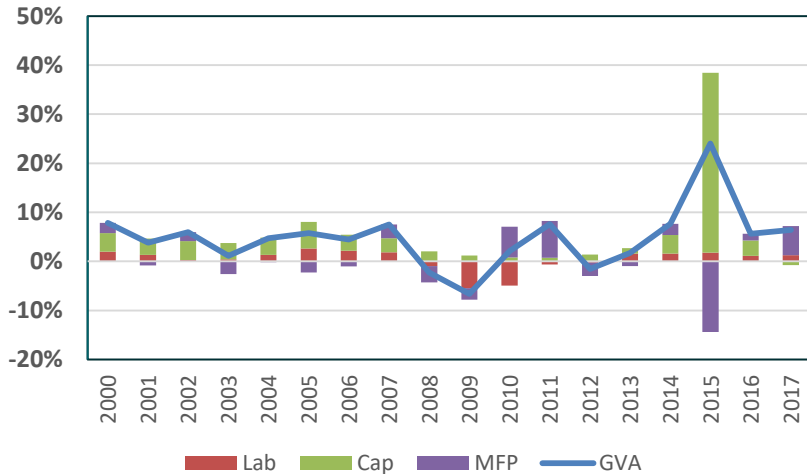
Value Added versus KLEMS

- Value Added versus EUKLEMS Approach
- Role of Intermediate Inputs
- To date: Value Added Approach
- Going Forward: EU KLEMS Approach

