



Country Contribution to World Economic Activity and Growth

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Introduction: During the last several months, world economic growth has emerged as an issue of concern. To provide context to this issue, this article identifies the 10 countries with the largest economy as measured by gross domestic product (GDP) as well as the 10 countries that have contributed the most to world economic growth since the onset of the 2007 financial crisis.

Data for this analysis were obtained from the International Monetary Fund. It was accessed on September 28, 2011 at <http://www.imf.org/external/data.htm#data>. The data are in U.S. dollars and are not adjusted for inflation.

Findings: The U.S., the world's largest economy, currently accounts for over one-fifth of world economic output (see Table 1). However, since 2007, Japan, Brazil, and, in particular, China has contributed more to world economic growth than the U.S. (see Table 2). China has accounted for almost one-quarter of recent world economic growth.

Six countries appear in both lists. Overlap is expected since a country's contribution to world economic growth in part depends on the size of its economy. However, rate of growth also matters. To illustrate this point, in 2007, U.S. GDP was \$14.0 trillion while China's GDP was \$3.5 trillion. If the two countries had grown at the same rate, U.S. contribution to world economic growth would have been 4 times greater than China's contribution (\$14 trillion divided by \$3.5 trillion). However, since 2007, the Chinese economy has expanded by 100% while the U.S. economy has expanded by only 7%. Thus, since 2007, China has contributed \$3.5 trillion (\$3.5 trillion times 100%) to world economic growth, far exceeding the \$1 trillion contributed by the U.S. (\$14.0 trillion times 7%).

Last, India and China are often discussed together, but a stark difference exists in their contribution to world economic growth. Since 2007, India's contribution is only 20% of China's contribution.

Summary: From the standpoint of economic growth, China, not the U.S. is the world's largest economy. Thus, world economic growth over the next few years depends critically on China.

**Table 1. Gross Domestic Product (GDP),
10 Largest Countries, 2011**

Country	Billion U.S. \$	Share of World GDP
United States	\$15,065	21.5%
China	\$6,988	10.0%
Japan	\$5,855	8.4%
Germany	\$3,629	5.2%
France	\$2,808	4.0%
Brazil	\$2,518	3.6%
United Kingdom	\$2,481	3.5%
Italy	\$2,246	3.2%
Russia	\$1,885	2.7%
India	\$1,843	2.6%

**Table 2. Economic Growth,
Top 10 Countries, 2007 – 2011**

Country	Billion U.S. \$	Share of World Growth
China	\$3,494	24.3%
Japan	\$1,477	10.3%
Brazil	\$1,140	7.9%
United States	\$1,036	7.2%
India	\$691	4.8%
Russia	\$585	4.1%
Australia	\$554	3.9%
Indonesia	\$402	2.8%
Canada	\$335	2.3%
Germany	\$300	2.1%