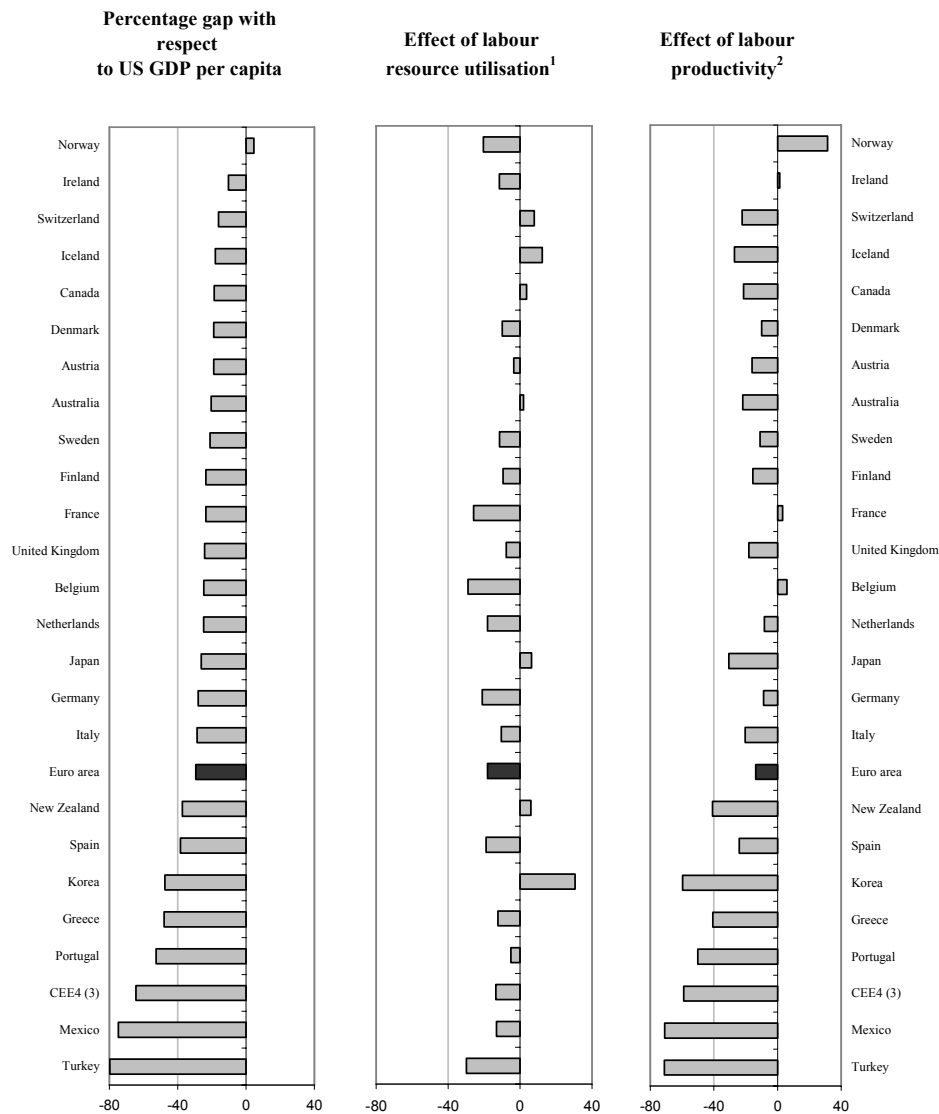


The gap stems from lower productivity and lower labour utilisation



1. Labour resource utilisation is measured as total number of hours worked divided by population.

