

News Release

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Global Productivity Growth Remains Weak, Extending Slowing Trend

Rebound Likely in 2021, but Lasting Productivity Improvements Not Yet Visible in Macroeconomic Data

New York, April 21, 2021...Global productivity fell in 2020 but it will recover through 2021, according to the [latest release of annual productivity growth rates](#) for 131 countries by The Conference Board.

Globally, growth in output per worker fell 0.9 percent in 2020 after rising 1.0 percent in 2019, but is projected to rebound to 2.9 percent growth in 2021. These productivity improvements are unlikely to be sustained, however, as they are driven by the global economy reopening amid a waning pandemic. The latest estimates extend the downward trend in global labor productivity growth from an average annual rate of 2.6 percent between 2000-2007 to 1.7 percent between 2011-2019. The latter is roughly the same as the average growth rate of output per worker in 2019-2021.

“Recent years have seen the bottoming out of a decade-long trend of weak productivity growth,” said **Ataman Ozyildirim, Senior Director, Economic Research at The Conference Board**. “But while productivity growth is projected to rebound in 2021, these gains are likely to be transitory without further acceleration in digital transformation, accompanied by sustained investments in new business models, modern infrastructure, and human capital for the twenty-first century. Such investments could set the stage for a revival in productivity trends for the next decade, leading to a more balanced, sustainable, and innovative economic recovery that uses resources more efficiently and increases overall living standards. However, many hurdles to achieving this productivity revival remain. These include the risk of labor-market scarring, extended unemployment after the pandemic, legacy technologies and slow investment in digital transformation, an imbalanced recovery and increasing inequality.”

The **2021 Productivity Brief** is based on data from [The Conference Board Total Economy Database™](#), which are comprised of labor productivity measures, including output per worker or per worker-hour. Later this year, The Conference Board will also publish the Total Factor Productivity measure, which provides a more accurate picture of the overall efficiency by which capital, labor, and skills are combined in the production process.

Among the world’s mature economies, the long-term productivity slowdown appears to have hit bottom, with further deterioration unlikely but also no clear signs of a revival yet. Emerging markets still have a substantial productivity growth advantage over mature economies. However, overall productivity growth rates in emerging markets have been slowing since 2010, and this downward trajectory should continue in the post-pandemic period.

“In the wake of the pandemic recession, productivity growth rates in emerging markets and mature economies are converging,” said **The Conference Board economist Klaas de Vries**, “but thus far for the wrong reason. The former are running out of catch-up potential while the latter have been slow to reverse weakening productivity trends. However, a more positive convergence is possible in the years ahead. Mature economies with strong human capital bases and well-developed innovation systems—in particular, the US, Europe, and Japan—are proposing long-term investments with the potential to

substantially accelerate productivity. If executed successfully, they offer an opportunity to close the competitive edge that the largest emerging economies have seized in recent decades.”

Key Regional Highlights

- In the **United States**, growth in output per hour accelerated to 2.5 percent in 2020 compared to 1.3 percent in 2019—driven by the deep and sudden pandemic downturn early last year. Growth in hourly output slowed from +2.2 percent in 2000-07 to +0.7 percent in 2011-19.
 - Meanwhile, growth in total hours worked ticked up from +0.5 percent in 2000-07 to +1.5 percent in 2011-19, before falling –5.8 percent in 2020 amid COVID-19 shutdowns. Total hours worked is projected to increase 4.7 percent in 2021. Still, US labor productivity growth is ahead of that in most other mature economies.
- In the **Euro Area**, 2020 was an exceptionally weak year for productivity growth, driven by the pandemic recession. Hourly output grew by +0.8 percent in 2020, above 2019’s +0.4 percent but **comparable** to the 2011-2019 average of +0.7 percent.
 - Among large European economies, productivity in 2020 climbed modestly in **France**, fell slightly in **Germany**, and dropped by a substantial –0.6 percent in **Spain**.
 - The stagnation in productivity growth in Germany in the last three years was likely due in part to weakening trade growth with China as well as COVID-19.
- Output per hour in the **United Kingdom** has remained stagnant over the past three years, at +0.4 percent in 2018, unchanged in 2019, and +0.4 percent in 2020.
 - Among mature economies, the UK saw the sharpest decline in productivity growth rates between 2000-2007 (+2.1 percent) and 2011-2019 (+0.3 percent).
 - While strong employment performance in part offset the UK’s productivity growth weakness, the growth rate of hours worked has rapidly declined recently, but it is forecast to increase by 4.8 percent in 2021.
- Among the eight largest emerging markets (**Brazil, China, India, Indonesia, Mexico, Russia, South Africa and Turkey**), growth in output per worker slowed from +5.2 percent between 2000-2007 to +3.5 percent between 2011-2019.
 - **China’s** growth in output per worker dropped from +8.1 percent in 2000-2007 to +4.2 percent in 2011-2019, according to The Conference Board’s alternative estimates of Chinese GDP. Even so, China’s productivity growth rates are still upwards of four times larger than those across the mature economies.
 - **India** continues to lead the largest emerging economies with output per worker averaging +6.1 percent growth between 2011-2019. However, output per worker remains just 14 percent of US levels.
 - Average productivity growth in **Latin America** remained negative for two consecutive years in 2018 and 2019, showing that the region continues to struggle with the legacy of decades of weak growth in output per worker. Output per worker is projected to increase by only 0.1 percent in 2021 after rising by 1.8 percent in 2020.