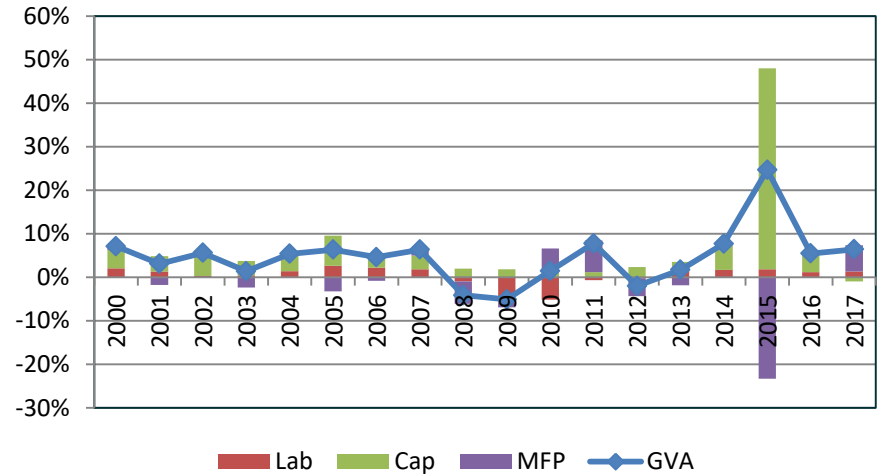


Value Added Comparison

Value Added: Total Economy: All Included



Value Added: Total Economy: Excluding Dwellings and Imputed rent



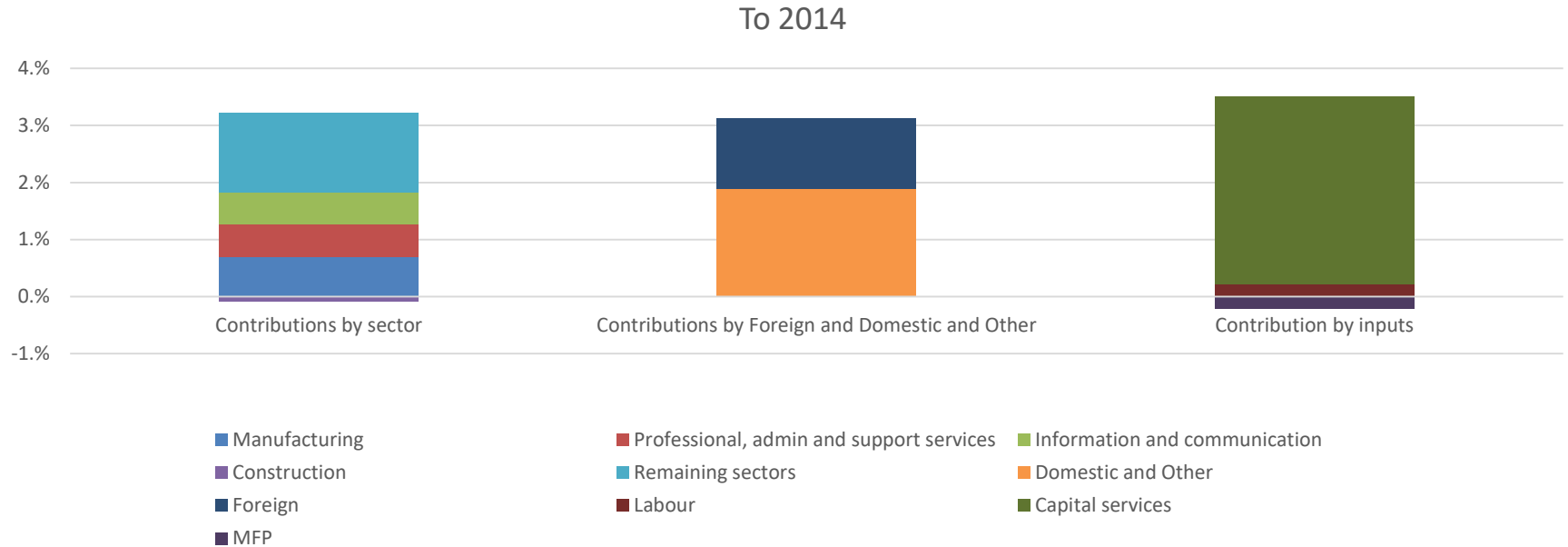


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Sources of Economic Growth