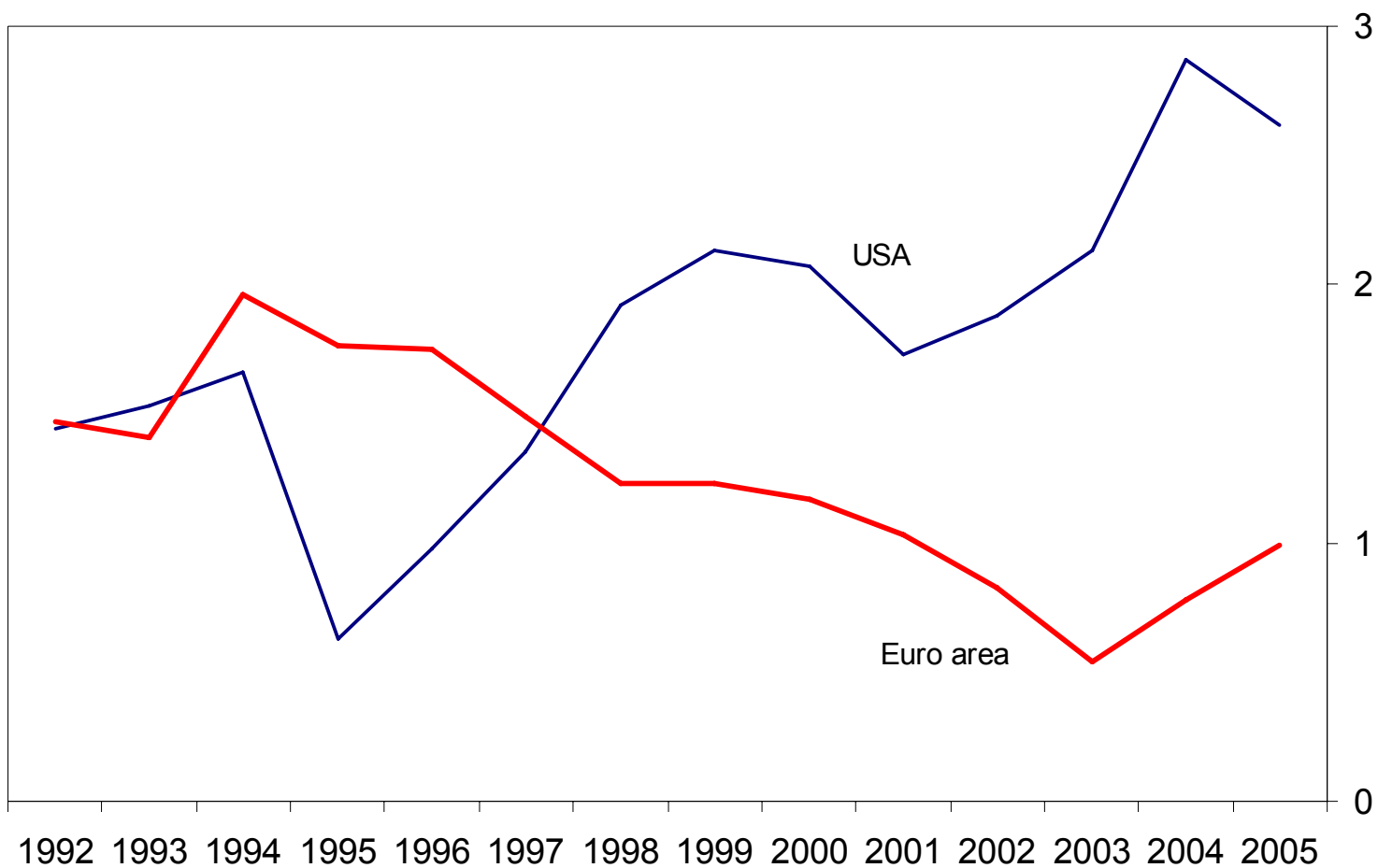
2. Labour productivity is measured as GDP per hour worked.

3. CEE4 refers to the Czech Republic, Hungary, Poland and the Slovak Republic.

Source: OECD, *Going for Growth 2006*.

