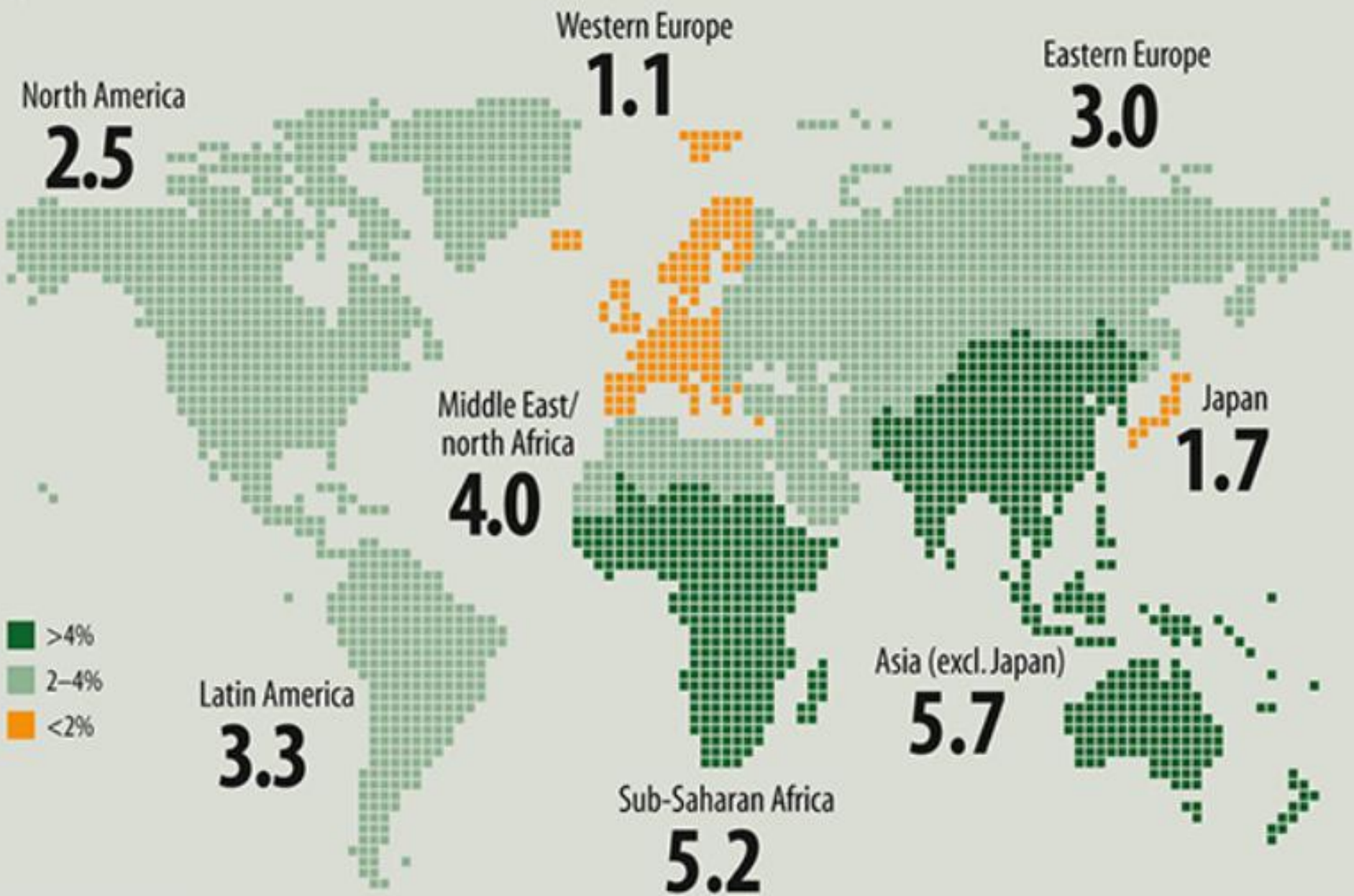


Introduction to economic growth



World GDP growth*, 2014

%



- >4%
- 2-4%
- <2%

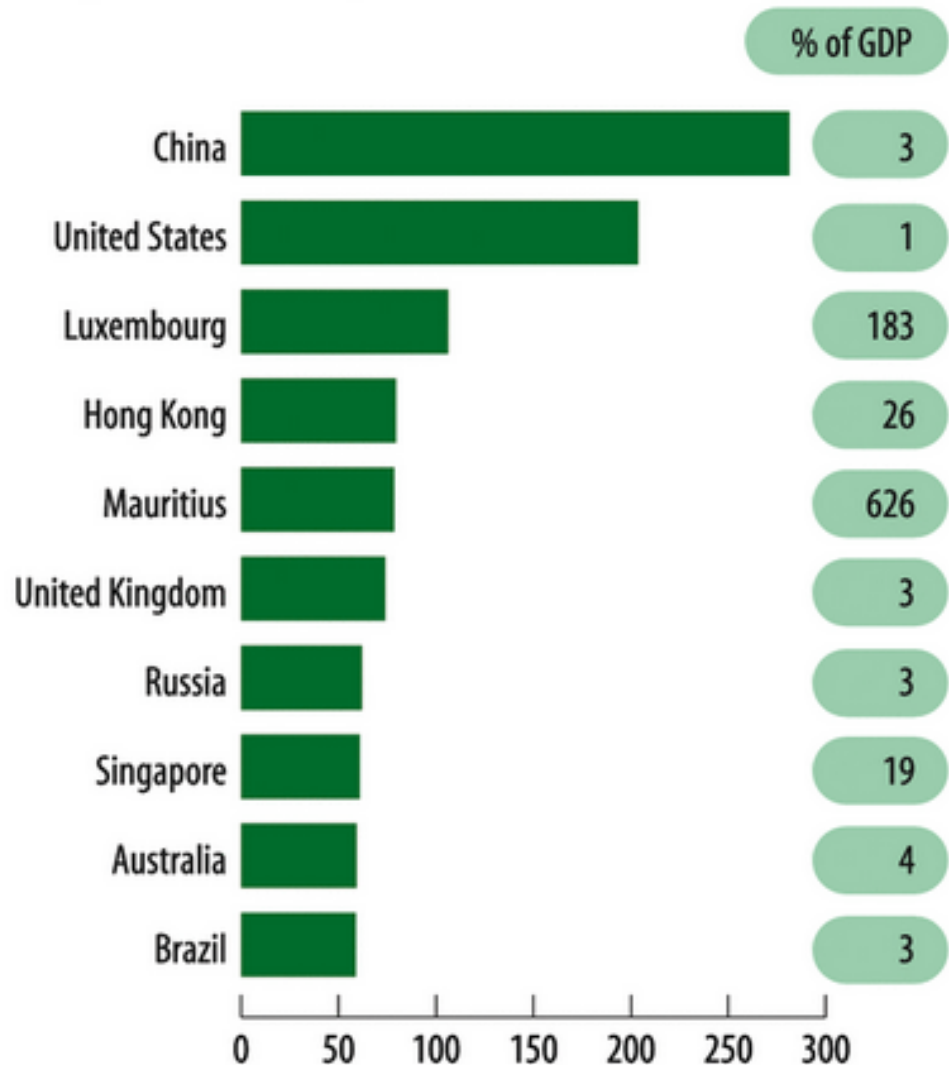
* At market exchange rates

TOP GROWERS

Rank	Country	GDP growth, %
1	South Sudan	35.0
2	Mongolia	15.3
3	Macau	13.5
4	Sierra Leone	11.2
5	Turkmenistan	9.2
6=	Bhutan	8.8
6=	Libya	8.8
8=	Iraq	8.5
8=	Laos	8.5
8=	Timor-Leste	8.5
11	Eritrea	8.0
12	Zambia	7.9

Inward bound, 2014

Foreign direct investment, \$bn



Source: World economic forum

GDP in trillions of USD, 2002

view by [size](#) | [growth](#)

