

## Growth of business sector GDP (% changes at annual rates)

	1990-1995	1995-1998
United States	2.5	4.5
Japan	1.5	1.1
Germany	1.6	1.8
France	1.0	2.5
Italy	1.4	1.4
United Kingdom	2.6	3.0
Canada	1.8	3.3
Australia	3.3	4.8
Austria	1.9	3.0
Belgium	1.5	2.5
Switzerland	-0.2	1.5
Denmark	3.0	3.2
Spain	1.3	3.5
Finland	-0.5	5.8
Greece	1.4	3.3
Ireland	4.9	9.7
Iceland	0.5	5.5
Korea	7.5	1.9
Luxembourg	5.3	4.9
Mexico	0.9	5.6
Netherlands	2.2	3.7
Norway	2.4	4.2
New Zealand	3.3	1.8
Portugal	1.5	3.8
Sweden	1.0	2.4
Turkey	3.2	5.7

Source: OECD (2000) *A New Economy?*

## Is there a New Economy?

OECD economies grew at different rates in the 1990's. Why? How important is Information Technology (IT) and innovation in forging a "new economy"? While no individual factor can be singled out as the main source of differences in growth, technology and innovation are certainly drivers of increased economic performance. An OECD report, *A New Economy? The Changing Role of Innovation and Information Technology in Growth* goes a long way to explaining how.

Australia, the Netherlands, Norway and the United States enjoyed high growth over the past decade, but the economies of Japan and much of continental Europe slowed down. This disparity is largely due to the fact that some countries were able to both increase the number of people employed and increase their productivity, thanks to technological developments coupled with smarter ways of working. The report shows that innovation has become more market-driven, more rapid and intense, more closely linked to scientific progress, and more widely spread throughout the economy. The composition of R&D has shifted towards business-funded R&D, with a near doubling of the 1990 to 1998 intensity (R&D to GDP) in Ireland and Korea, a 50% increase in Finland, Denmark and Sweden and 5% to 10% gains in the United States and Canada. The ratio of patents to GDP has increased by about 40% between 1990 and 1998, with large increases in Denmark, Finland, Korea, Japan, Sweden and the United States.

In many cases, information and communication technology has facilitated these changes. It has reduced the cost of outsourcing and helped break down the monopoly character of services such as telecommunications. It has sped up the innovation process, fostered greater networking and made possible a faster diffusion of knowledge and ideas. Finally, it has helped make science more efficient and more closely linked to business.

OECD (2000) *A New Economy? The Changing Role of Innovation and Information Technology in Growth*. \$20.00 ISBN No. 92-64-17694-2.

## Productivity in the business sector

(output per employed person - % changes at annual rates)

	1980-1990	1990-1995	1995-1998
United States	1.2	1.2	2.1
Japan	2.8	0.9	0.9
Germany	1.9	2.4	1.9
France	2.5	1.6	1.6
Italy	1.9	2.5	1.1
United Kingdom	2.5	1.9	1.3
Canada	1.2	1.4	0.9
Mexico	—	-1.7	2.0

Source: OECD (2000) *A New Economy?*

### Key Short-Term Indicators

The OECD posts several economic indicators (GDP, leading indicator, CPI, Current balance, unemployment rates and interest rates) on its web-site:

[www.oecd.org/std/indksti.htm](http://www.oecd.org/std/indksti.htm).

	Gross Domestic Product period	% change from previous period
Canada	Q2 00	1.2
Mexico	Q1 00	2.9
United States	Q2 00	1.3
Australia	Q1 00	1.1
Japan	Q1 00	2.5
Korea	Q2 00	1.1
New Zealand	Q1 00	1.0
Austria	Q1 00	1.1
Belgium	Q1 00	1.3
Czech Republic	Q1 00	4.3
Denmark	Q1 00	-0.6
Finland	Q1 00	1.8
France	Q1 00	0.7
Germany	Q2 00	1.1
Italy	Q1 00	1.0
Netherlands	Q2 00	0.8
Norway	Q1 00	-0.1
Portugal	Q4 98	0.7
Spain	Q1 00	1.4
Sweden	Q2 00	1.3
Switzerland	Q1 00	1.0
Turkey	Q2 00	4.8
United Kingdom	Q2 00	0.9
Euro zone	Q1 00	0.9

Source: OECD (September 2000) *Main Economic Indicators*.

