

ECONOMIC UPDATE

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Our topic: Comparison of economic data for the United States and for the six other G-7 countries

This Economic Update compares data for the seven major advanced economies in the world – which are known as the G-7, and which of course includes the United States. One reason for the existence of this group is that the finance ministers of each of these countries meet together frequently to discuss their economic policies.

Gross Domestic Product (GDP) is the official measure of economic output for each of the economies in the world. GDP per capita is a measure of each country's economic output divided by the size of the country's population. This data is provided by the International Monetary Fund (the IMF), which in most years is the data reported by each country's national government. The exceptions are estimates by the IMF for the years 2006, 2007 and 2008 for Japan, and for all seven of these countries for the uncompleted year of 2009 – as well as for the projections for the year 2010. The following table provides data from 2002 to 2010 -- and as reported in U.S. dollars.

Gross Domestic Product (GDP) per Capita (in U.S. Dollars)

Country	2002	2003	2004	2005	2006	2007	2008	2009	2010
Canada	23,467	27,402	31,104	35,205	39,270	43,404	45,085	39,217	42,338
France	24,434	29,921	33,933	35,105	36,865	41,940	46,037	42,091	43,634
Germany	24,523	29,648	33,319	33,883	35,468	40,480	44,729	39,442	40,593
Italy	21,318	26,308	30,119	30,663	31,918	35,963	38,996	34,955	36,083
Japan	30,756	33,134	36,059	35,633	34,150	34,287	38,457	39,573	40,701
United Kingdom	27,219	31,277	36,821	37,898	40,321	45,922	43,734	35,728	38,112
United States	36,960	38,339	40,472	42,708	44,857	46,674	47,440	46,443	47,400

Estimates by the International Monetary Fund (IMF) are shaded

We see that among the G-7 countries since 2002 the United States has consistently had the highest levels of economic output per capita. Japan was the second highest for 2002 and 2003. The United Kingdom was the second highest from 2004 to 2007. France was the second highest in 2008, and is forecast by the IMF to be the second highest in 2009 and 2010. Among the G-7 countries, the lowest ranking of GDP per capita for the years 2002 to 2006 has been Italy, with Japan projected by the IMF to be the lowest of the seven in 2007 and 2008. Italy is projected by the IMF to be back to the lowest of the seven in 2009 and 2010.

The next table provides the annual rates of growth of the G-7 economies for the same years.

Annual Percent Change in Gross Domestic Product (Adjusted for Inflation)

Country	2002	2003	2004	2005	2006	2007	2008	2009	2010
Canada	2.93	1.88	3.12	3.02	2.85	2.53	0.41	(2.48)	2.13
France	1.07	1.08	2.27	1.94	2.42	2.26	0.32	(2.36)	0.90
Germany	0.01	(0.23)	1.18	0.73	3.18	2.52	1.25	(5.30)	0.34
Italy	0.45	(0.02)	1.53	0.66	2.04	1.56	(1.04)	(5.15)	0.24
Japan	0.26	1.41	2.74	1.93	2.04	2.34	(0.71)	(5.37)	1.68
United Kingdom	2.10	2.81	2.95	2.17	2.85	2.56	0.74	(4.39)	0.91
United States	1.81	2.49	3.57	3.05	2.67	2.14	0.44	(2.73)	1.52

Estimates by the International Monetary Fund (IMF) are shaded

We see that all the G-7 economies grew at different rates -- and with different time periods for declines. Germany and Italy both had decreases in economic growth in 2003, but the other G-7 economies continued to increase. In 2008 all

seven of those economies were affected by the coming recession, five of them growing at lower rates, and with Italy and Japan already having decreases in economic growth. All seven countries are projected by the IMF to have negative growth rates for the whole year 2009.

An interesting point, however, is that for 2010 the IMF projects that all seven countries will be back to positive rates of economic growth – which is an encouraging indicator even though the projected growth rates are generally somewhat below the levels from 2001 to 2007.

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