Labour productivity growth

Smoothed - three year moving average

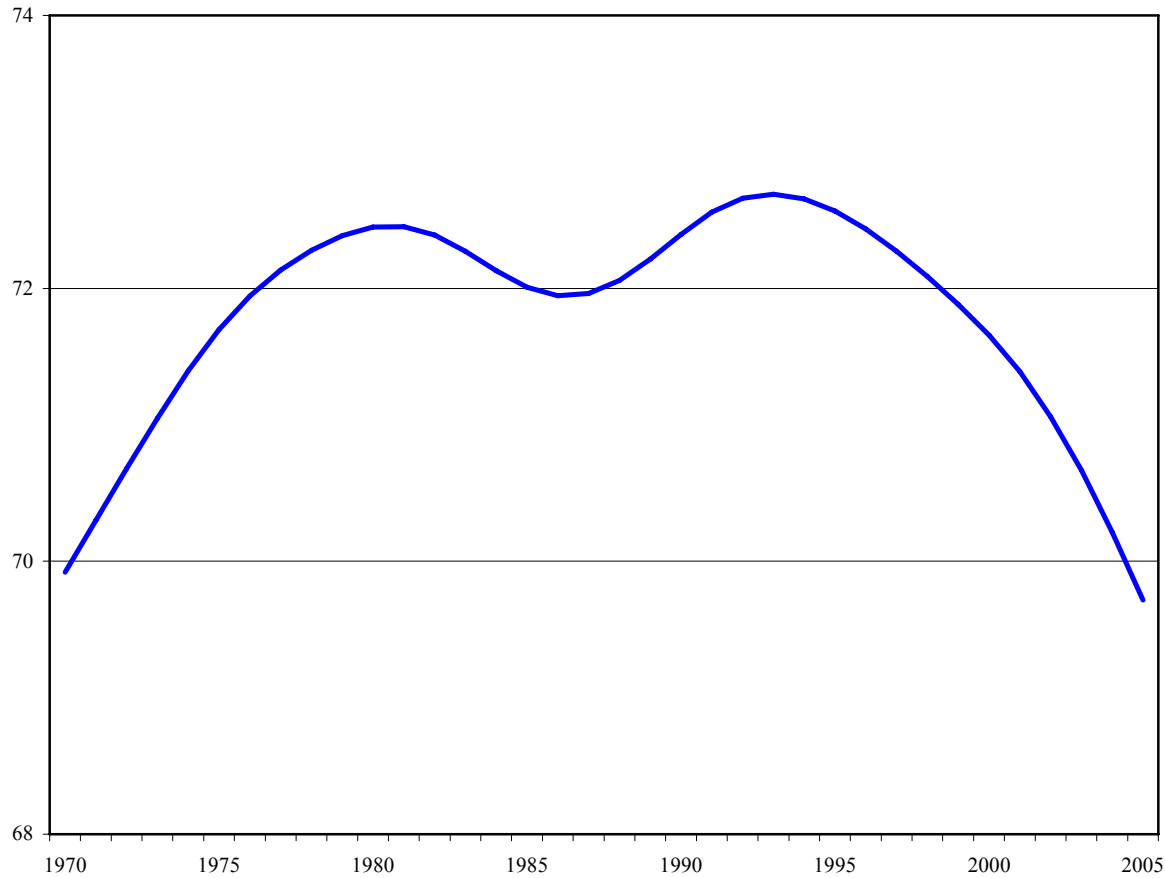


Losing ground *vis-à-vis* the US, ...

Euro area real per capita GDP relative to the United States

Trend indices, based on 2000 PPPs and 2000 prices ¹

Index US GDP per capita = 100



1. The trend is calculated using a Hodrick-Prescott filter (smoothing parameter set to 100) over a period which includes projections through 2012.

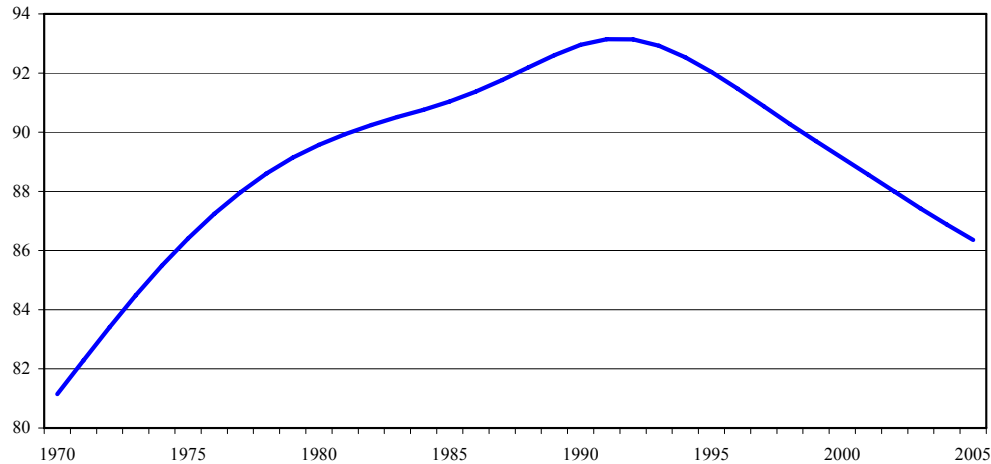
Source: OECD *Annual National Accounts*; OECD *Economic Outlook 78 Database*.

...Australia or Sweden

Trend indices, based on 2000 PPPs and 2000 prices ¹

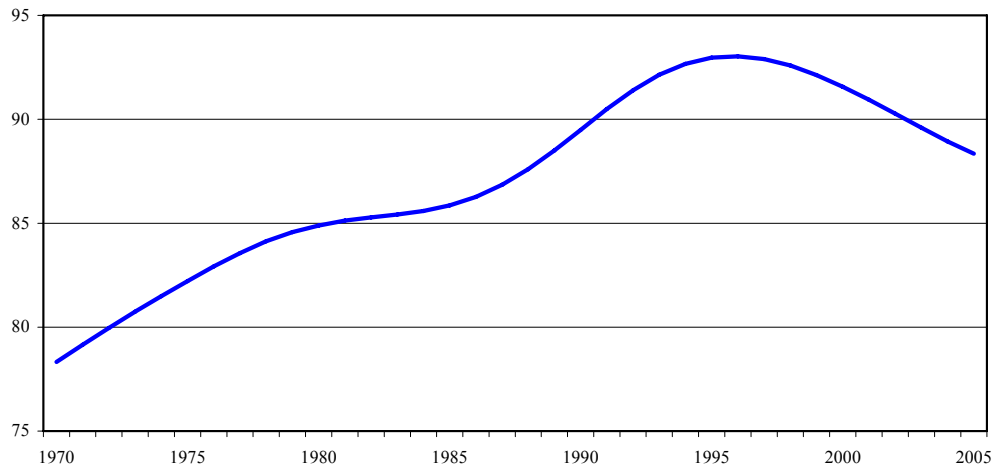
Euro area real per capita GDP relative to Australia

