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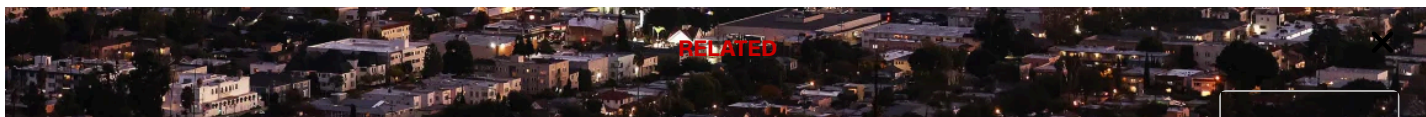
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California overtakes Japan to become the world's fourth-largest economy

By Lex Harvey, CNN

🕒 3 minute read · Updated 12:43 AM EDT, Fri April 25, 2025





The downtown skyline of Los Angeles, California, on January 22, 2024. Mario Tama/Getty Images

(CNN) — California has surpassed Japan to become the world's fourth-largest economy, Gov. Gavin Newsom said, as he warned of the threat posed by President Donald Trump's tariffs to the tech powerhouse's fast-growing wealth.

The Golden State's nominal gross domestic product (GDP) reached \$4.1 trillion in 2024, according to preliminary data from the US Bureau of Economic Analysis, edging past Japan's \$4.02 trillion nominal GDP in the same period as recorded by the International Monetary Fund.

That means only the United States, China and Germany have larger economies than California, which outpaced all three countries with growth of 6% last year, according to the release.

"California isn't just keeping pace with the world — we're setting the pace," Newsom said in a news release Wednesday. "Our economy is thriving because we invest in people, prioritize sustainability and believe in the power of innovation."

But Newsom also warned that the state's economic prowess is being threatened by "the reckless tariff policies of the current federal administration."

"California's economy powers the nation, and it must be protected," he said.

California, America's most populous state with some 40 million people, accounted for 14% of the nation's GDP in 2024, according to government data, driven by Silicon Valley and its real estate and finance sectors.

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Last week, Newsom sued Trump over his use of emergency powers to unilaterally enact sweeping global tariffs, which the governor said had hurt Californian families and businesses.

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The lawsuit, filed in federal court on April 16, argues that Trump lacks the authority to enact tariffs against Mexico, China and Canada, or a 10% baseline tariff on imports from the rest of the world.

These tariffs, Newsom said in a news release announcing the suit, are creating “immediate and irreparable harm to California, the largest economy, manufacturing, and agriculture state in the nation,” as they “have disrupted supply chains, inflated costs” and “inflicted billions in damages” on the state.

The lawsuit argues that Trump’s invocation of the International Economic Emergency Powers Act to enact tariffs was “unlawful and unprecedented,” and that such expansive action requires approval from Congress.

Through the IEEPA, Congress in 1977 granted the president broad authority to impose sanctions on countries, export controls, regulate financial transactions and freeze foreign assets under national emergency declaration, but it requires the Executive to consult and report to Congress when exercising these powers.

California engaged in nearly \$675 billion of two-way trade in 2024, and counts Mexico, Canada and China as its top three trade partners, according to the state. Over 40% of Californian imports came from these countries, accounting for \$203 billion of its more than \$491 billion in total imports last year.

Twelve more states sued the Trump administration Wednesday for “illegally imposing” tax hikes on Americans through tariffs in a lawsuit the White House called a “witch hunt.”

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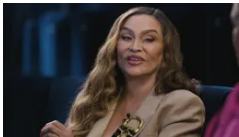


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