

Mission to Fiji: Total factor productivity computation

An APO mission was sent to Fiji from 20 to 21 March 2009 under the research project on the APO Productivity Database (PDB) undertaken by the Research and Planning Department of the Secretariat. The dispatch of the mission was requested by the Training and Productivity Authority of Fiji (TPAF) in its endeavor to play the role assigned in the Fiji Productivity Charter, which mandates it to conduct research on productivity and its measurement. The TPAF is also assigned to provide pro-growth policy advice to the government based on the results of such research.

The main objective of the APO mission was to help Fiji build capacity under the leadership of the TPAF to collect, compile, estimate, and analyze national data for total factor productivity (TFP) measurement and analysis in line with the internationally harmonized methodology developed by the APO. That task can be daunting for many APO member countries, as detailed data are scarce in national accounts and appropriate estimates are needed to fill the lacunae for TFP computation.

The TPAF coordinated an initiative for TFP measurement for Fiji and involved all important national counterparts by forming a Productivity Measurement Committee. The committee is comprised of representatives of the cardinal national data producers, such as the Fiji Islands Bureau of Statistics, Reserve Bank of Fiji, and Ministry of Labour, Industry Relations and Employment.



Prof. Nomura with Fiji Productivity Measurement Committee members

During the mission, a lecture by the chief expert-cum-PDB Project Manager Prof. Koji Nomura covered crucial topics such as the key determinants of economic growth, understanding TFP by measuring labor inputs and capital inputs and their computation methodology, coverage and availability of Fijian data, and specific issues in employment and gross fixed capital formation data to identify the targets and issues to be addressed by the TPAF to measure national TFP. The APO will continue advising the TPAF on the methodology and supervise data collection, compilation, computation, and analysis to enable a comprehensive productivity report for Fiji. 