2002

timeline paused



U.S.
\$11.0



Japan
\$4.0



Germany
\$2.0



U.K.
\$1.6



France
\$1.5



China
\$1.5



Italy
\$1.2



Canada
\$0.8



Mexico
\$0.7



Spain
\$0.7

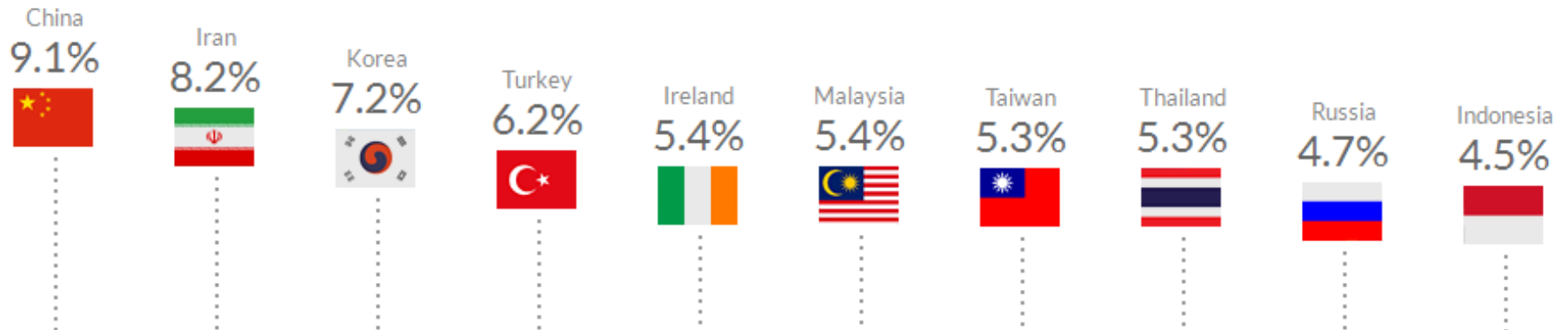


GDP growth rate in %, 2002

view by [size](#) | [growth](#)

2002

timeline paused



Percent growth of countries with GDP over \$100 billion

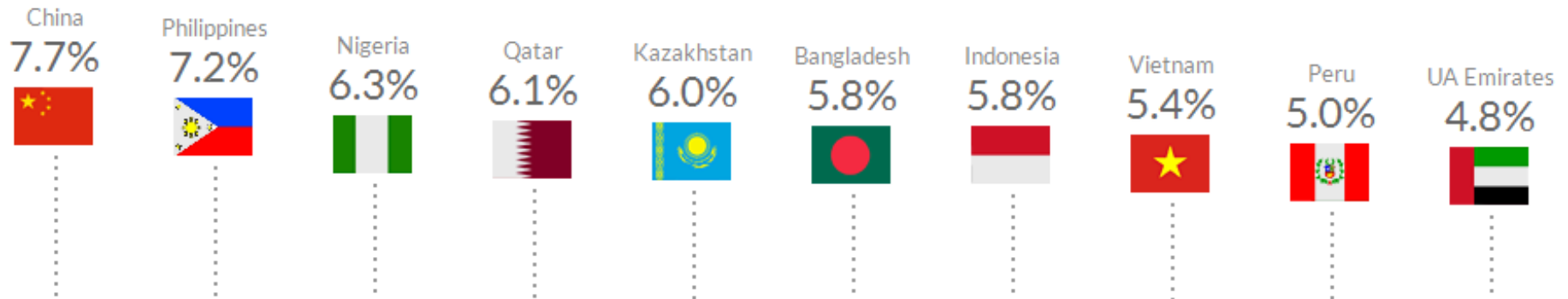
Data: IMF, World Economic Outlook

GDP in trillions of USD, 2013

view by **size** | **growth**

2013

timeline paused



GDP growth rate in %, 2013

U.S.
\$16.8



China
\$9.2



Japan
\$4.9



Germany
\$3.6



France
\$2.7



U.K.
\$2.5



Brazil
\$2.2



Russia
\$2.1



Italy
\$2.1



India
\$1.9



view by [size](#) | [growth](#)

2013

timeline paused

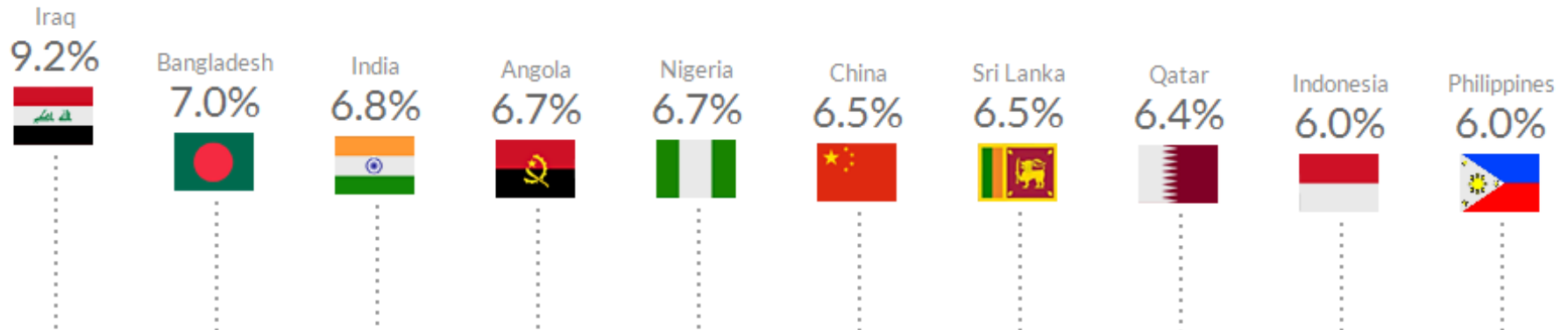


GDP growth rate in %, 2019 (Forecast)

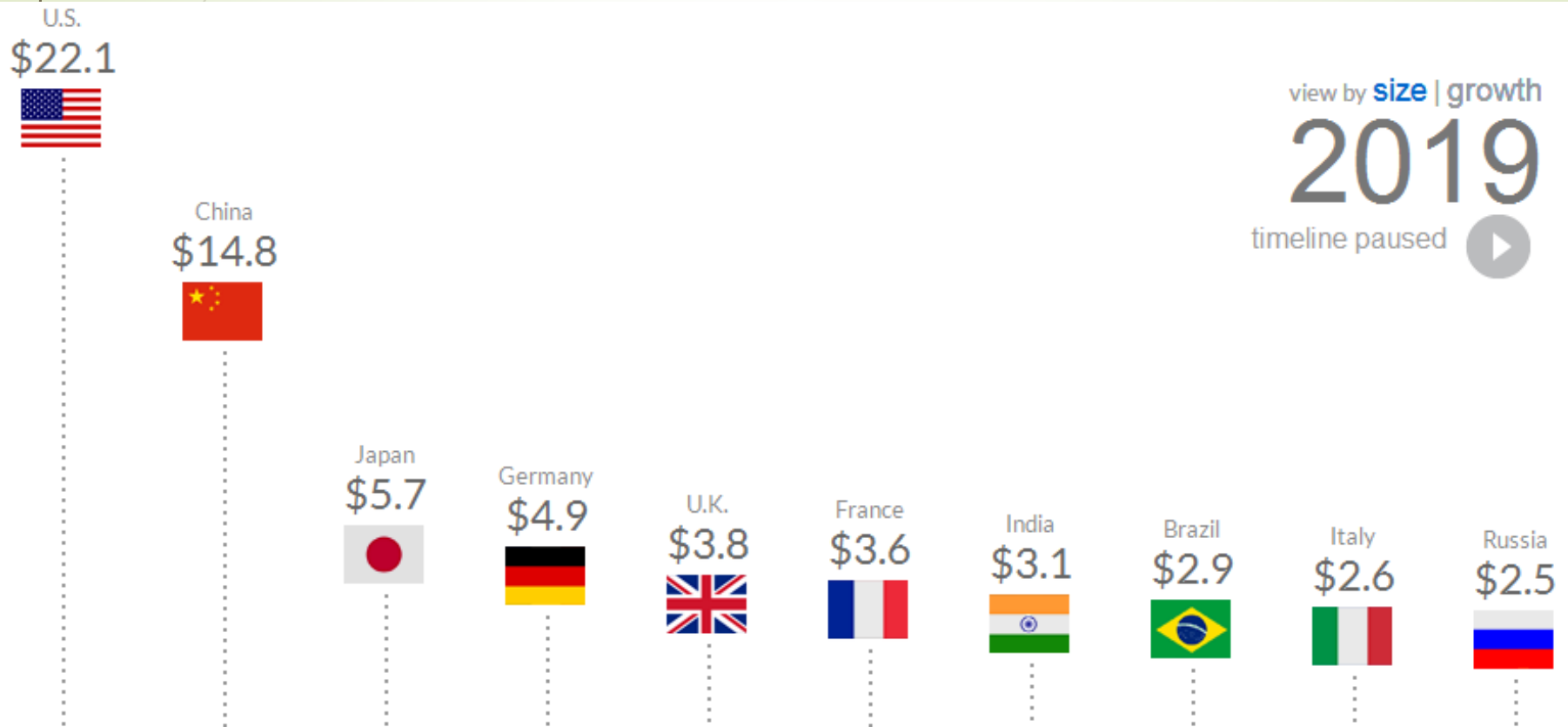
view by [size](#) | [growth](#)

