

## Growth in GDP per capita

Gross Domestic Product (GDP) per capita measures economic activity or income per person and is one of the core indicators of economic performance. Growth in GDP per capita can result from changes in labour productivity (GDP per hour worked) and labour utilisation (hours worked per capita). A slowing or declining rate of labour utilisation combined with high labour productivity growth can be indicative of a greater use of capital and/or of structural shifts to higher-productivity activities.

### Key facts

Differences in GDP per capita growth across countries can be mainly attributed to differences in labour productivity growth, as labour utilisation has increased only marginally over the last 15 years. The picture has been more varied since the outset of the global crisis. In some countries, declines in GDP per capita resulted not only from slower labour productivity growth but also from substantial falls in labour utilisation rates, the latter reflecting declines in employment and average hours worked.

### Definitions

Growth in GDP per capita is calculated using GDP and population series published in the *OECD National Accounts Statistics* (database). Labour productivity is measured as GDP per hour worked and labour utilisation as hours worked per capita. Total hours worked are primarily sourced from the *OECD National Accounts Statistics* (database). For some countries, however, longer time series and/or more recent estimates need to be derived from the *OECD Employment and Labour Market Statistics* (database), the *OECD Economic Outlook: Statistics and Projections* (database) and national statistical offices (Annex B).

Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

### Comparability

Most countries derive annual estimates of real GDP using annually chain-linked volume indices. However, China, India, Indonesia, Mexico and South Africa currently produce fixed-base volume estimates with the base year updated less periodically. The System of National Accounts 2008 (2008 SNA) recommends the production of estimates on the basis of annual chain volume series. These produce better estimates of growth as the weights used for the contribution of different goods and services are more relevant to the period in question.

### Sources and further reading

*OECD Economic Outlook: Statistics and Projections* (database), <http://dx.doi.org/10.1787/bd810434-en>.

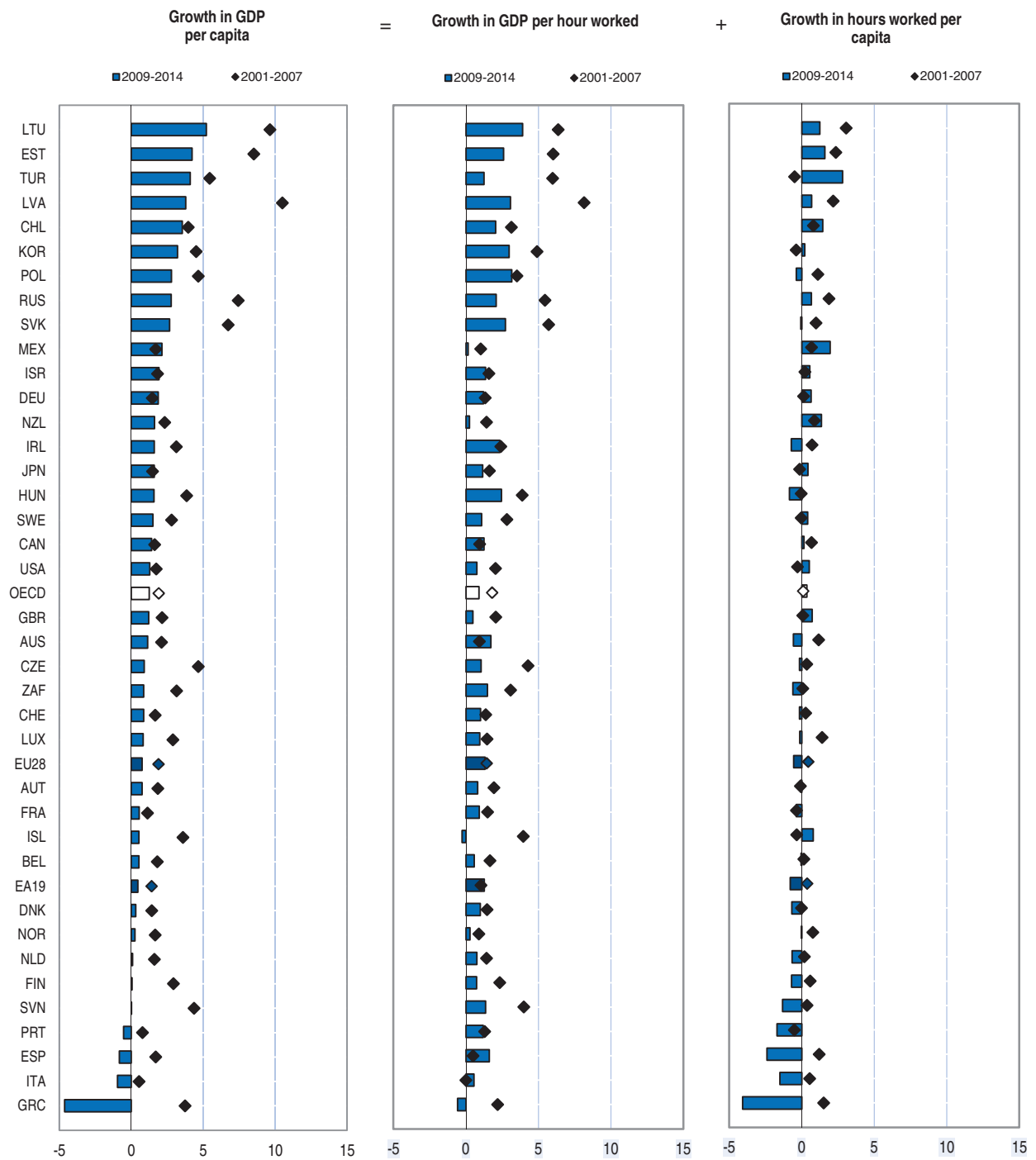
*OECD Employment and Labour Market Statistics* (database), <http://dx.doi.org/10.1787/lfs-data-en>.

*OECD National Accounts Statistics* (database), <http://dx.doi.org/10.1787/na-data-en>.

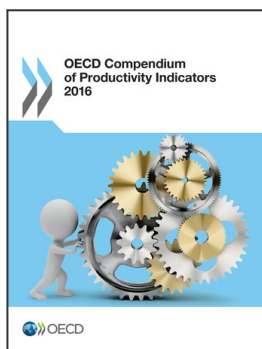
*OECD Productivity Statistics* (database), <http://dx.doi.org/10.1787/pdtvy-data-en>.

OECD (2001), *Measuring Productivity – OECD Manual*, <http://dx.doi.org/10.1787/9789264194519-en>.

Figure 2.4. **Contributions to growth in GDP per capita**  
 Total economy, percentage change at annual rate



StatLink <http://dx.doi.org/10.1787/888933346369>



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