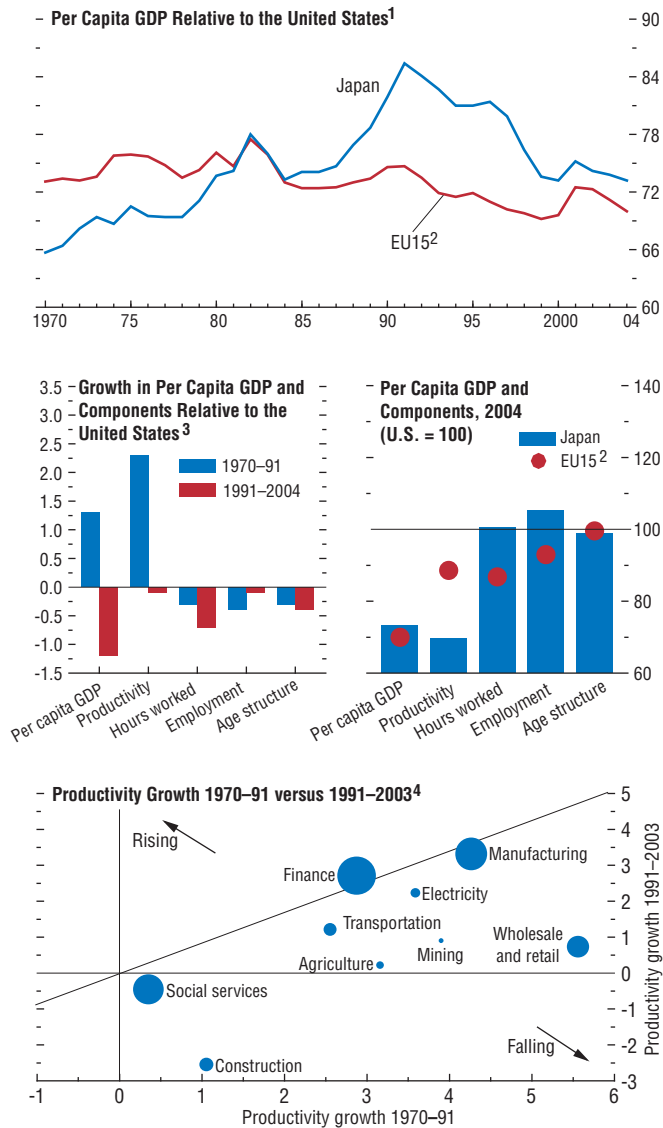


**Figure 1.13. Japan: Reversing the Relative Decline in Per Capita GDP Growth**

After a rapid increase in the 1970s and 1980s, Japan's per capita income has since fallen sharply relative to the United States. With labor inputs already high, a reversal of this trend will require measures to raise productivity, which is low by international standards.



Sources: OECD, *Economic Outlook*; and IMF staff calculations.

<sup>1</sup>Ratio of per capita GDP in 2000 purchasing-power-parity (PPP) dollars in Europe and Japan to the United States.

<sup>2</sup>Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom.

<sup>3</sup>Employment ratio defined as employed persons as a percent of population of working age.

<sup>4</sup>Value added per person. Size of bubble represents the share of sector in 1991-2003.