

Appendix II: Determinants of Potential Output Growth

Austria (Wifo)

<i>(average annual percentage changes)</i>	2001-2005	2006-2010	2011-2015*
a. Trend GDP	2.2	1.9	1.7
b. Trend capital input	2.0	1.8	1.5
c. Structural productivity (TFP)	0.8	0.6	0.6
d. Trend labour input	0.7	0.7	0.7
e. Trend employment in persons	0.7	0.9	0.8
f. Trend working age population	0.6	0.4	0.3
g. Trend participation rate	0.1	0.5	0.5
h. Structural unemployment	6.7	6.6	6.2
i. Trend hours worked/person	-0.1	-0.2	-0.1
h. GDP	1.6	1.5	2.2
i. Output gap (level, end-year)	-0.9	-0.3	-1.8

Belgium (FPB)

<i>(average annual percentage changes)</i>	2001-2005	2006-2010	2011-2015*
a. Trend GDP	1.9	1.8	1.7
b. Trend capital input	0.6	0.6	0.5
c. Structural productivity	0.8	0.6	0.8
d. Trend labour input	0.6	0.7	0.5
e. Trend employment in persons	1.0	1.2	0.8
f. Trend working age population	0.5	0.8	0.4
g. Trend participation rate	0.5	0.1	0.1
h. Structural unemployment	0.0	0.2	0.2
i. Trend hours worked/person	-0.1	-0.1	-0.1
h. GDP	1.6	1.2	2.2
i. Output gap (level, end-year)	0.7	-2.6	-0.1
b. to d. : contributions to trend GDP growth. e. to i. : growth rates			

The Netherlands (CPB)

<i>(average annual percentage changes)</i>	2001-2005	2006-2010	2011-2015*
a. Trend GDP	2.1	1.9	1½
b. Trend capital input			
c. Structural productivity	1.4	1.6	1.5
d. Trend labour input	0.6	0.3	0.0
e. Trend employment in persons	1.1	0.8	0.4
f. Trend working age population			
g. Trend participation rate	-0.6	-0.6	-0.3
h. Structural unemployment	0.0	0.0	-0.1
i. Trend hours worked/person			0
h. GDP	1.4	1.5	1¼
i. Output gap (level, end-year)	-1.1	-1.5	-2.1

Germany (Ifo)

<i>(average annual percentage changes)</i>	2001-2005	2006-2010	2011-2015*
a. Trend GDP			1,2
b. Trend capital input (EU KLEMS)			0,6
c. Structural productivity (EU KLEMS)			0,4
d. Trend labour input (EU KLEMS)			-0,1
e. Trend employment in hours			0,5
f. Trend population			-0,2
g. Trend participation rate			0,6
h. Structural employment			0,3
i. Trend hours worked/person			-0,3
h. GDP			
i. Output gap (level, end-year)			

Germany (Kiel Institute)

<i>(average annual percentage changes)</i>	2001-2005	2006-2010	2011-2015*
a. Trend GDP	1.3	1.0	1.2
b. Trend capital input	0.38	0.44	0.62
c. Structural productivity	1.00	0.46	0.51
d. Trend labour input	-0.06	0.11	0.03
e. Trend employment in persons	0.50	0.12	-0.04
f. Trend working age population	-0.28	-0.40	-0.42
g. Trend participation rate	0.79	0.53	0.39
h. Structural unemployment	0.73	-2.82	-2.22
i. Trend hours worked/person	-0.53	-0.20	-0.09
h. GDP	0.6	1.2	1.6
i. Output gap (level, end-year)	-1.3	-0.7	0.6
<i>Remark: b., c., and d. denote contributions to potential growth of the respective components</i>			

Italy (Prometeia)

<i>(average annual percentage changes)</i>	2001-2005	2006-2010	2011-2015*
a. Trend GDP	1.1	0.4	0.7
b. Trend capital input	0.8	0.4	0.4
c. Structural productivity	-0.1	-0.2	0.0
d. Trend labour input	0.4	0.2	0.3
e. Trend employment in persons			
f. Trend working age population			
g. Trend participation rate			
h. Structural unemployment			
i. Trend hours worked/person			
h. GDP	0.9	-0.4	1.0
i. Output gap (level, end-year)	-0.4	-3.0	-1.3