Sources of Economic Growth to 2014



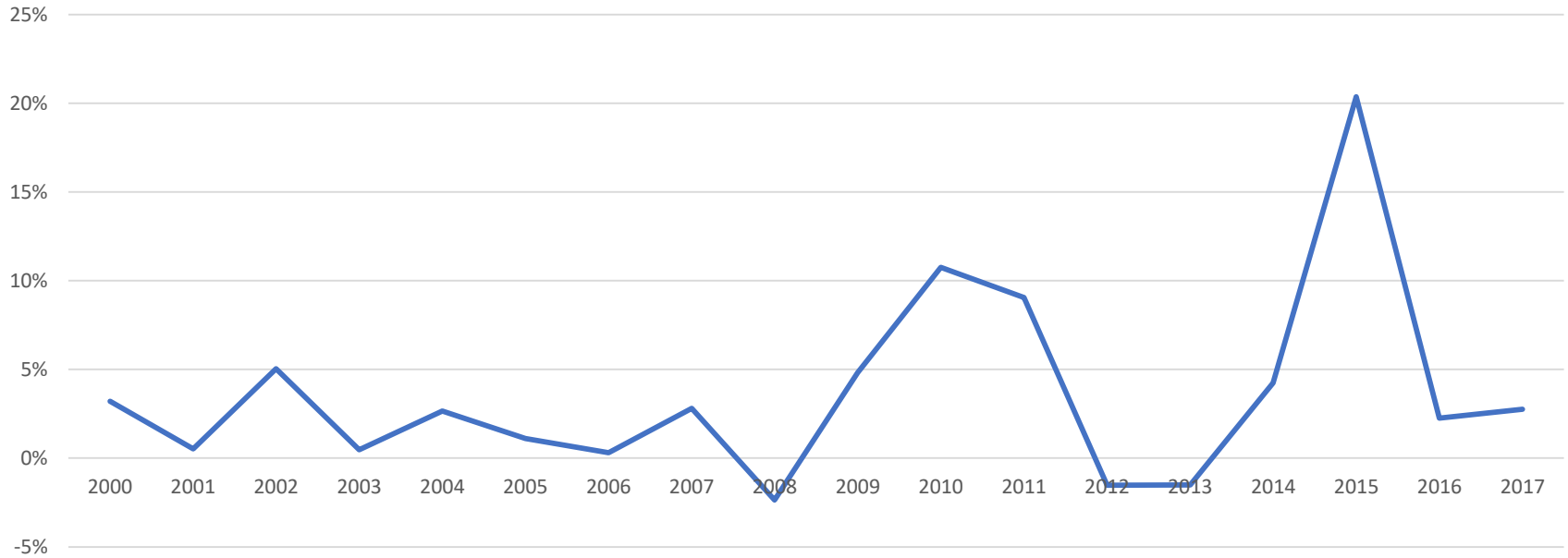


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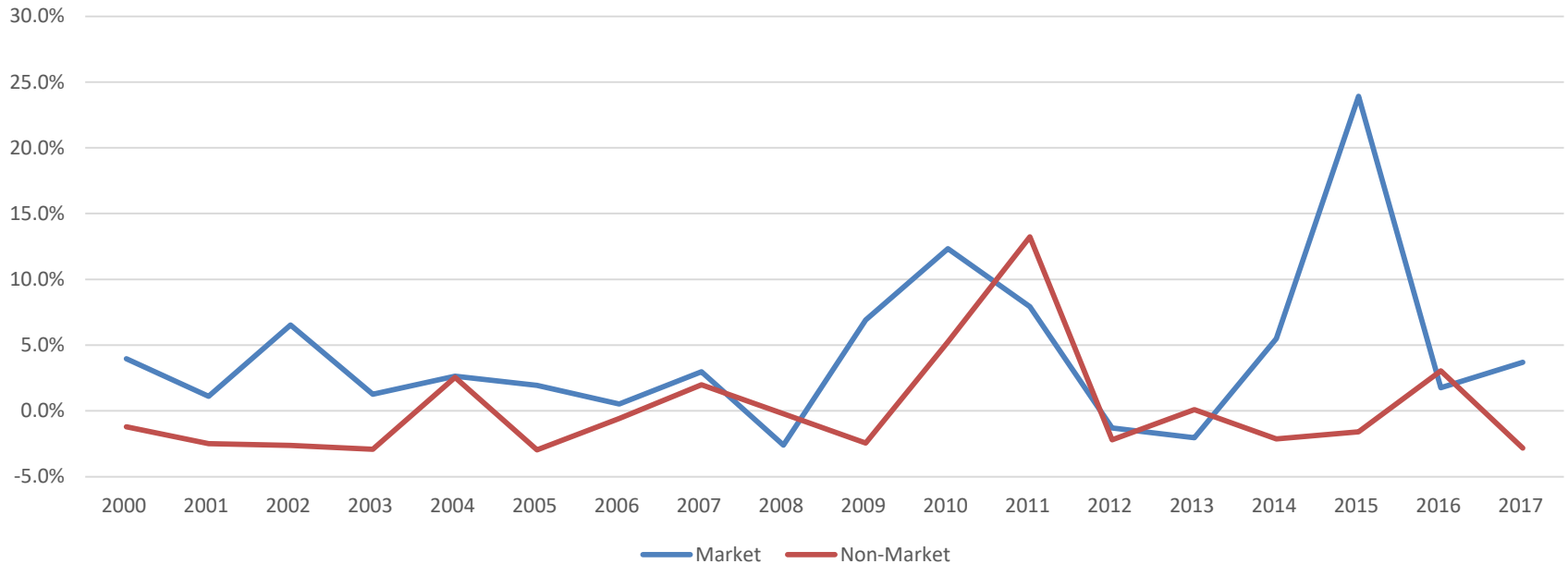
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Labour Productivity