2019

timeline paused

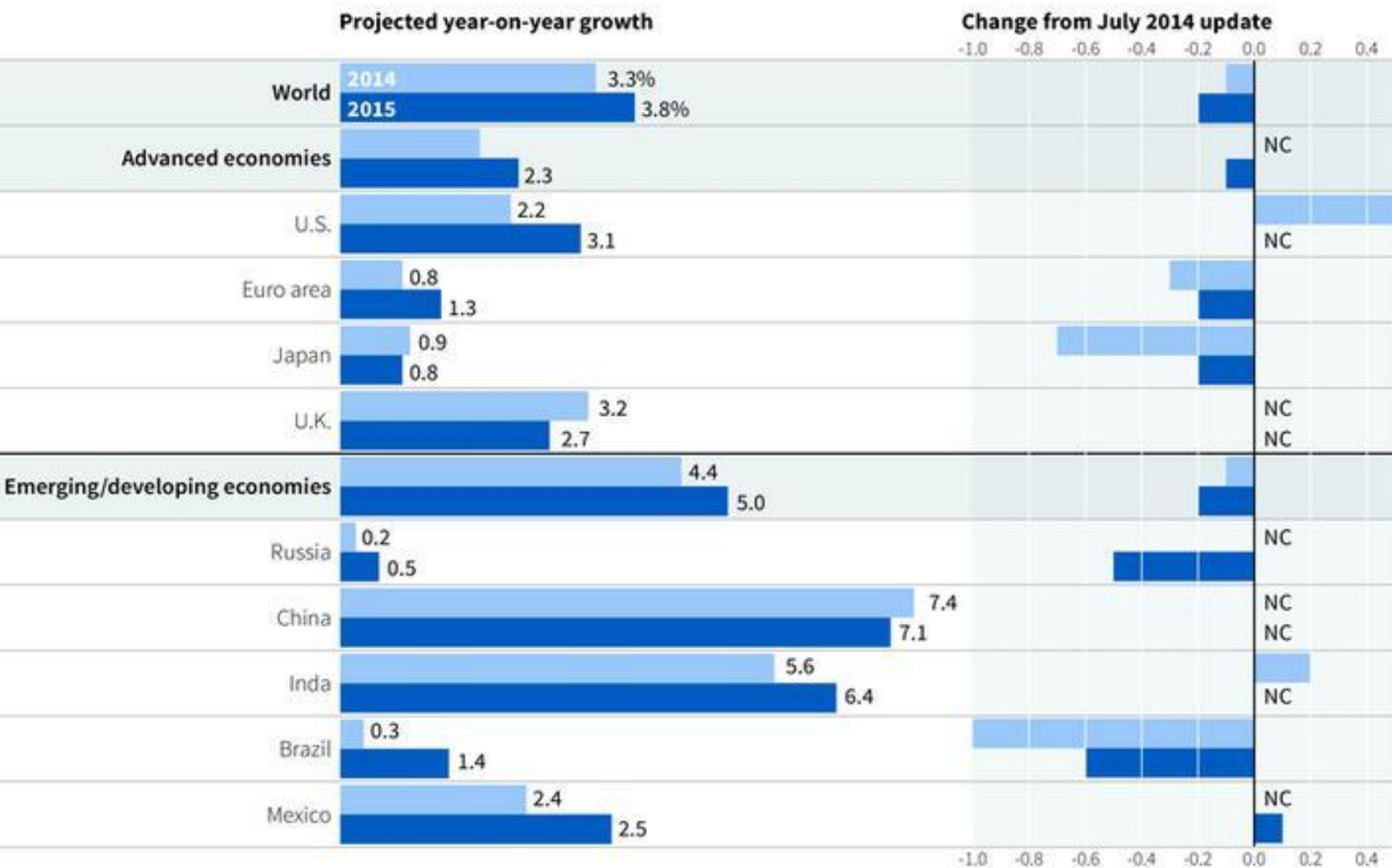


GDP in trillions of USD, 2019 (forecast)



The IMF cuts global outlook for the third time this year

In its World Economic Report, the IMF warned of weaker growth in the euro zone, Japan and Brazil.



Source: International Monetary Fund

S. Culp, 07/10/2014

REUTERS

TABLE 1.1 STATISTICS ON GROWTH AND DEVELOPMENT

	GDP per capita, 2008	GDP per worker, 2008	Labor force participation rate, 2008	Average annual growth rate, 1960–2008	Years to double
“Rich” countries					
United States	\$43,326	\$84,771	0.51	1.6	43
Japan	33,735	64,778	0.52	3.4	21
France	31,980	69,910	0.46	2.2	30
United Kingdom	35,345	70,008	0.51	1.9	36
Spain	28,958	57,786	0.50	2.7	26
“Poor” countries					
China	6,415	10,938	0.59	5.6	13
India	3,078	7,801	0.39	3.0	24
Nigeria	1,963	6,106	0.32	0.6	114
Uganda	1,122	2,604	0.43	1.3	52
“Growth miracles”					
Hong Kong	37,834	70,940	0.53	4.3	16
Singapore	49,987	92,634	0.54	4.1	17
Taiwan	29,645	62,610	0.47	5.1	14
South Korea	25,539	50,988	0.50	4.5	16
“Growth disasters”					
Venezuela	9,762	21,439	0.46	–0.1	–627
Haiti	1,403	3,164	0.44	–0.4	–168
Madagascar	810	1,656	0.49	–0.1	–488
Zimbabwe	135	343	0.40	–1.5	–47

SOURCE: Authors' calculations using Penn World Tables Mark 7.0, an update of Summers and Heston (1991).

Note: The GDP data are in 2005 dollars. The growth rate is the average annual change in the log of GDP per worker. A negative number in the “Years to double” column indicates “years to halve.”

Statistics on growth and development (2012-2013)

Rank World Bank	Country Name	GDP per capita, 2013 (USD)	GDP per worker, 2012 (PPP 1990)	Labor force participation rate, (%)	Average annual growth rate, 2000-2013	Years to double
	<i>Rich countries</i>					
1	Luxembourg	77840,50	50895,00	57,70	2,75	25
2	Norway	65188,52	51435,00	65,50	1,64	43
3	Qatar	58406,46	17497,00	86,70	11,00	6
4	Switzerland	55469,27	41918,00	68,10	1,84	38
5	Iceland	54570,43	45975,00	74,00	2,46	28
	<i>USA, GER, EU</i>					
8	United States	45863,02	68374,00	62,90	1,94	36
14	Germany	38291,62	43243,00	59,80	1,24	56
29	European Union	28906,34	41970,34	57,60	1,38	51
	<i>V4 economies</i>					
44	Slovak Republic	15065,31	33513,00	59,50	3,98	18
47	Czech Republic	14089,24	26781,00	58,80	2,74	26
52	Hungary	11128,23	20328,00	51,80	1,80	39
54	Poland	10752,82	27502,00	56,50	3,68	19
	<i>Poor countries</i>					
205	Niger	289,43	1689,00	64,70	4,41	16
206	Ethiopia	289,25	2173,00	83,80	8,84	8
207	Congo, Dem. Rep.	288,24	766,00	71,90	4,47	16
209	Madagascar	265,25	1348,00	88,70	2,66	26
210	Malawi	264,25	1714,00	83,00	4,15	17

