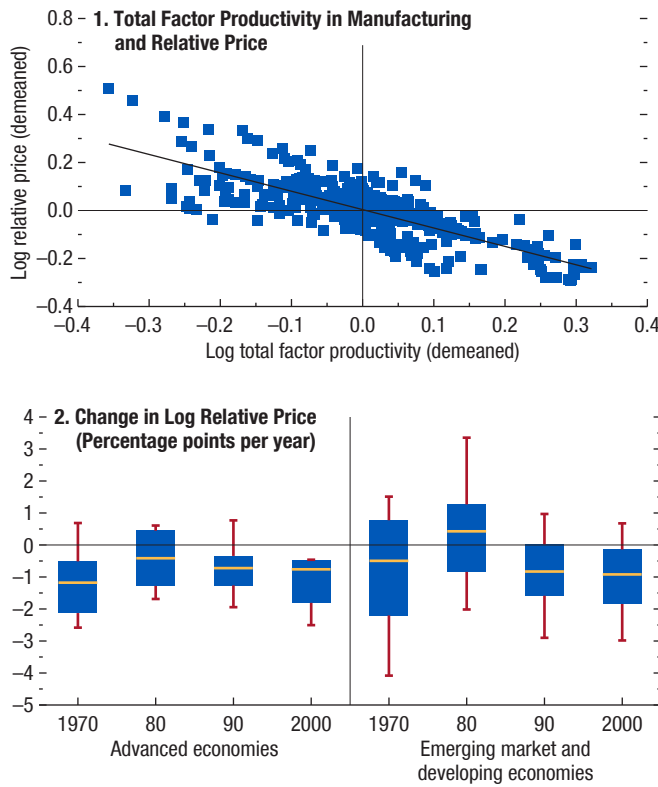


Figure 3.9. Relative Price of Manufacturing, 1970–2015

The relative price of manufactures declined in most economies over the past five decades, reflecting faster productivity gains in manufacturing than in other sectors.



Sources: Groningen Growth and Development Centre database; United Nations database; World KLEMS database; and IMF staff calculations.

Note: Panel 1 shows the logarithm of the relative price of manufacturing value added (relative to that of the aggregate economy) in each country and year against the logarithm of the total factor productivity in manufacturing. Both variables are expressed as deviations from the country average across the sample period. Panel 2 shows the cross-country distribution of the average annual change in the logarithm of the relative price of manufacturing. The horizontal line inside each box represents the median; the upper and lower edges of each box show the top and bottom quartiles; and the red markers denote the top and bottom deciles. X-axis labels indicate the start of each decade. Boxes for 2000 represent data for 2000–15, whenever available.