Waiting for Draghi – Defining Europe’s productivity problem
EU and US Productivity

FIGURE 1: EU AND US GDP PER HOUR WORKED (2022 INTERNATIONAL DOLLARS, PPP)

Source: The Conference Board, Total Economy Database. Note: EA-19 countries include: Belgium, Germany, Ireland, Spain, France, Italy, Luxembourg, the Netherlands, Austria, Portugal, Finland, Greece, Slovenia, Cyprus, Malta, Slovakia, Estonia, Latvia and Lithuania.
EU and US Productivity Growth Decomposition

Source: Authors’ calculations based on EU KLEMS - INTANProd. Data pertains to the aggregate market economy, excluding sectors such as public administration, education, and healthcare services.
EU and US Total Factor Productivity Growth

**FIGURE 3: TOTAL FACTOR PRODUCTIVITY (TFP) GROWTH (PERCENT, 5-YEAR MOVING AVERAGE)**

Source: The Conference Board.
EU GDP per Hour Worked Relative to the US

Figure 1
EU GDP per Hour Worked Relative to the US

a) Southern Europe

b) Western Europe

c) Eastern Europe

d) Northern Europe

Note: Constant 2017 dollars PPP, US = 100. Ireland and Luxembourg were omitted from Western Europe figure for clarity reasons.
Source: OECD; World Bank; Authors’ calculations.

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Conclusions

- EU productivity has increased over time but less than countries of similar size and economic development like the US.
- EU productivity performance has been slowed down by low growth in Total Factor Productivity.
- Some EU countries have managed to achieve higher rates of productivity growth.