Figure 4.5. There will be major changes in the composition of world GDP

Percent of world GDP

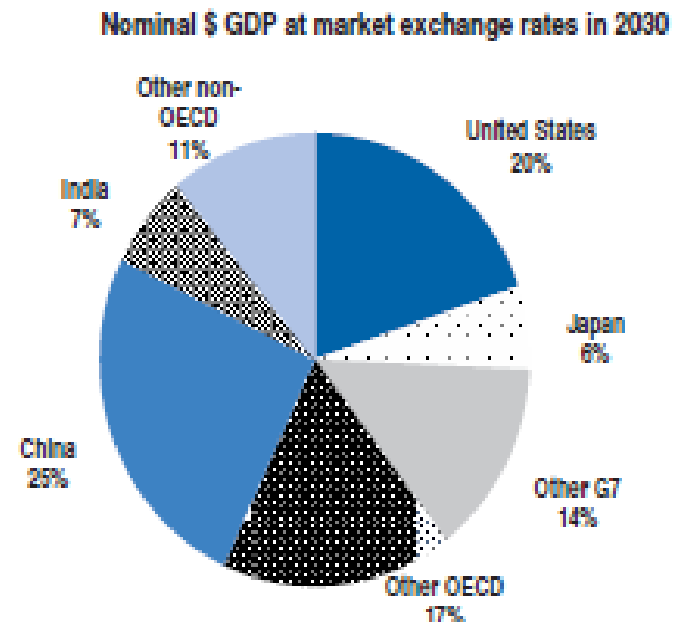
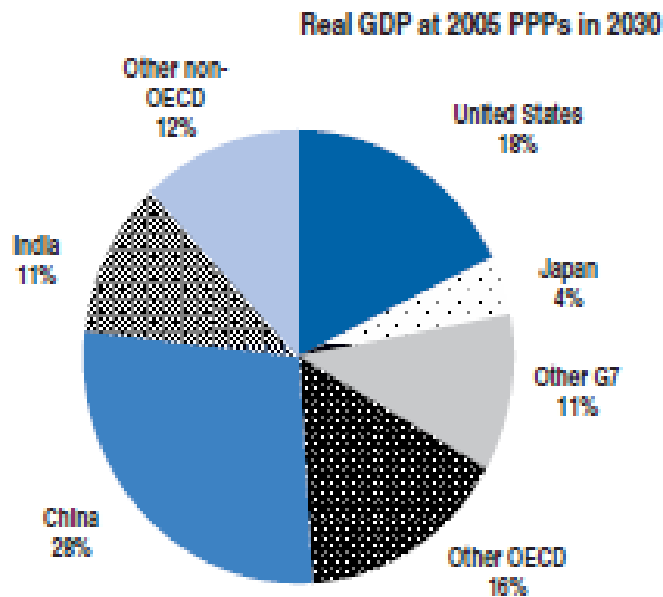
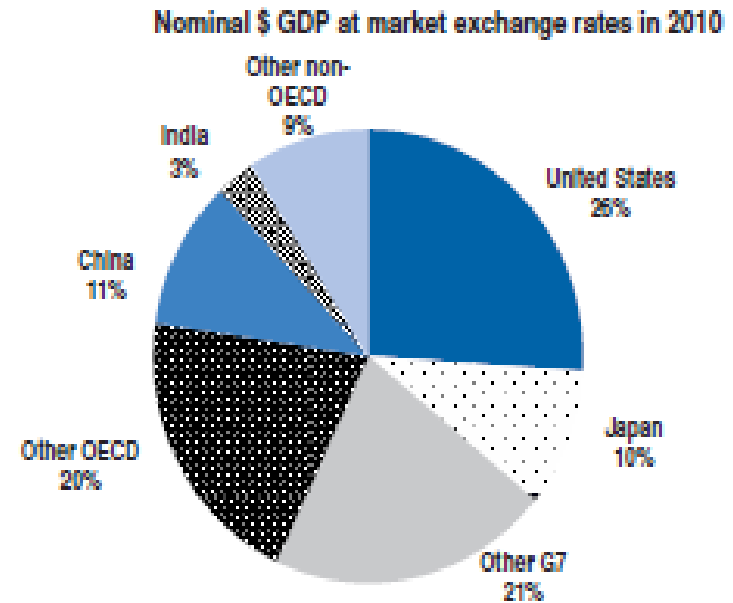
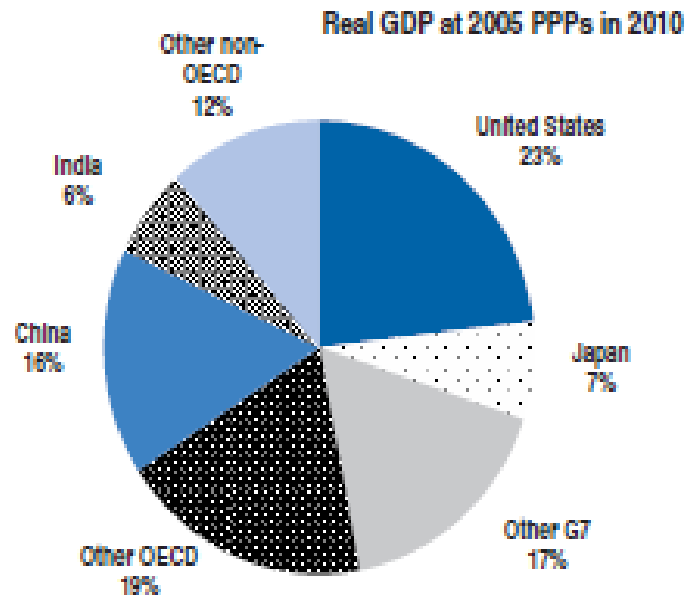
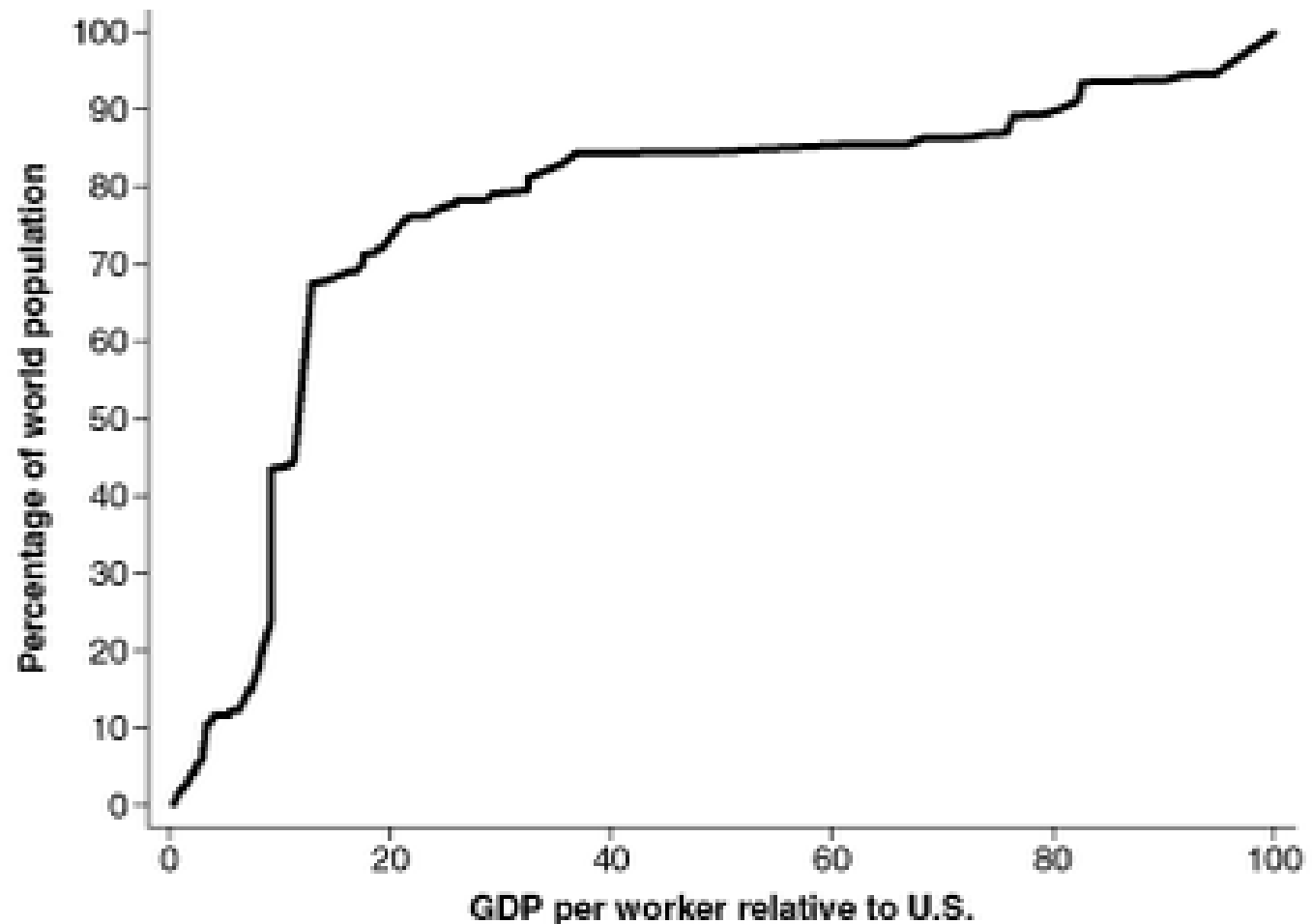