## Enterprises in China

As China prepares to enter the WTO, a new OECD report assesses China's transition to a market economy. China's economic reform has led to two decades of impressive growth and development. In particular, China's economy has become increasingly diversified as the importance of state-owned enterprises has progressively declined. Non-state enterprises now account for nearly three-fourths of industrial output up from 20 percent in the early 1980s. China's enterprise sectors include four main ownership classes: state-owned enterprises (SOE); collectives, comprising township and village enterprises in rural areas and urban co-operatives; foreign-funded enterprises; and individually owned or other private enterprises. SOE contributed only 28 percent of total industrial output in 1998, while collective enterprises contributed nearly 38 percent. The rapid growth of non-state enterprises is partly the result of deliberate government policies to encourage their development.

OECD (2000) *Reforming China's Enterprises*. \$26.00. ISBN. 92-64-17697-7.

### Enterprises in China

	Number of Firms (thousands)	Gross Industrial Output (billion yuan)	Share of Industrial Output (%)	Share of Fixed Investment (%)	Output/firm (billion yuan)
SOE	65	3362	28	54	52.0
Collectives	1798	4573	38	15	2.5
Foreign-funded enterprises	63	1775	15	31	28.4
All Others	6050	2195	18		0.4
Total	7975	11905	100	100	1.5

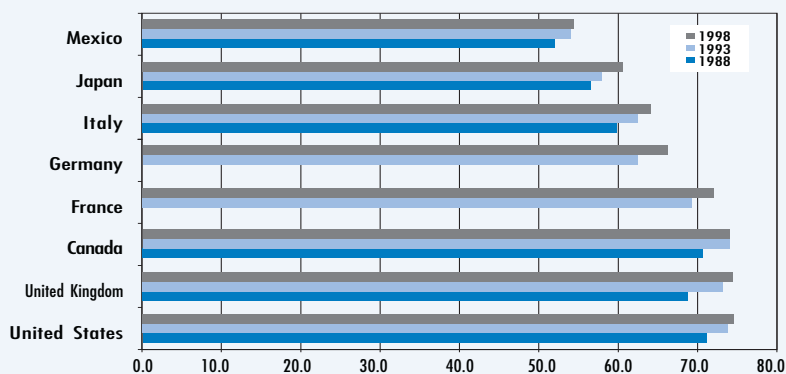
Source: OECD (2000) *Reforming China's Enterprises*.

## Services Statistics

The service sector has grown in importance in all OECD countries over the past two decades and includes some of our Member countries' most dynamic activities, such as information technology, telecommunications and business services. Yet, this sector is in many ways less well measured and understood than other sectors. *Services Statistics on Value Added and Employment*, recently published by the OECD, shows an increase in the services share of total employment in every country reporting, with half reporting increases of at least 4 % over the decade. Employment in computer and related activities has been particularly strong: at least 9% per year faster than total employment in several countries. On the other hand, employment in public administration and defense has declined relative to total employment in most countries.

OECD (2000) *Services: Statistics on Value Added and Employment*, 2000 Edition. \$69.00. ISBN. No. 92-64-05895-8.

