



Measuring the Industrialization Levels Using PPP Methods: A Global Perspective

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Industrialization is a key feature for evaluating the development level of an economy. The purchasing power parities (PPPs) are gradually taken as conversion factors instead of market exchange rates in international comparisons, and the most important use of PPPs is to measure the real GDP of countries. Further, the PPPs could also be used to measure the industrialization level of countries. This paper intends to develop a theoretical framework for industrialization measurement using PPP methods and then apply it to comparing the industrialization degree of global major countries. First, a framework is developed based on theoretical analyses. Second, a set of variables, such as the Relative Manufactured Goods Price (RMGP) and the Relative Service Price (RSP), is constructed under this framework to characterize the industrialization level. Third, these indicators are calculated with the 2011 ICP resulting data to estimate the industrialization levels of major countries in the world.