Denmark (DEC)

<i>(average annual percentage changes)</i>	2001-2005	2006-2010	2011-2015*
a. Trend GDP	1.4	1.2	0.9
b. Trend capital input	-	-	-
c. Structural productivity	0.8	0.7	1.0
d. Trend labour input	0.5	0.4	-0.1
e. Trend employment in persons	0.4	0.5	-0.1
f. Trend working age population	-	-	-
g. Trend participation rate	Increase	Increase	Approx. constant
h. Structural unemployment	Drop	Drop	Slight drop
i. Trend hours worked/person	Increase	Drop	Drop
h. GDP	1.3	0.2	1.7
i. Output gap (level, end-year)	1.3	-4.3	-0.7

Ireland (ESRI)

<i>(average annual percentage changes)</i>	2001-2005	2006-2010	2011-2015*
a. Trend GDP	4.0	3.0	3.0
b. Trend capital input	2.6	1.8	0.7
c. Structural productivity	1.3	1.3	1.3
d. Trend labour input	1.3	.6	-0.2
Human Capital	0.2	0.2	0.1
e. Trend employment in persons			
f. Trend working age population			
g. Trend participation rate			
h. Structural unemployment	0.0	-1.8	1.0
i. Trend hours worked/person			
h. GDP	5.5	0.6	3.0
i. Output gap (level, end-year) ratio Actual/potential	1.0	0.85	0.9
<p>While the above table shows an output gap of 10% (actual/potential) in 2015 we believe that the crisis has permanently reduced potential output by between 5% and 10% in a way not captured in the above table. Thus the economy will be closer to potential output in 2015 than this table would suggest.</p>			

Hungary (Kopint)

<i>(average annual percentage changes)</i>	2001-2005	2006-2010	2011-2015*
a. Trend GDP	3,2	2,9	3,0
b. Trend capital input	1,8	1,6	1,6
c. Structural productivity	1,9	1,0	0,3
d. Trend labour input	0,2	0,2	0,5
e. Trend employment in persons	0,2	-0,6	0,2
f. Trend working age population	-0,1	-0,1	0,1
g. Trend participation rate	53,6	54,9	55,7
h. Structural unemployment (unemployment rate age group 15-64; no separate rate for structural unemployment available)	7,2 (2005)	11,2 (2010)	9 (2015)
i. Trend hours worked/person (share of person working in part time) hours worked / person of full time employment	4,1 (2005) 41 (2005)	5,9 (2010) 40,8 (2008)	5,9 (2015)
h. GDP			
i. Output gap (level, end-year)	1,3 (2005)	-5,0 (2010)	-0,1 (2015)
** No data available on hours worked/person, but the share of part time workers shows a relatively reliable trend.			

Hungary (GKI)

<i>(average annual percentage changes)</i>	2001-2005	2006-2010	2011-2015*
a. Trend GDP			3.3
b. Trend capital input			1.6
c. Structural productivity			0.3
d. Trend labour input			0.4
e. Trend employment in persons			
f. Trend working age population			1.5
g. Trend participation rate			65.0
h. Structural unemployment			9.9
i. Trend hours worked/person			
h. GDP			
i. Output gap (level, end-year)			-2.0
* please note deviating time horizon.			

The source of the figures is the Convergence Programme of Hungary 2011-2015.

UK (NIESR)

<i>(average annual percentage changes)</i>	2001-2005	2006-2010	2011-2015*
a. Trend GDP	2.6	2.0	1.8
b. Trend capital input			
c. Structural productivity			
d. Trend labour input			
e. Trend employment in persons			
f. Trend working age population			
g. Trend participation rate			
h. Structural unemployment			
i. Trend hours worked/person			
h. GDP	2.5	0.4	2.1
i. Output gap (level, end-year)			

Poland (IBRKK)

<i>(average annual percentage changes)</i>	2001-2005	2006-2010	2011-2015*
a. Trend GDP	3.9	4.4	4.1
b. Trend capital input			
c. Structural productivity			
d. Trend labour input			
e. Trend employment in persons			
f. Trend working age population			
g. Trend participation rate			
h. Structural unemployment			
i. Trend hours worked/person			
h. GDP	3.1	4.7	4.1
i. Output gap (level, end-year)	-2.8%	1.2%	-0.3%