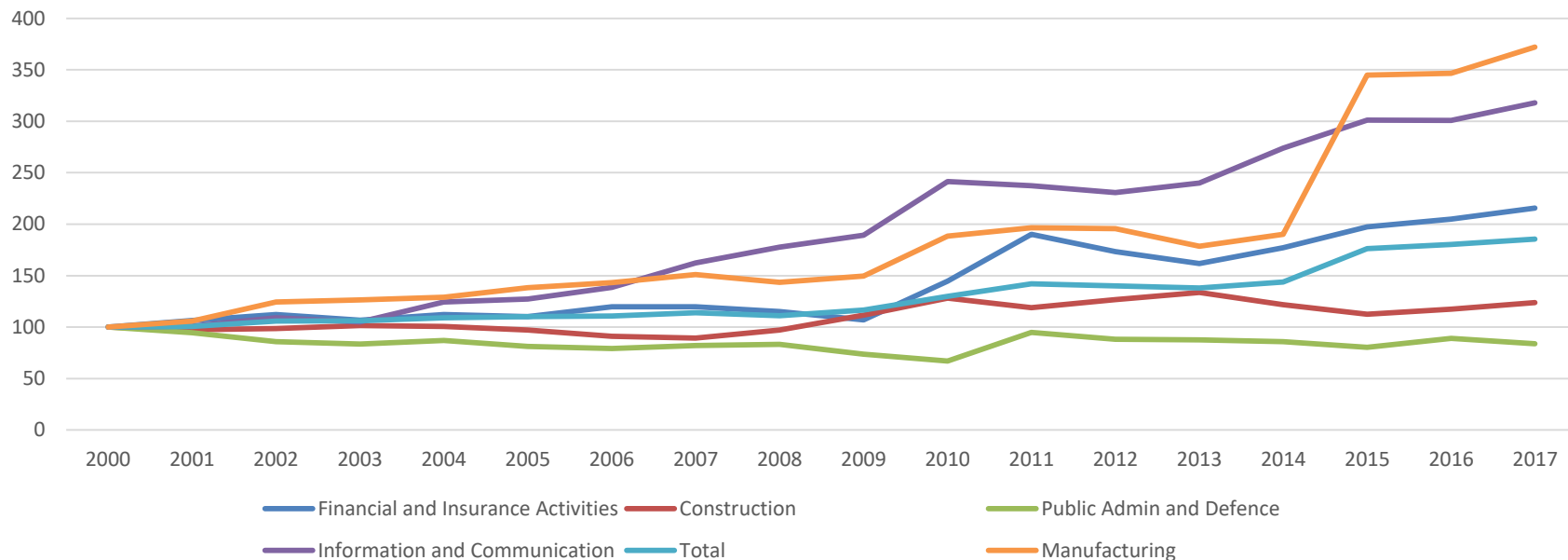
Labour Productivity



Market and non Market: Labour Productivity



Labour Productivity: Main Sectors



Sectors

- (1 to 3) Agriculture Forestry Fishing
- (5 to 9) Mining and Quarrying
- (10 to 33) Manufacturing
- (35) Electricity, Gas and Steam
- (36 to 39) Water Supply Sewerage Waste Management
- (41 to 43) Construction
- (45 to 47) Wholesale and Retail
- (49 to 53) Transport and Storage
- (55 to 56) Accommodation and Food Service Activities
- (58 to 63) Information and Communication

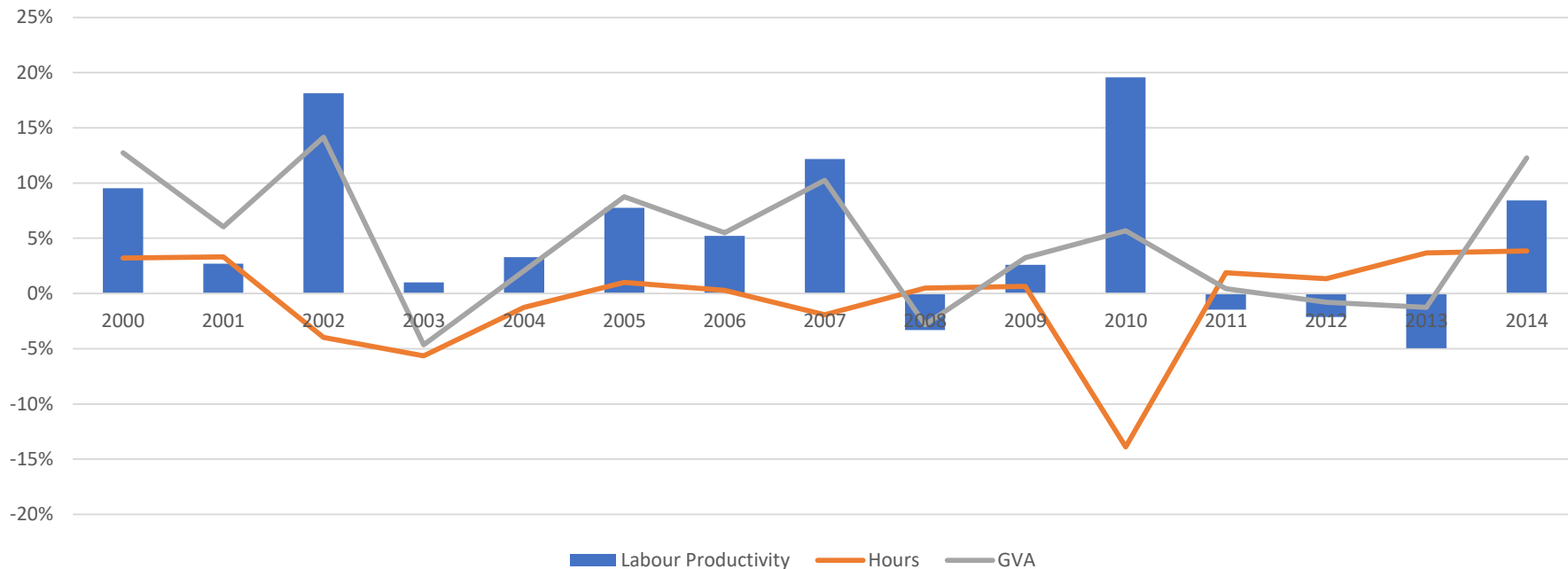
- (64 to 66) Financial and Insurance Activities
- (68) Real Estate
- (69 to 82) Professional Scientific, Admin and Support Services
- (84) Public Admin and Defence
- (85) Education
- (86 to 88) Human Health and Social Work
- (90 to 93) Arts Entertainment and recreation
- (94 to 96) Other Service activities
- (97 to 98) Activities of households as employers
- (99) Activities of extraterritorial organisations
- Total