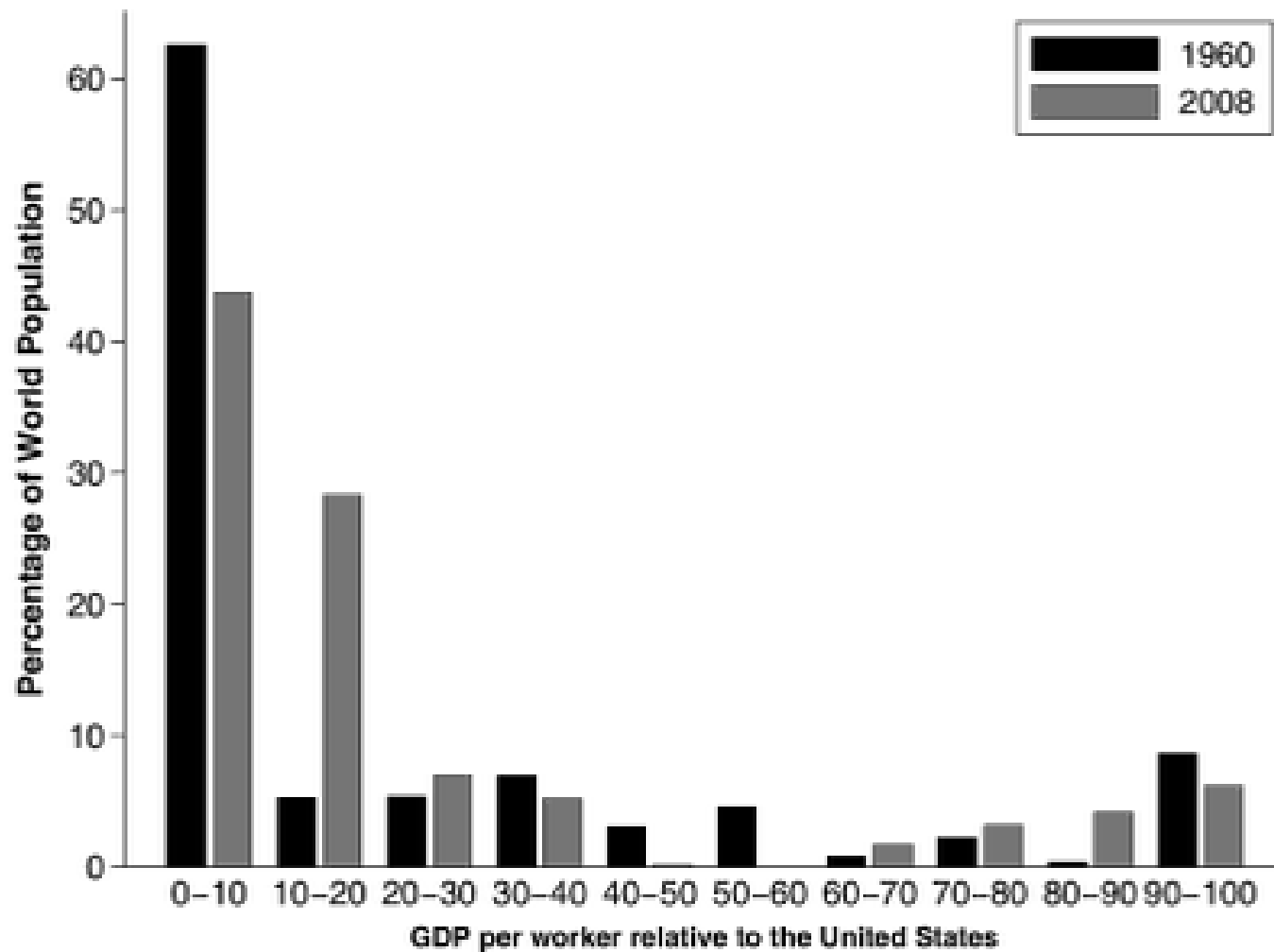
FIGURE 1.1 CUMULATIVE DISTRIBUTION OF WORLD POPULATION BY GDP PER WORKER, 2008



SOURCE: Penn World Tables Mark 7.0 and Summers and Heston (1991).

Note: A point (x, y) in the figure indicates that the fraction of the world's population living in countries with a relative GDP per worker less than x is equal to y ; 169 countries are included.

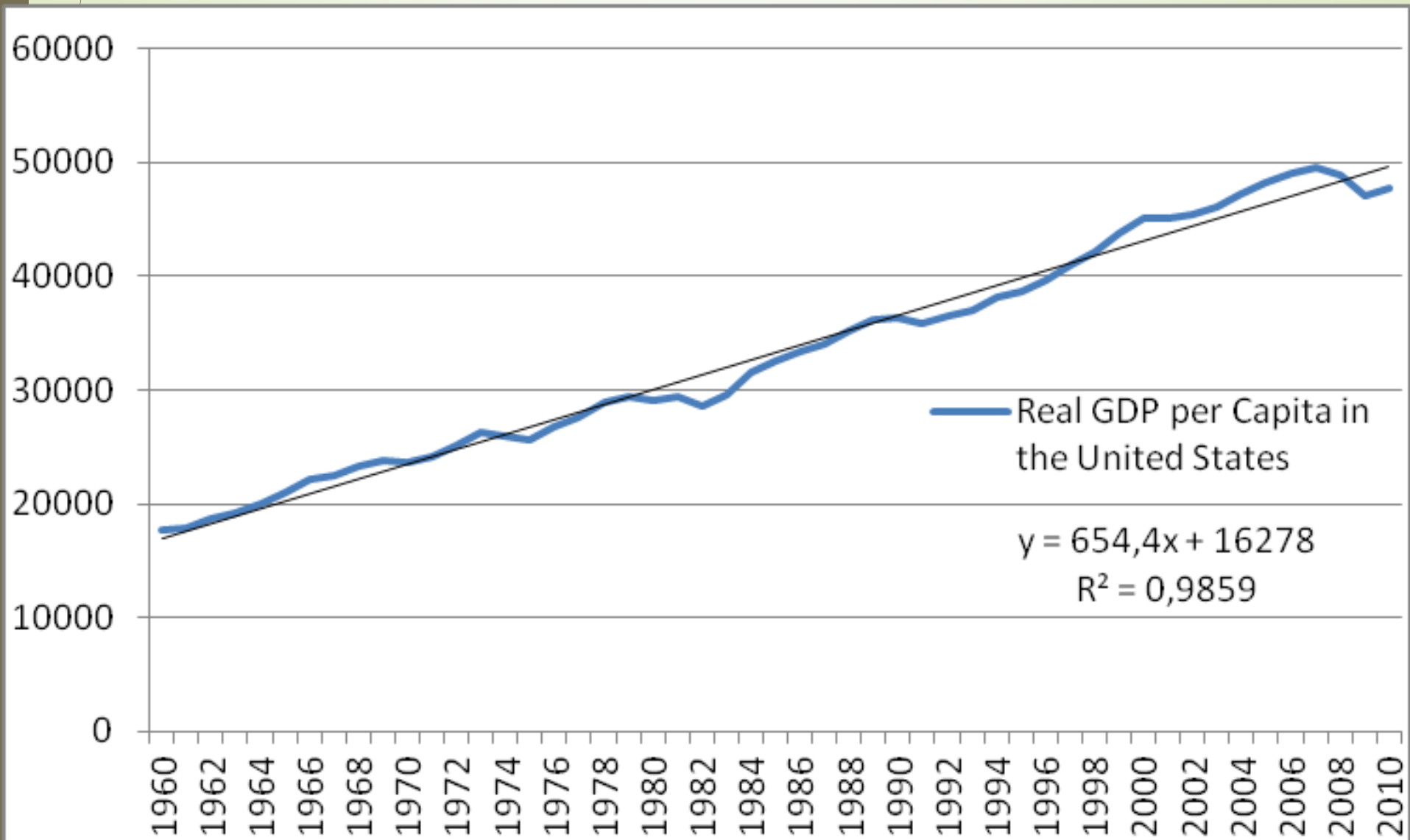
FIGURE 1.2 WORLD POPULATION BY GDP PER WORKER, 1960 AND 2008



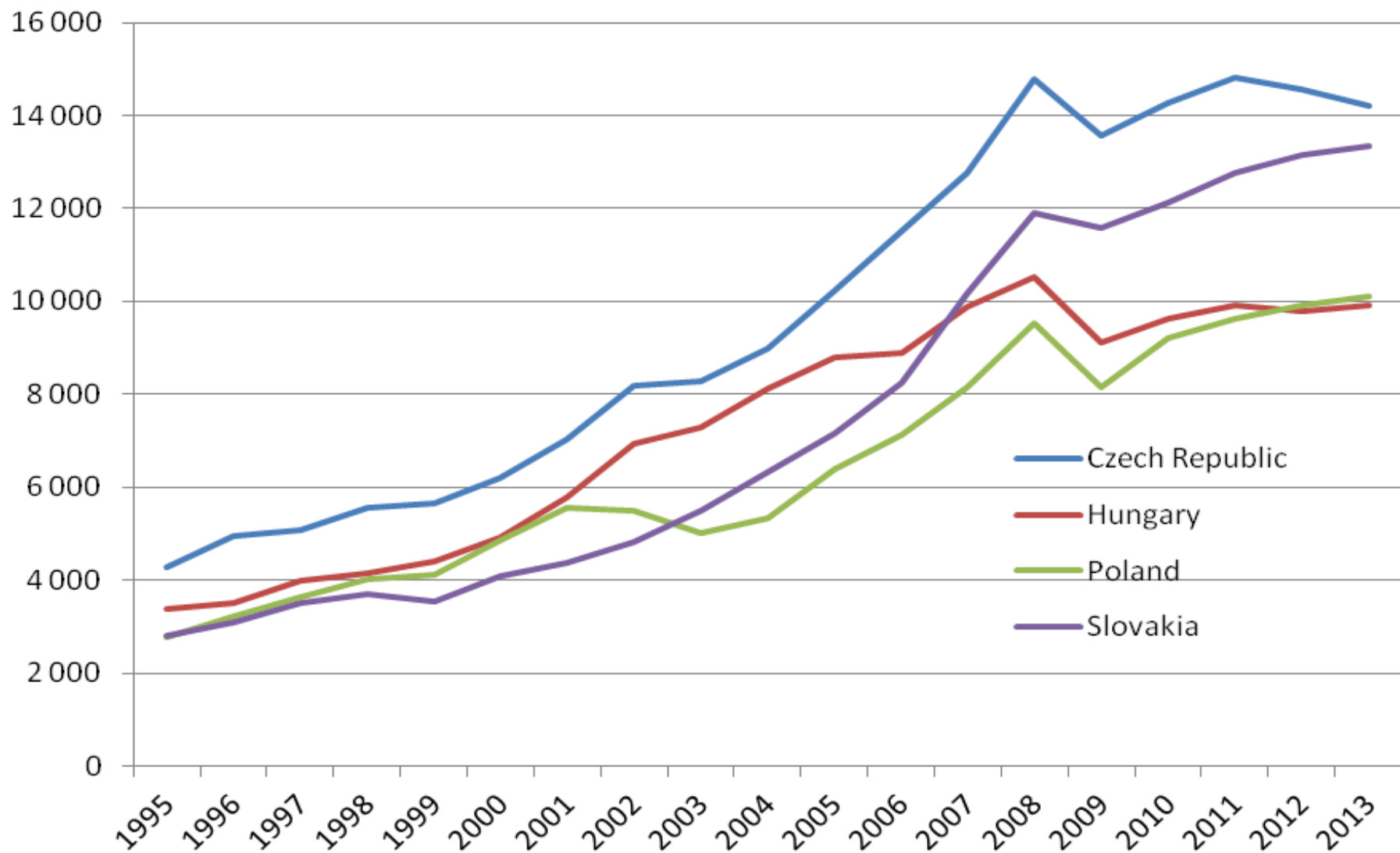
SOURCE: Penn World Tables Mark 7.0 and Summers and Heston (1991).