For complete analysis, charts, and data tables, visit The Conference Board **Total Economy Database™**, Productivity results (April 2021 update):

<https://www.conference-board.org/data/economydatabase>

For more information on The Conference Board Global Economic Outlook:
<https://www.conference-board.org/data/globaloutlook/>

For related information on international comparisons of manufacturing sector productivity:
<https://www.conference-board.org/ilcprogram/productivityandulc>

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TABLE 1: Growth of GDP, Total Hours Worked, and GDP per Hour Worked by Major Region, 2019-2021

Percent change

	2019			2020			2021 (Forecast)		
	GDP	Total Hours Worked	GDP per Hour Worked	GDP	Total Hours Worked	GDP per Hour Worked	GDP	Total Hours Worked	GDP per Hour Worked
United States	2.2	0.8	1.3	-3.5	-5.8	2.5	6.0	4.7	1.2
Europe	1.6	0.8	0.8	-6.7	-6.9	0.2	4.4	3.4	1.0
<i>Euro Area</i>	1.3	0.9	0.4	-7.1	-7.8	0.8	4.3	4.6	-0.3
<i>United Kingdom</i>	1.4	1.4	0.0	-9.9	-10.3	0.4	5.6	4.8	0.7
Japan	0.3	-1.2	1.5	-4.8	-3.5	-1.3	2.8	3.4	-0.6
Other Mature Economies	2.0	0.7	1.3	-2.3	-4.7	2.6	5.1	4.8	0.3
All Mature Economies	1.7	0.5	1.2	-4.8	-5.8	1.1	4.9	4.0	0.9
China	3.7	-0.6	4.3	1.4	-3.0	4.5	4.7	2.9	1.7
India	4.8	1.4	3.4	-7.7	-12.6	5.6	11.3	12.4	-0.9
Other Developing Asian Economies	4.5	1.4	3.1	-2.3	-8.0	6.2	5.0	6.9	-1.7
Latin America	-0.3	0.8	-1.0	-7.2	-16.0	10.5	4.1	12.8	-7.6
<i>Brazil</i>	1.4	2.3	-0.8	-4.1	-14.5	12.2	3.1	12.1	-8.1
<i>Mexico</i>	0.0	0.1	-0.2	-8.5	-13.6	5.9	3.7	9.9	-5.6
Middle East & North Africa	0.6	1.8	-1.2	-4.6	-7.1	2.7	3.1	7.2	-3.8
Sub-Saharan Africa	3.1	3.4	-0.3	-2.2	-4.8	2.8	4.2	7.3	-2.9
<i>South Africa</i>	0.2	0.4	-0.3	-7.0	-13.0	6.9	4.3	7.3	-2.9
Russia, Central Asia and SE Europe	2.2	-0.4	2.6	-1.6	-9.6	8.9	4.5	6.3	-1.7
<i>Russian Federation</i>	2.0	-0.7	2.8	-3.0	-9.7	7.4	4.5	3.8	0.7
<i>Turkey</i>	0.9	-3.9	5.1	1.8	-15.2	20.0	5.1	16.2	-9.6
All Emerging & Developing Economies	2.8	0.9	1.8	-2.9	-7.7	5.3	5.3	7.1	-1.7
World Total	2.3	0.9	1.4	-3.8	-7.5	4.0	5.1	6.7	-1.5
Addenda:									
United States (Adjusted)	2.4	0.8	1.5	-3.3	-5.8	2.7	6.2	4.7	1.4
China (Official)	6.0	-0.6	6.6	2.3	-3.0	5.5	8.0	2.9	5.0
EU-14	1.2	0.8	0.4	-6.9	-7.6	0.7	4.2	4.6	-0.4
EU-13	3.9	0.2	3.6	-4.0	-3.1	-0.9	4.4	-0.7	5.1
EU-27	3.4	1.4	1.9	-12.9	-13.0	0.2	8.8	6.7	2.0
OECD	1.6	0.3	1.3	-4.8	-7.1	2.5	4.8	5.1	-0.3

Source: The Conference Board Total Economy Database™ (Adjusted version) April 2021.

