

## **Firm-level Productivity Research in Canada: Current State and Future Directions**

Andrew Sharpe, Executive Director, Centre for the Study of Living Standards

The paper provides an overview of the current state of firm-level productivity research in Canada. It reviews the availability of firm-level data in Canada and internationally and discusses the availability of very detailed industry-level productivity data for Canada and the provinces, and firm-level data on business dynamics that Statistics Canada already makes publically available. The paper then examines challenges related to the use of firm-level data, both in terms of difficulties of access and weaknesses in the data. It also highlights the advantages of using firm-level data for three areas of productivity research, namely business dynamics, decomposition of productivity growth into firm-specific and reallocation effects, and firm dispersion of productivity performance. The paper identifies the slower productivity growth since 2000 as the key issue for applied or empirical productivity researchers in Canada and outlines a number of directions for research in this area.