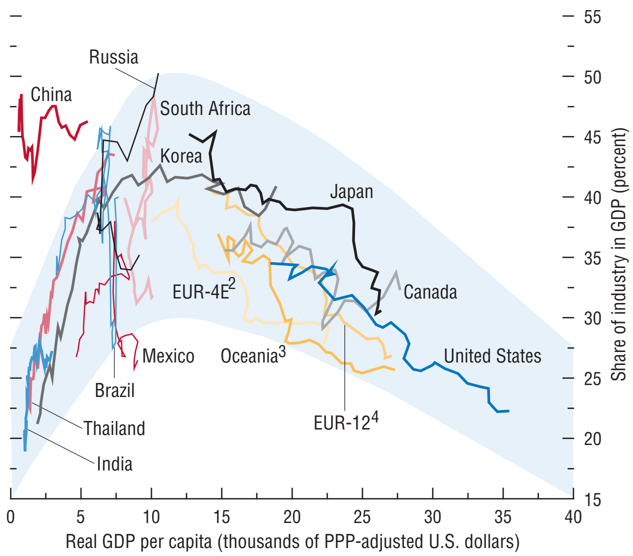
Figure 5.8. The Importance of Industry at Various Stages of Economic Development, 1965–2004[1]

At low income levels, countries tend to go through a period of industrialization and infrastructure building. At incomes of about 15,000 purchasing-power-parity (PPP) adjusted U.S. dollars per capita, growth becomes more services-driven and the share of industry in GDP starts to fall. China has an unusually large share of industry in its economy relative to its peers from the same income group.



Sources: World Bank, *World Development Indicators* (2006); and IMF staff calculations.

[1] Industry share for country groups were aggregated using 2004 PPP-adjusted real GDP values as weights.

[2] Greece, Ireland, Portugal, and Spain.

[3] Australia and New Zealand.

[4] Austria, Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Sweden, Switzerland, and the United Kingdom.