

## **Productivity Differences in the Vertically Integrated Sectors in North America: A Trinational Study**

Topic: Capturing Production Heterogeneity I

Author: Marco Antonio Marquez

Co-Authors: Fidel Aroche

Factor productivity is a major determinant of national income and differences between countries in the former is a major determinant of welfare dissimilarities. The Input-Output method has proved useful to measure productivity and its evolution; the concept of vertically integrated sector has been widely used to analyse labour productivity. This paper aims at discussing the differences in sectoral labour productivity between Canada, the US and Mexico, member countries of a free trade agreement area, as well as some of their contributing factors. The database is a tri-national IO table that has been developed purposely using the OECD database.