Domestic and Other sector Labour Productivity: Hours and GVA



Foreign Sector Labour Productivity to 2014





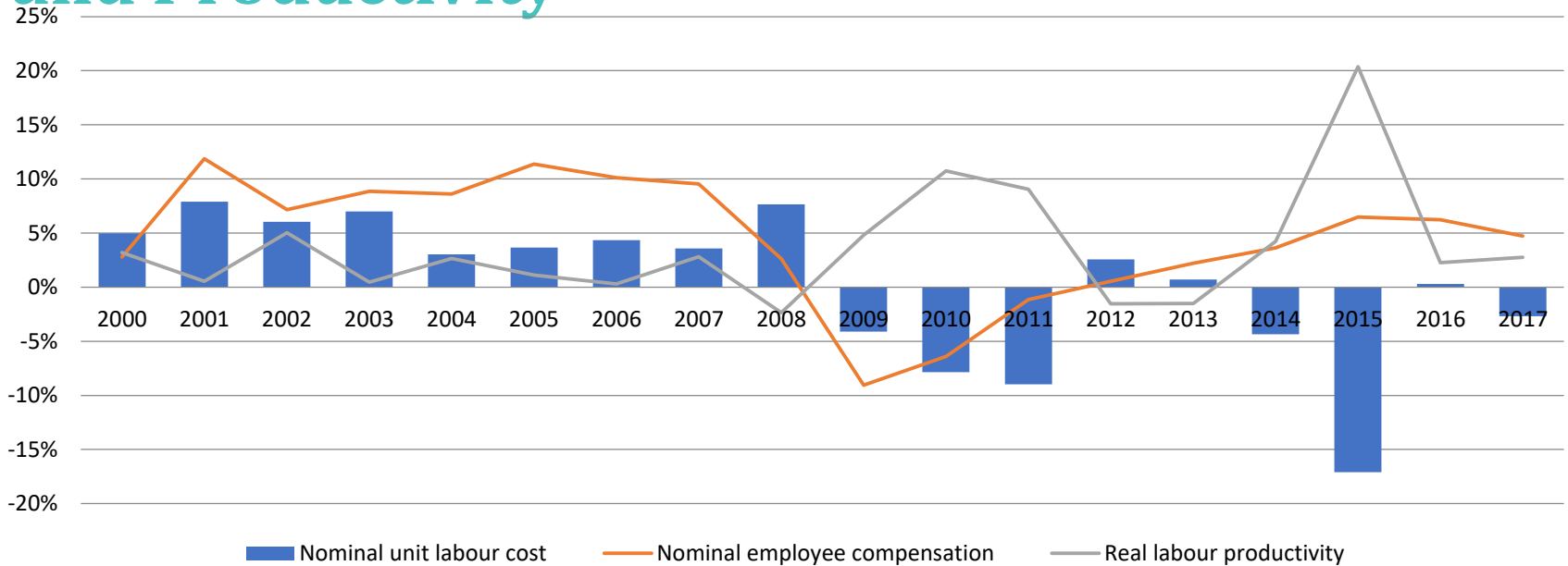
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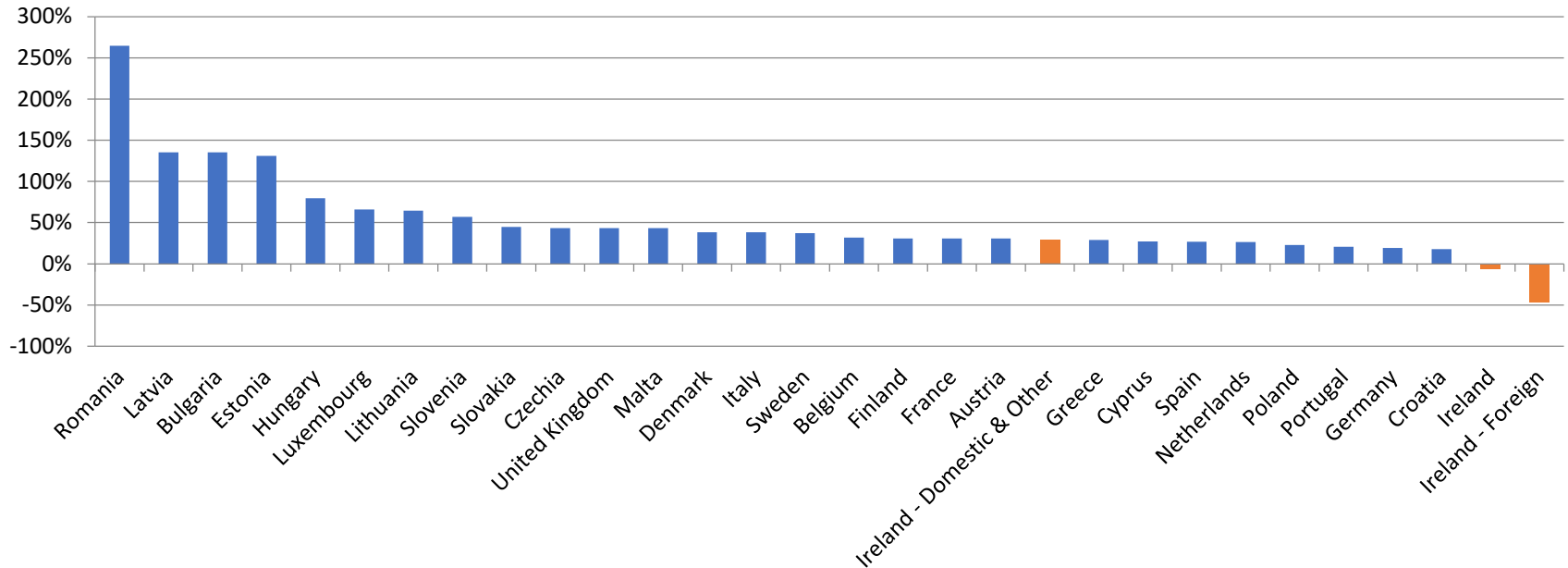
Competitiveness and Unit Labour Costs



