



**Do Product Market Regulations in Upstream Sector Curb Productivity Growth?  
Panel Data Evidence for OECD Countries**

with

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and

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and

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with discussion by :

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Competition is an important determinant of productivity growth. But productivity growth in a given industry may also depend on competition in sectors that sell intermediate inputs that are necessary to production. In other words, competition and market power in upstream sectors may impact productivity growth in downstream sectors. In a recent study, to be presented at this event, Gilbert Cette and his co-authors, Renaud Bourlès, Jimmy Lopez, Jacques Mairesse and Giuseppe Nicoletti, discuss the theoretical links between upstream market imperfections and productivity of downstream firms and test the model predictions. They analyze data from 15 OECD countries and 20 sectors over the 1985-2007 period with panel regressions techniques. They find clear evidence that anticompetitive regulations in upstream sectors have curbed multifactor productivity (MFP) growth of downstream sectors, and these effects tend to be the strongest for observations that are close to the global technological frontier. Their results suggest that the marginal effect of increasing competition by easing regulations on MFP growth is between 1 and 1.5 per cent per year in the countries covered by their sample.

Please click [here](#) to access the full study.

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Etudes en Sciences Sociales) since 1978, a Research Associate of the NBER and a Professorial Fellow at the University of Maastricht.

**Giuseppe Nicolatti** is Head of the Division of Structural Policy Analysis at the OECD Economics department.

**Johannes Van Biesebroeck** is Associate Professor of Economics at the Katholieke Universiteit Leuven, Research Affiliate at the CEPR and Faculty Research Fellow at the NBER.

Chatham House Rule will apply for the discussion. Lunch will be served at the event.

Bruegel is located at Rue de la Charité 33, B-1210 Brussels (Metro: Arts-Loi or Madou; see [map](#) for directions). Please confirm participation to Matilda Sevón ([matilda.sevon@bruegel.org](mailto:matilda.sevon@bruegel.org)).