Note: The sample size has been reduced to 114 countries in order to incorporate the 1960 data.

Real GDP per capita in the USA, 1960-2010

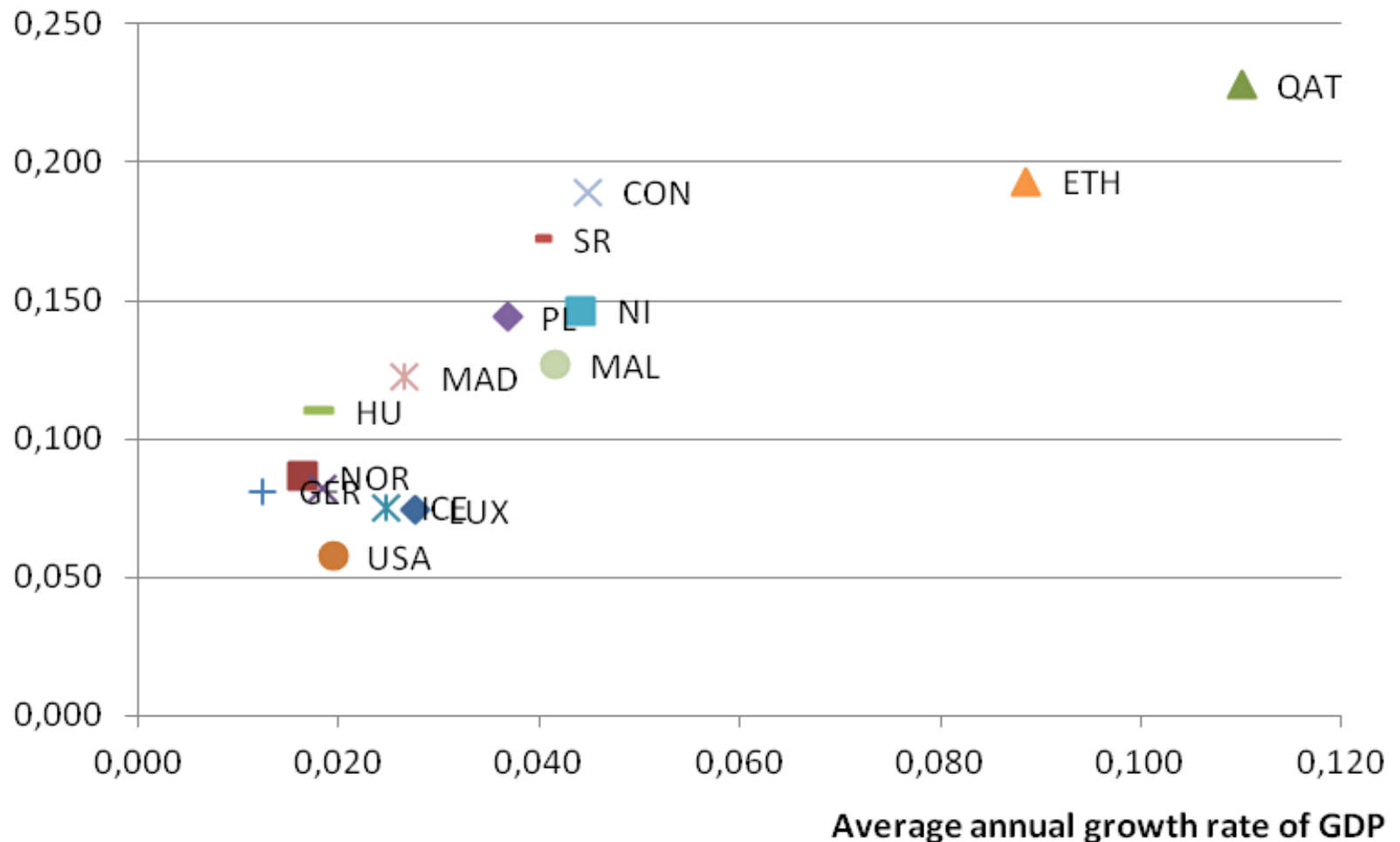


Real GDP per capita in V4 countries, 1995-2013, in EUR



Average annual growth rate of trade volume

Growth in trade and GDP, 2000-2013



LUX	NOR	QAT	SWI	ICE	USA	GER	SR
Luxembourg	Norway	Qatar	Switzerland	Iceland	United States	Germany	Slovak Republic
CZ	HU	PL	NI	ETH	CON	MAD	MAL
Czech Republic	Hungary	Poland	Niger	Ethiopia	Congo, Dem. Rep.	Madagascar	Malawi

Global competitiveness report

The logo for the World Economic Forum, featuring the words "WORLD ECONOMIC FORUM" in a bold, sans-serif font. A blue arc is positioned behind the text, starting from the top left of the word "WORLD" and curving around to the bottom right of the word "FORUM".

WORLD
ECONOMIC
FORUM

COMMITTED TO
IMPROVING THE STATE
OF THE WORLD

OF THE WORLD
IMPROVING THE STATE



Global Top 10

The Global Competitiveness Index 2014-2015

Global rank*

Switzerland	1
Singapore	2
United States	3
Finland	4
Germany	5
Japan	6
Hong Kong SAR	7
Netherlands	8
United Kingdom	9
Sweden	10

Source: The Global Competitiveness Report 2014-2015

Note: * 2014-2015 rank out of 144 economies



Europe Top 10

The Global Competitiveness Index 2014-2015

Global Rank*

Switzerland	1
Finland	4
Germany	5
Netherlands	8
United Kingdom	9
Sweden	10
Norway	11
Denmark	13
Belgium	18
Luxembourg	19

Source: The Global Competitiveness Report 2014-2015

Note: * 2014-2015 rank out of 144 economies



Asia-Pacific Top 10

The Global Competitiveness Index 2014-2015

Global rank*

Singapore	2
Japan	6
Hong Kong SAR	7
Taiwan, China	14
New Zealand	17
Malaysia	20
Australia	22
Korea, Rep.	26
China	28
Thailand	31

Source: The Global Competitiveness Report 2014-2015

Note: * 2014-2015 rank out of 144 economies



Middle East and North Africa Top 10

The Global Competitiveness Index 2014-2015

Global rank*

United Arab Emirates

12

Qatar

16

Saudi Arabia

24

Israel

27

Kuwait

40

Bahrain

44

Oman

46

Jordan

64

Morocco

72

Algeria

79

Source: The Global Competitiveness Report 2014-2015

Note: * 2014-2015 rank out of 144 economies



Sub-Saharan Africa Top 10

The Global Competitiveness Index 2014-2015

Global rank*

Mauritius	39
South Africa	56
Rwanda	62
Botswana	74
Namibia	88
Kenya	90
Seychelles	92
Zambia	96
Gabon	106
Lesotho	107

Source: The Global Competitiveness Report 2014-2015

Note: * 2014-2015 rank out of 144 economies



Latin America Top 10

The Global Competitiveness Index 2014-2015

Global rank*

Chile	33
Panama	48
Costa Rica	51
Brazil	57
Mexico	61
Peru	65
Colombia	66
Guatemala	78
Uruguay	80
El Salvador	84