### Share of Services in Total Employment (%)



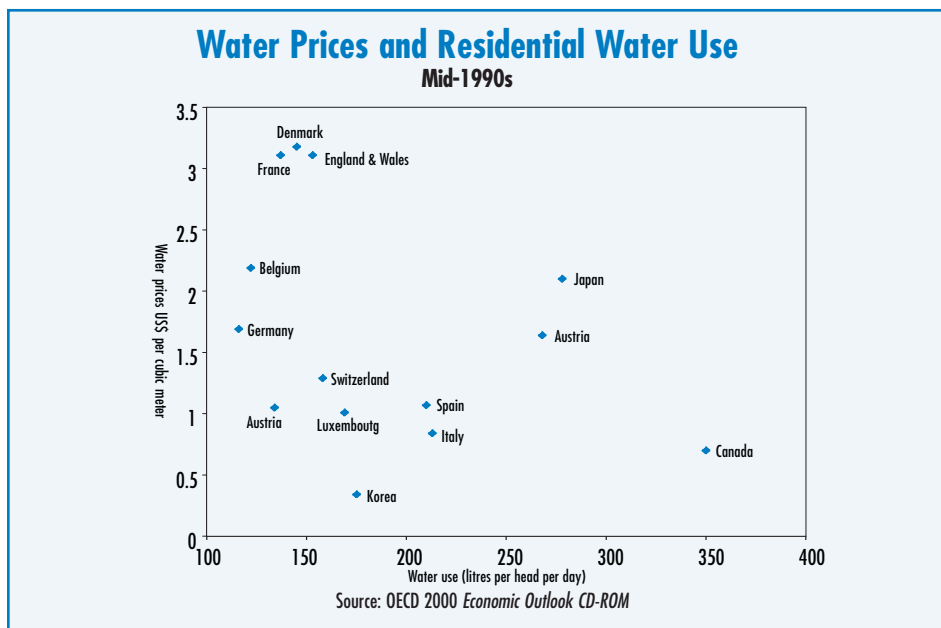
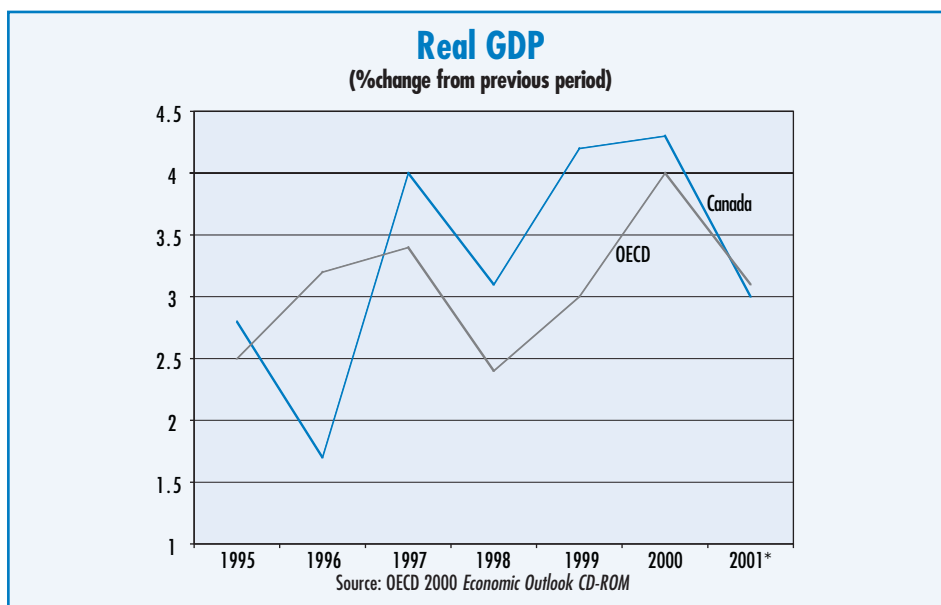
Source: OECD Economic Surveys: France 2000

# Canada: Economic Survey 2000

Canada's recent economic performance as described in the *OECD Economic Survey: Canada* has been favorable, underpinned by good macroeconomic and fiscal policies. Projections estimate that Canada's economy will grow by 4.5% in 2000, its ninth consecutive year of expansion. A slowdown in the United States, Canada's biggest trading partner, is expected to cool the economy in 2001. Unemployment is likely to fall to 6.6% in 2000.