Notes: Total Hours Worked growth and GDP per Hour Worked growth may not add up to GDP growth because of rounding and because percent changes data are not additive; Regional GDP growth rates are aggregated using shares in nominal PPP converted GDP; Regional hours worked growth is weighted using hours worked shares; Regional productivity growth rates are derived as a result; For more information on The Conference Board data on China, please refer to the notes in the introduction to these summary table; United States (Adjusted) refers to our alternative GDP series for the US which are revised upward as they are based on alternative price deflators for ICT investment goods and services.

Europe includes all current 27 members of the European Union as well as Iceland, Norway and Switzerland and the United Kingdom.

Other Mature Economies are Australia, Canada, Israel, Hong Kong, South Korea, New Zealand, Singapore, and Taiwan.

Other Developing Asian Economies are Bangladesh, Cambodia, Indonesia, Malaysia, Myanmar, Pakistan, Philippines, Sri Lanka, Thailand and *Central Asian* countries are Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, Uzbekistan.

Southeast Europe includes Albania, Belarus, Bosnia and Herzegovina, Macedonia, Moldova, Montenegro, Serbia and Ukraine.

EU-14 represents: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, and Sweden.

EU-13 represents the countries that joined the European Union in 2004 or later, namely: Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovak Republic and Slovenia.

TABLE 2: Growth of GDP per Hour Worked, Total Hours Worked and Real GDP for Major Mature Economies, 2000-2
Annual average percent change

	All Mature Economies	United States	Japan	Germany	United Kingdom	France	EU-14	EU-13	EU-27
<i>Growth of GDP per Hour Worked</i>									
2000-2007	2.1	2.2	1.5	1.5	2.1	1.5	1.2	5.1	1.9
2011-2019	1.0	0.7	1.0	0.9	0.3	0.9	0.7	2.8	1.0
2018	1.1	1.1	0.0	0.1	0.4	0.4	0.1	4.2	0.8
2019	1.2	1.3	1.5	0.0	0.0	0.6	0.4	3.6	0.9
2020	1.1	2.5	-1.3	-0.2	0.4	0.1	0.7	-0.9	0.1
2021 (Forecast)	0.9	1.2	-0.6	1.5	0.7	-1.6	-0.4	5.1	1.0
<i>Growth of Total Hours Worked</i>									
2000-2007	0.6	0.5	-0.1	0.0	0.7	0.6	1.0	-0.2	0.7
2011-2019	0.9	1.5	0.0	0.8	1.5	0.4	0.5	0.4	0.5
2018	1.3	1.9	0.5	1.2	0.8	1.4	1.7	0.3	1.3
2019	0.5	0.8	-1.2	0.6	1.4	0.9	0.8	0.2	0.7
2020	-5.8	-5.8	-3.5	-4.7	-10.3	-8.2	-7.6	-3.1	-6.7
2021 (Forecast)	4.0	4.7	3.4	1.7	4.8	7.2	4.6	-0.7	3.3
<i>Growth of Real GDP</i>									
2000-2007	2.7	2.7	1.4	1.5	2.8	2.1	2.2	4.8	2.5
2011-2019	1.9	2.3	0.9	1.7	1.8	1.3	1.2	3.2	1.5
2018	2.4	3.0	0.6	1.3	1.3	1.8	1.7	4.5	2.1
2019	1.7	2.2	0.3	0.6	1.4	1.5	1.2	3.9	1.7
2020	-4.8	-3.5	-4.8	-4.9	-9.9	-8.1	-6.9	-4.0	-6.7
2021 (Forecast)	4.9	6.0	2.8	3.2	5.6	5.5	4.2	4.4	4.3

Source: The Conference Board Total Economy Database™ (Adjusted version) April 2021.

Notes: Total hours worked growth and GDP per hour worked growth may not add up to GDP growth because of rounding and because percent changes data are not additive; Growth rates are based on the annual percentage of difference of each variable; Regional GDP growth rates are aggregated using shares in nominal PPP converted GDP; Regional hours growth is weighted using total hours shares; Regional productivity growth rates are derived as a result; Growth rates for 2000-2007 and 2011-2019 are the averages of yearly growth rates; All mature economies include the countries and groups listed in this table as well as Australia, Canada, Israel, Hong Kong, South Korea, New Zealand, Norway, Singapore, Switzerland and Taiwan.

EU-14 represents: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and the United Kingdom.

EU-13 represents the countries that joined the European Union in 2004 or later, namely: Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovak Republic and Slovenia.