Source: The Global Competitiveness Report 2014-2015

Note: * 2014-2015 rank out of 144 economies



Higher Education & Training Top 10

The Global Competitiveness Index 2014-2015

Global rank*

Finland	1
Singapore	2
Netherlands	3
Switzerland	4
Belgium	5
United Arab Emirates	6
United States	7
Norway	8
New Zealand	9
Denmark	10

Source: The Global Competitiveness Report 2014-2015

Note: * 2014-2015 rank out of 144 economies



Infrastructure Top 10

The Global Competitiveness Index 2014-2015

Global rank*

Hong Kong SAR	1
Singapore	2
United Arab Emirates	3
Netherlands	4
Switzerland	5
Japan	6
Germany	7
France	8
Spain	9
United Kingdom	10

Source: The Global Competitiveness Report 2014-2015

Note: * 2014-2015 rank out of 144 economies



Innovation Top 10

The Global Competitiveness Index 2014-2015

Global rank*

Finland	1
Switzerland	2
Israel	3
Japan	4
United States	5
Germany	6
Sweden	7
Netherlands	8
Singapore	9
Taiwan, China	10

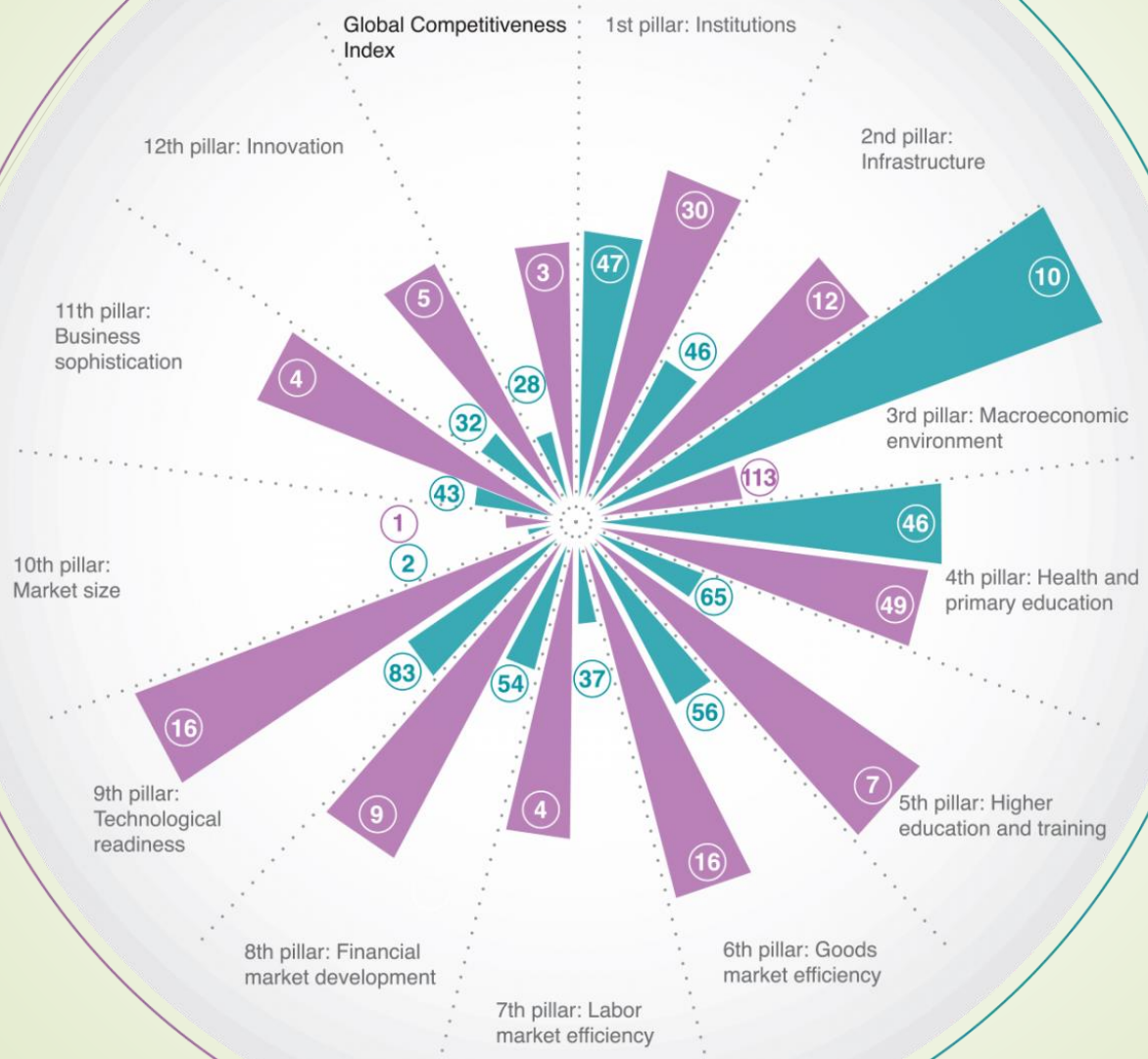
Source: The Global Competitiveness Report 2014-2015

Note: * 2014-2015 rank out of 144 economies

US

China

How the two countries rank against each other and the world*



* 2014-2015 rank out of 144 economies

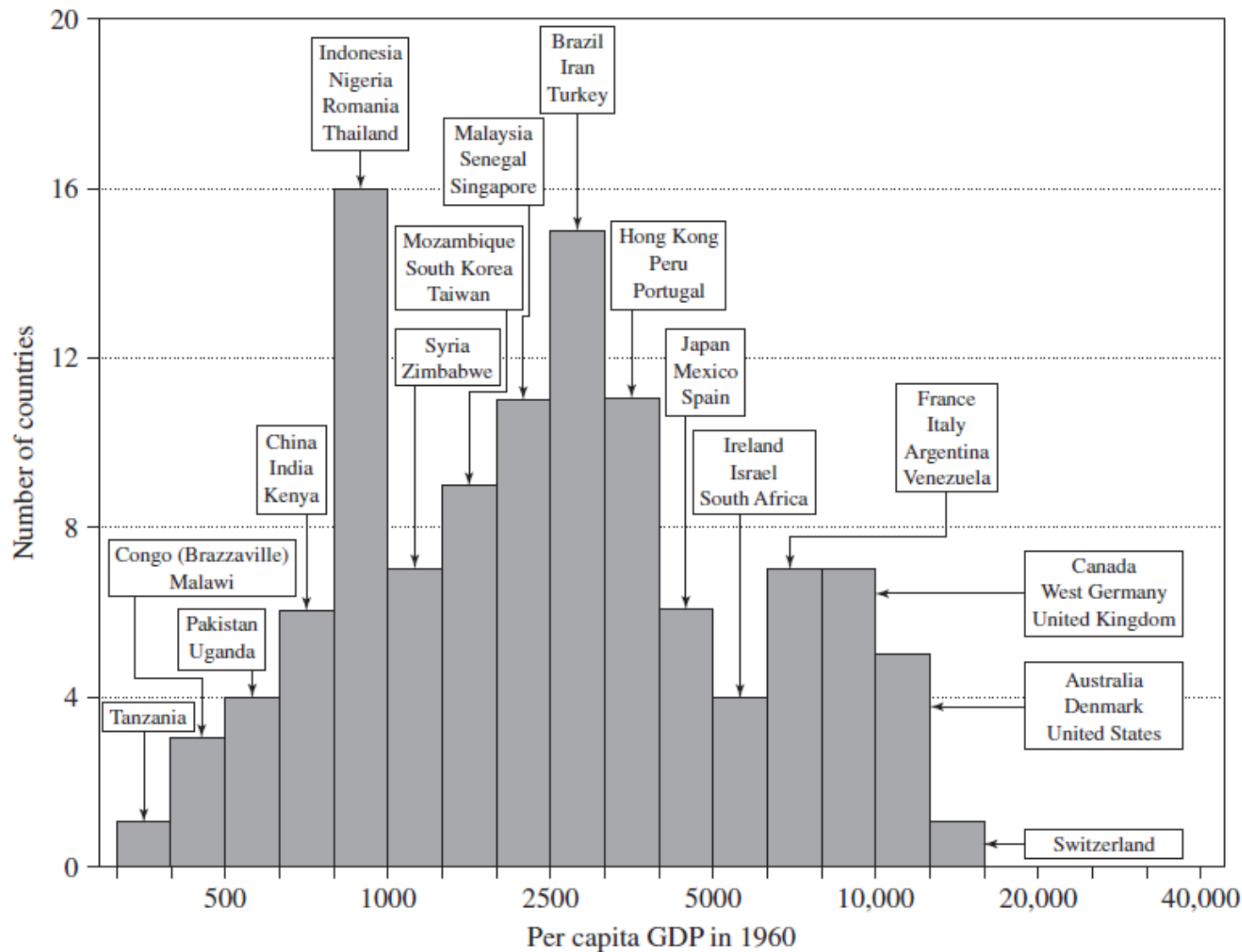


Figure I.1

Histogram for per capita GDP in 1960. The data, for 113 countries, are the purchasing-power-parity (PPP) adjusted values from Penn World Tables version 6.1, as described in Summers and Heston (1991) and Heston, Summers, and Aten (2002). Representative countries are labeled within each group.