Overall Nominal Unit Labour Costs: Labour Cost and Productivity



Nominal Unit Labour Cost: 2000-2017





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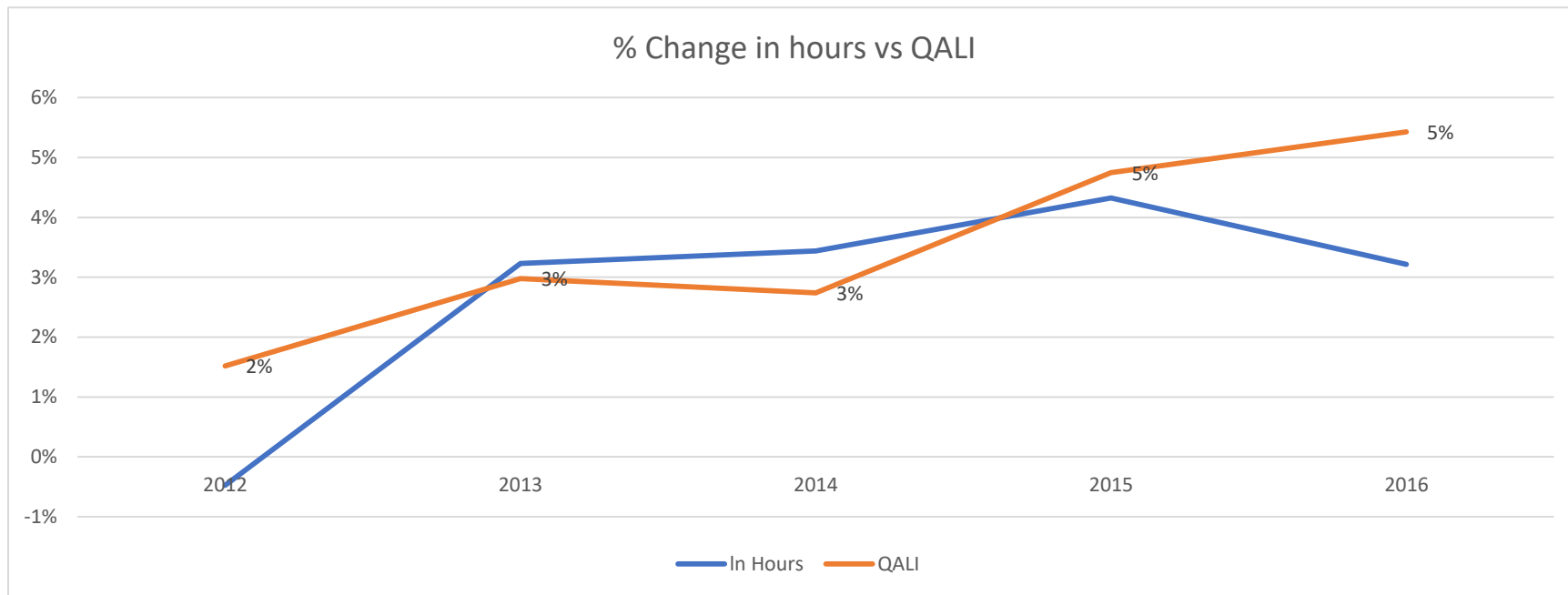
QALI

Reminder: What is QALI

- Quality-Adjusted Labour Input (QALI) is an input into measuring productivity that measures the growth of hours worked (labour input) taking into account the composition of the workforce.
- QALI captures the following:
 1. Variation in labour hours worked
 2. Variation in the composition (or “quality”) of the employed workforce.



