



World politics

Business & finance

Economics

Science & technology

Culture

Blogs

Debate & discuss

Multimedia

Print edition



Charts, maps and infographics

Daily chart

Global economic dominance Spheres of influence

Sep 9th 2011, 15:14 by The Economist online

Like 1K

1

By 2030 China's economy could loom as large as America's in the 1970s

A NEW book, discussed in [this week's Economics focus \(http://www.economist.com/node/21528591\)](http://www.economist.com/node/21528591), by Arvind Subramanian of the Peterson Institute for International Economics argues that China's economic might will overshadow America's sooner than people think. Mr Subramanian combines each country's share of world GDP, trade and foreign investment into an index of economic "dominance". By 2030 China's share of global economic power will match America's in the 1970s and Britain's a century before. Three forces will dictate China's rise, Mr Subramanian argues: demography, convergence and "gravity". Since China has over four times America's population, it only has to produce a quarter of America's output per head to exceed America's total output. Indeed, Mr Subramanian thinks China is already the world's biggest economy, when due account is taken of the low prices charged for many local Chinese goods and services outside its cities. China will be equally dominant in trade, accounting for twice America's share of imports and exports. That projection relies on the "gravity" model of trade, which assumes that commerce between countries depends on their economic weight and the distance between them.

Recommend

362

Like

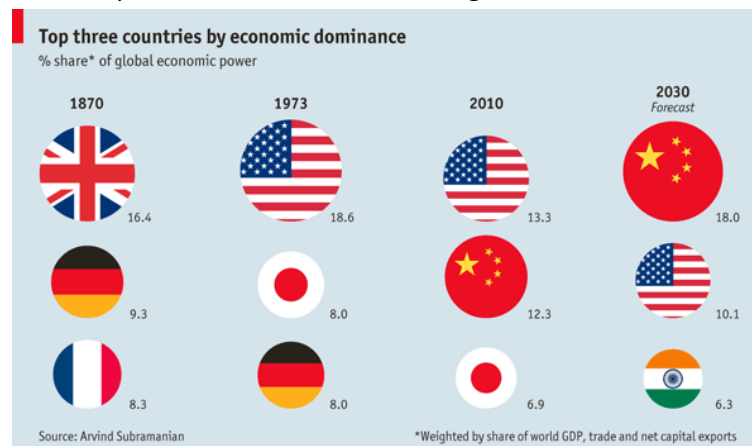
1K

1

Share

97

0



Related items

TOPIC: World economy »

Apocalypse: You, too, can profit from collapse

The world economy: Gloomier and gloomier

The 2011 Labour Party conference: Labour flatters the coalition, but only to deceive

TOPIC: Asian economy »

Becoming number one

The Hong Kong dollar: Pershing missile

Economics focus: Bringing down the house

TOPIC: Chinese economy »

TOPIC: China »

Commodities: Crowded out

Converging economies:

One-track bind

The path ahead: Cottoning on

Chinese tourism: A billion pairs
of itchy feet

The Republican nomination:
Live-blogging the Republican
debate

Monetary policy: The Fed
seemingly disappoints everyone

More related topics: [United States](#) | [Business](#) | [Economies](#)

[About *The Economist* online](#) [About *The Economist*](#) [Media directory](#) [Staff books](#) [Career opportunities](#) [Contact us](#) [Subscribe](#)

[\[+\] Site feedback](#)

Copyright © The Economist Newspaper Limited 2011. All rights reserved. [Advertising info](#) [Legal disclaimer](#) [Accessibility](#) [Privacy policy](#) [Terms of use](#)

[Help](#)