Reconciling projected capital deepening with historical estimates

Objective of the wider project

- •
- - _

 - •

Outline of presentation

- ,
- •

- •
- •

Overview of the VUMR model

Strategy adopted for developing the modelling reference case

- _

- —
- _
- _
- •

The modelling reference case covers

- •
- •
- •
- —
- •

General approach adopted for each component

- •
- •

The observation that prompted the



Many reasons why projected capital deepening may be lower than history

- •
- •

Measure of capital used in VUMR

Capital measure in the VUMR model database similar to PKS



Historical capital deepening based on NKS similar to that based on PKS



measured maybe more important

•

_

Around half of missing capital deepening may be compositional & embodied changes



Measures of capital deepening can be sensitive to the accounting for sources of growth

- - _
 - _

Why the source of MFP growth matters

- _

The source of MFP growth affects projected capital deepening



Wrap-up

- •
- •

- _
- •
- •

Possible discussion topic