There is a sizable overlap between labor productivity growth among the service and the manufacturing subsectors, with some service industries exhibiting productivity growth rates as high as the top-performing manufacturing industries.

Sources: Groningen Growth and Development Centre database; World KLEMS database; and IMF staff calculations.

Note: The figure shows the distribution of average labor productivity growth per decade in individual manufacturing and service industries (expressed as deviations from the average labor productivity growth across sectors in each country and decade). Panel 1 is based on data for aggregate manufacturing and 5 service industries in 19 advanced economies and 43 emerging market and developing economies. Panel 2 is based on data for 13 manufacturing and 13 service industries in 19 advanced economies and 12 emerging market and developing economies. Panel 3 is based on data for 20 manufacturing and 39 service industries in the United States (Jorgenson, Ho, and Samuels 2012). See Annex 3.3 for details.