QALI





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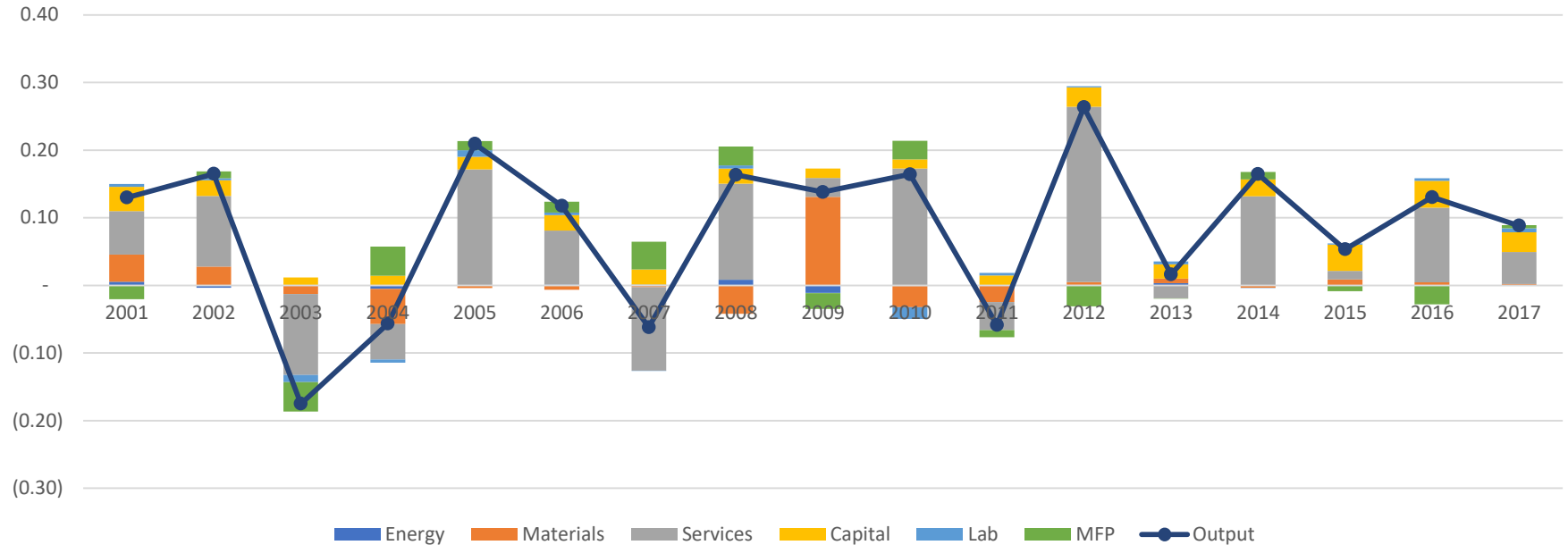
KLEMS Analysis

Overview: What is KLEMS?