TABLE 3: Growth of Productivity, Employment and Hours worked for Major Emerging Economies, 2000-2021

Annual average percent change

	Major Emerging Economies	Brazil	Russian Federation	India	China (Alternative)	China (Official)	South Africa	Mexico	Indonesia	Turkey
<i>Growth of GDP per Person Employed</i>										
2000-2007	5.2	0.8	5.6	5.3	8.1	9.7	2.9	0.5	3.7	4.9
2011-2019	3.5	0.0	1.4	6.1	4.2	7.1	-0.4	0.4	3.9	2.6
2018	2.3	0.4	2.5	6.6	0.9	6.8	-0.6	-0.5	4.0	0.7
2019	2.5	-0.6	2.9	3.2	3.8	6.2	0.4	-2.4	3.2	3.3
2020	0.4	4.1	-1.1	-1.3	1.7	2.6	1.0	-1.7	-2.4	6.9
2021 (Forecast)	3.9	-0.9	5.1	6.0	4.5	7.9	2.8	1.6	3.4	1.5
<i>Growth of GDP per Hour Worked</i>										
2000-2007	5.0	1.2	5.7	5.2	7.6	9.3	2.7	1.0	3.0	5.0
2011-2019	3.7	0.4	1.8	6.0	4.2	7.1	-0.2	0.8	4.5	3.7
2018	2.5	0.9	3.0	6.5	0.3	6.2	-0.3	0.7	6.1	2.6
2019	2.9	-0.8	2.8	3.4	4.3	6.6	-0.3	-0.2	3.4	5.1
2020	5.5	12.2	7.4	5.6	4.5	5.5	6.9	5.9	3.6	20.0
2021 (Forecast)	-0.5	-8.1	0.7	-0.9	1.7	5.0	-2.9	-5.6	0.8	-9.6
<i>Growth of Persons Employed</i>										
2000-2007	1.2	2.7	1.5	1.7	0.7	0.7	1.4	1.9	1.4	0.5
2011-2019	0.6	0.8	0.3	0.7	0.2	0.2	1.9	2.0	1.3	2.9
2018	0.5	1.4	0.3	0.7	-0.1	-0.1	1.4	2.6	1.1	2.2
2019	0.7	2.0	-0.8	1.5	-0.1	-0.1	-0.3	2.4	1.8	-2.3
2020	-2.7	-7.9	-1.9	-6.5	-0.3	-0.3	-7.9	-6.9	0.3	-4.8
2021 (Forecast)	1.9	4.0	-0.5	5.0	0.1	0.1	1.4	2.0	1.3	3.6
<i>Growth of Total Hours Worked</i>										
2000-2007	1.5	2.4	1.4	1.8	1.1	1.1	1.8	1.3	2.1	0.4
2011-2019	0.5	0.3	-0.1	0.8	0.2	0.2	1.8	1.6	0.8	1.8
2018	0.4	0.9	-0.2	0.8	0.5	0.5	1.1	1.5	-0.8	0.4
2019	0.4	2.3	-0.7	1.4	-0.6	-0.6	0.4	0.1	1.6	-3.9
2020	-7.4	-14.5	-9.7	-12.6	-3.0	-3.0	-13.0	-13.6	-5.5	-15.2
2021 (Forecast)	6.3	12.1	3.8	12.4	2.9	2.9	7.3	9.9	3.9	16.2
<i>Growth of Real GDP</i>										
2000-2007	6.5	3.6	7.2	7.1	8.8	10.5	4.3	2.3	5.1	5.4
2011-2019	4.2	0.8	1.7	6.8	4.4	7.3	1.5	2.4	5.3	5.5
2018	2.9	1.8	2.8	7.3	0.8	6.7	0.8	2.2	5.2	3.0
2019	3.2	1.4	2.0	4.8	3.7	6.0	0.2	0.0	5.0	0.9
2020	-2.3	-4.1	-3.0	-7.7	1.4	2.3	-7.0	-8.5	-2.1	1.8
2021 (Forecast)	5.8	3.1	4.5	11.3	4.7	8.0	4.3	3.7	4.8	5.1

Source: The Conference Board Total Economy Database™ (Adjusted version) April 2021.

Notes: Employment / Total Hours Worked growth and labor productivity growth may not add up to GDP growth because of rounding and because percent changes data are not additive; The Major Emerging Markets aggregate is based on the individual countries shown in the table, excluding China (Official). For more information on The Conference Board data on China, please refer to the notes in the introduction to these summary tables; Growth rates are based on the annual percentage of difference of each variable; Regional GDP growth rates are aggregated using shares in nominal PPP converted GDP; Regional employment growth is weighted using employment shares; Regional productivity growth rates are derived as a result; Growth rates for 2000-2007 and 2011-2019 are the averages of yearly growth rates.