The productivity gap vis-à-vis the United States in 2005 was larger for goods-producing sectors than for the service sector. Resource shifts from goods-producing sectors to the service sector need not harm convergence prospects.

Sources: Inklaar and Timmer (2014); and IMF staff calculations.

Note: Productivity gap is calculated as the log difference between sector-specific purchasing-power-parity-adjusted value added per worker in the United States and that in each country. The goods-producing sector includes agriculture, mining, manufacturing, utilities, and construction. The services sector includes the rest.