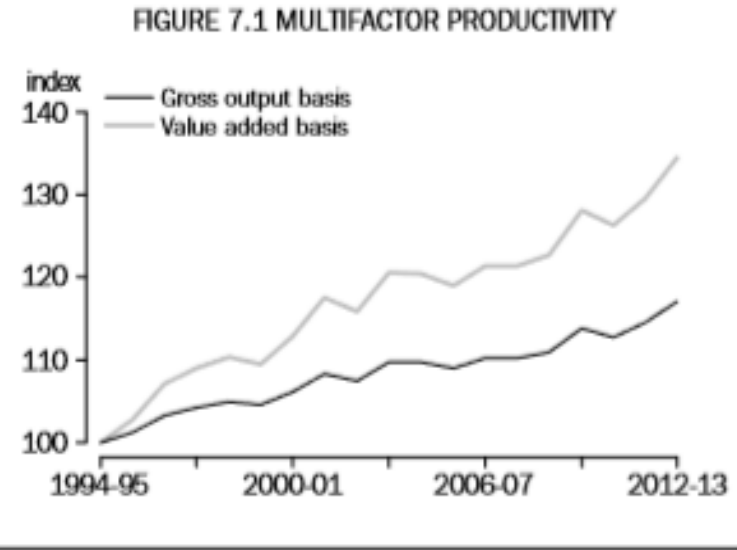
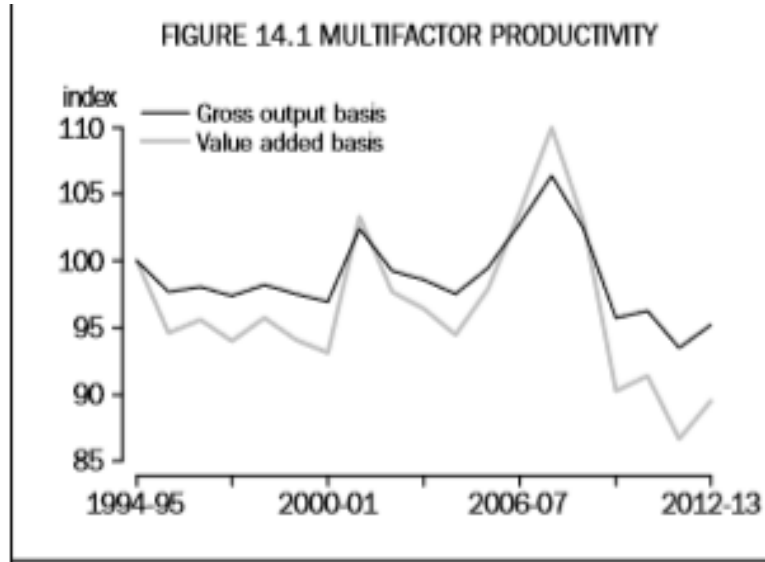
- EUKLEMS Main Equation
- $\text{Gross Output} = \text{Capital} + \text{Labour} + \text{Energy} + \text{Materials} + \text{Services} + \text{MFP}$
- $\text{Labour} = \text{Hours worked} + \text{QALI analysis}$
- $\text{MFP} = \text{Residual}$



KLEMS sectoral analysis: Information and Communication



2 Possible measures of MFP?





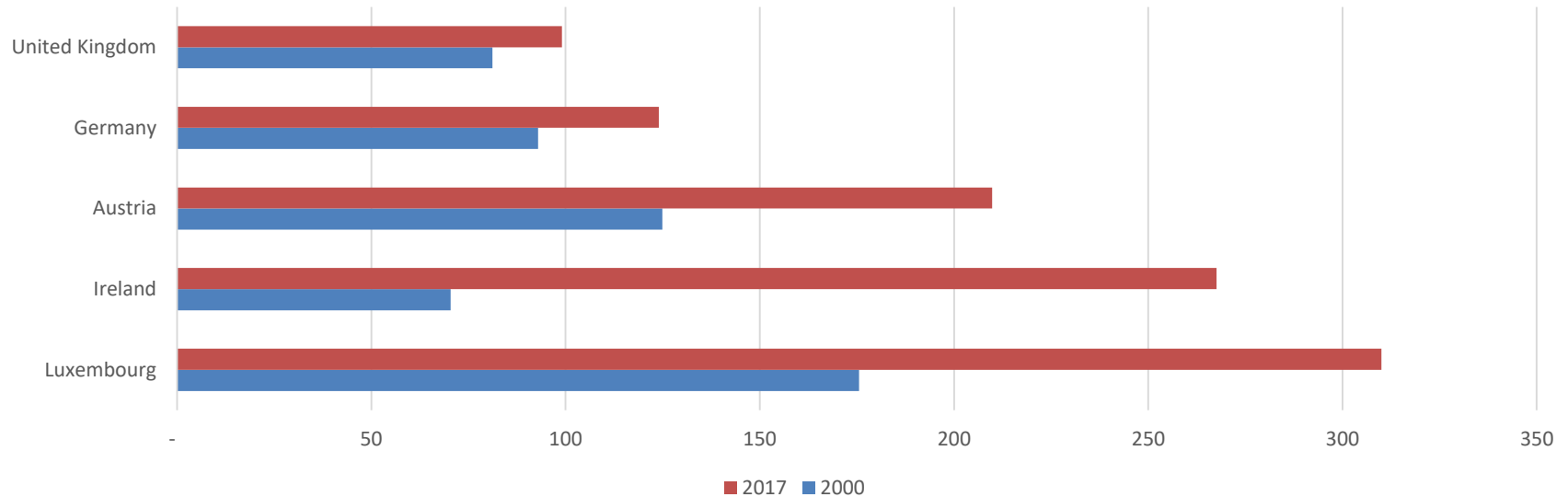
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Capital Stocks and Capital Services



Capital Stock per Employee: International Comparisons



Summary

- Removal Imputed Rent from GVA
- Removal Dwellings from Capital stocks
- 2 measures of MFP
- Introduction Market/Non Market sector
- Introduction of KLEMS: sectoral analysis
- QALI





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