Index Australia GDP per capita = 100



Euro area real per capita GDP relative to Sweden

Index Canada GDP per capita = 100

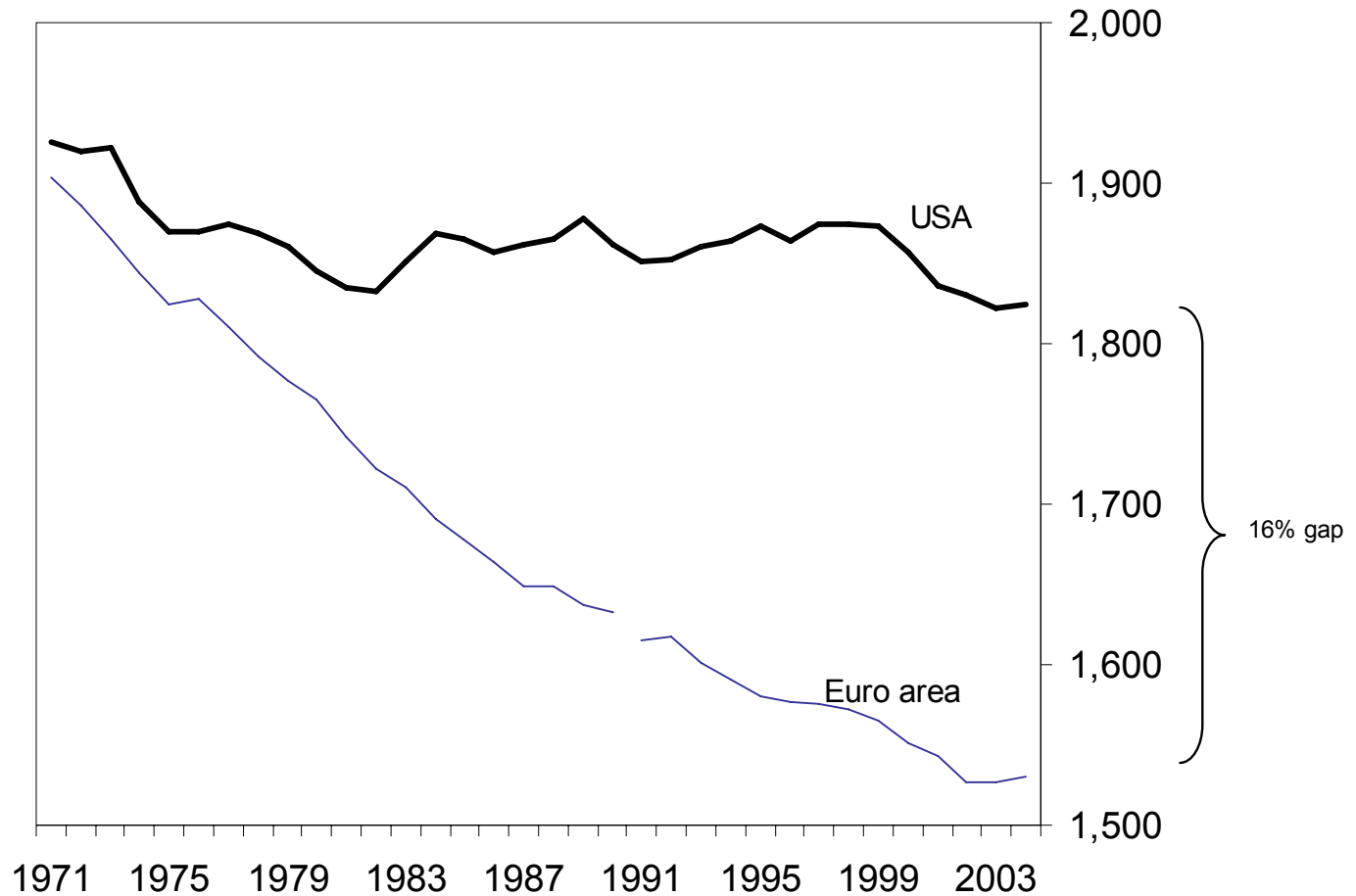


1. The trend is calculated using a Hodrick-Prescott filter (smoothing parameter set to 100) over a period which includes projections through 2012.

Source: OECD *Annual National Accounts*; OECD *Economic Outlook 78 Database*.

Hours worked have fallen sharply

(Hours worked per employee per year)



Source: OECD Economic Outlook Database