



# APO news

## Productivity measurement

*The APO, as a unique international organization focusing on productivity in the context of economic growth and development in the Asia-Pacific region, has taken new initiatives under the direction of the Research and Planning Department to resume the regular annual publication of a user-friendly productivity databook and create a database on productivity analysis in member countries. These can serve as tools for productivity measurement and analysis, support the APO in planning need-based programs, allow NPOs to identify specific areas for productivity improvement, and assist member governments in formulating appropriate productivity policies and strategies.*


**A** coordination meeting will be held in mid-May in Nepal to devise a uniform framework and methodology to measure and analyze labor productivity for the productivity databook, scheduled for publication at the end of 2007. Meanwhile, the APO envisions creating a productivity database meeting international standards to fulfill its think tank role and become a leading organization measuring productivity in the region.

In addition to the publication of the *Productivity Data and Analysis* series and creating a database, the APO is also involved in sectoral productivity measurement in specific industry sectors. A workshop on Productivity Measurement in the Service Sector was held in Colombo, Sri Lanka, 12–15 March. The objectives were to identify the priority subsectors in participating member countries; clarify the concepts of outputs and inputs such as capital and labor and how they are measured; identify problems in their measurement; propose key recommendations to address problems in measurement; and ensure that, at the enterprise level, measurement supports productivity improvement.



Workshop in session

Twenty-five participants from 15 member countries including six participants from the host country attended the workshop. They included senior corporate executives, senior government officials, researchers, and productivity practitioners with expertise in the measurement of productivity and related performance. Four APO resource persons provided inputs. Professor Noriyoshi Oguchi, Japan, reviewed productivity measurement and productivity in the Japanese service sector. Professor Park Sung Hyun, Republic of Korea, defined statistical data necessary for productivity measurement in the service sector. Professor David Li-Cheng, Republic of China, spoke on innovations in service in the knowledge-based economy, and John Parsons, Australia, emphasized the use of productivity and performance measurement to support improvement in enterprise services. R.B.L. Weragoda of Sri Lanka's Sampath Bank presented efforts to measure performance within his organization and the challenges encountered. The participants also visited the Merchant Bank of Sri Lanka to observe areas of improvement after institutionalizing productivity measures.

The workshop recommended specifying the definitions and measurement methodology in the service sector based on internationally accepted practices. At the macro level, there is a need for meaningful comparisons of performance among APO member countries. At the enterprise level, the alignment of measurement with strategic socioeconomic directions should be ensured so that actions are taken for productivity growth. Before measurable productivity improvement in the priority subsectors of the service sector is achieved in all member countries, efforts must be made to improve the knowledge and skills of measurement practitioners. 

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**"It is not the strongest of the species that survive, nor the most intelligent, but the ones most responsive to change."**

**Charles Darwin**

### INSIDE

- 2... p-Watch—Australia
- 3... p-TIPS
- 4... New APO publication
- 4... Common Sense Talk
- 5... Food safety and quality for enhanced market access
- 5... Green Productivity and energy efficiency
- 6... Trade liberalization under WTO-Doha
- 6... Readers write back
- 7... p-Experts
- 7... APO-NPO Update
- 7... Program calendar
- 8... APO at the TICAD Ministerial Conference
- 8... Mongolia to host 49th GBM

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