**Research Title:** Assessing Price-Cost Markup and its Behavior over Business Cycle: Analysis of Pakistan’s Manufacturing Industries

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**Abstract:** The structural transformation of subsistence economy to high consumption economy requires a high-productivity manufacturing activities as industrialization has been seen the main engine of economic growth and development. In developing countries, moves towards industrialization have been scarce and hesitant in the past. But after the Second World War manufacturing sector gained very important status in these developing countries as a major activity despite the fact that some of these countries (least developing) are still predominantly dependent on agriculture and mining even in today’s modern world. Pakistan, in the list of developing countries has experienced a significant structural transformation from its independence to present. Starting with 53.2% of agriculture share in its GDP to 21.2% in 2010 has emerged as services dominated. Noteworthy, share of industrial sector has increased significantly in the same time period from its share of 9.6% to 26.4% in its GDP, showing the largest sectoral composition change of GDP. Given the importance of industrial sector which has emerged as the largest growing sector in Pakistan, there is a need to study its subsectors. Manufacturing as the major activity in the industrial sector has very important role for the health of economies which needs to be explored thoroughly to know its structure and impacts on different sectors of the economy further.