The report also provides some environment advice. In particular, Canada should curb the overuse of water, which appears to be under-priced. The consumption of water in Canada is more than double that of countries such as France, Germany and England. The fact that water prices are low in Canada compared with other OECD countries is not surprising, as water is plentiful. However, they are far from covering infrastructure cost.

OECD (2000) *OECD Economic Survey: Canada 2000*. \$30.00 ISBN No. 92-64-17501-6.



## Maritime Transport Statistics, 1999

New on the OECD web-site: a variety of maritime transport statistics. Visit: <http://www.oecd.org/dsti/sti/transport/sea/stats/Stindx99.htm>. See a sample table below.

## World Crude Imports and Exports in 1998

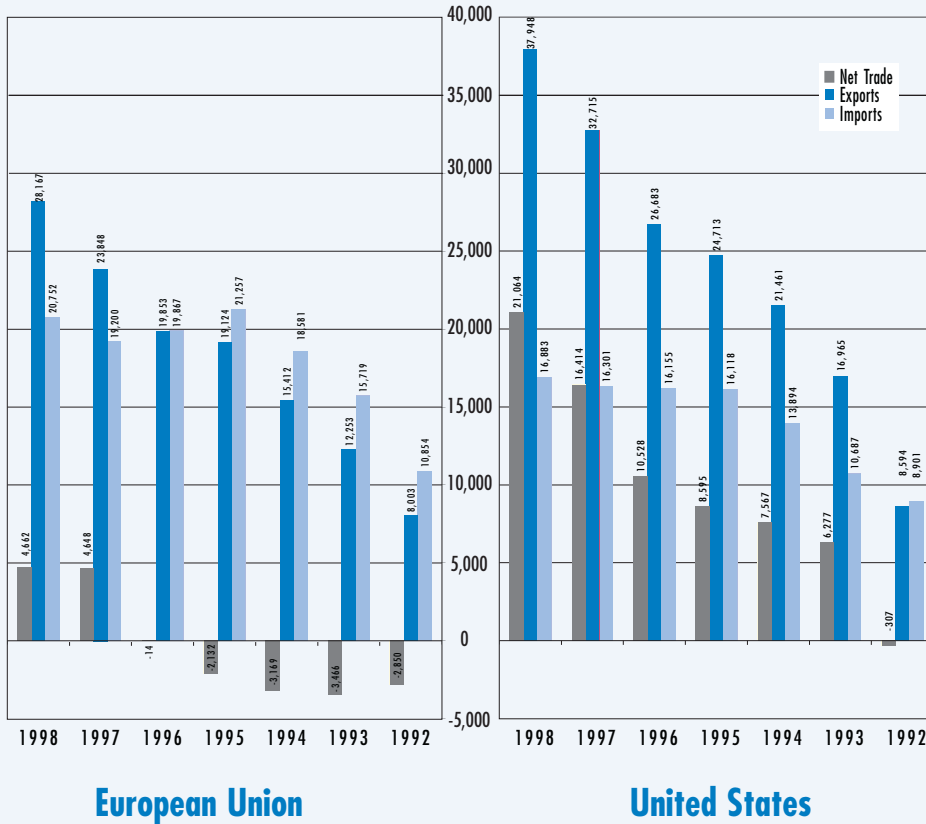
(million tonnes)

	Imports	Exports
United States	425.8	8.1
Canada	38.3	63.5
Mexico	—	85.2
South & Central America	53.1	115.1
Western Europe	417.9	39.8
Eastern Europe	51.6	123.4
Middle East	4.2	817
North Africa	7.5	100.9
West Africa	2.2	152.5
East & Southern Africa	24.7	—
Australasia	25.8	10.2
China	27.3	14.3
Japan	218.7	—
Other Asia <sup>(1)</sup>	269.8	45.9
Others <sup>(2)</sup>	18	9

1. Includes South Asia

2. Includes changes in the quantity of oil in transit, movements not otherwise shown, unidentified military use, etc.

## China Trade (in millions of \$US)



Source: OECD Statistics of Foreign Trade database.



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