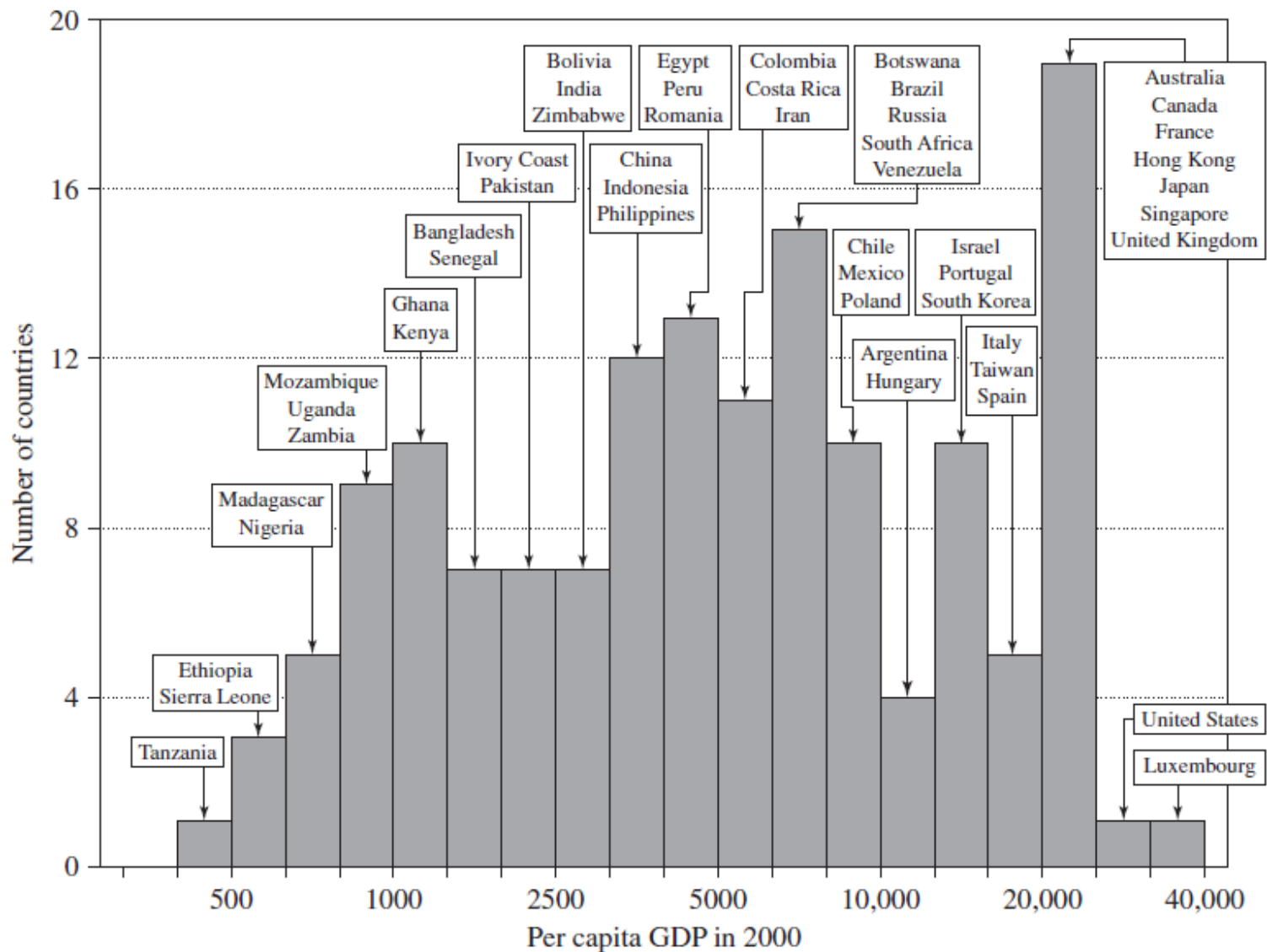


Figure I.2

Histogram for per capita GDP in 2000. The data, for 150 countries, are from the sources noted for figure I.1. Representative countries are labeled within each group.

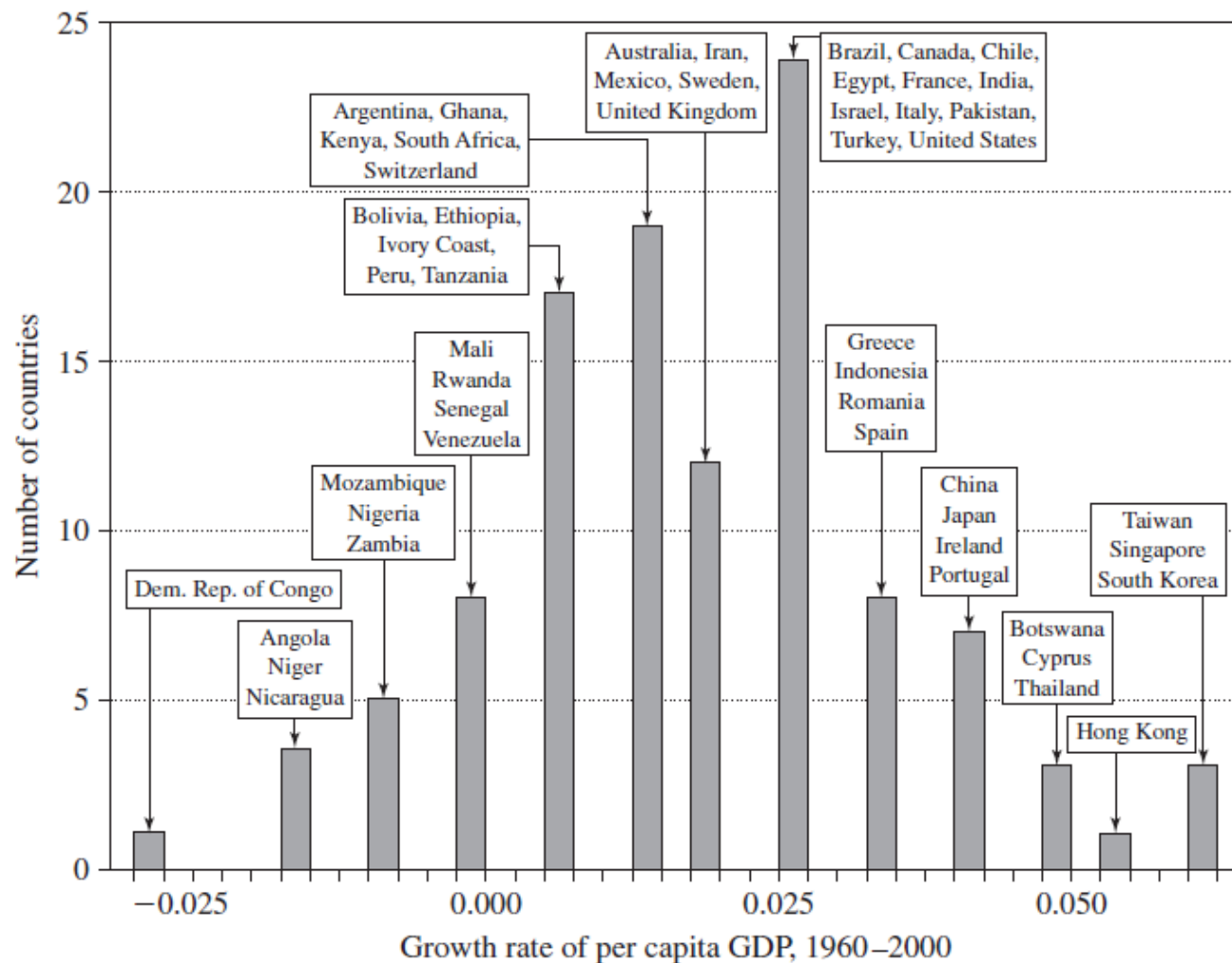


Figure I.3

Histogram for growth rate of per capita GDP from 1960 to 2000. The growth rates are computed for 112 countries from the values of per capita GDP shown for 1960 and 2000 in figures I.1 and I.2. For Democratic Republic of Congo (former Zaire), the growth rate is for 1960 to 1995. West Germany is the only country included in figure I.1 (for 1960) but excluded from figure I.3 (because of data problems caused by the reunification of Germany). Representative countries are labeled within each group.

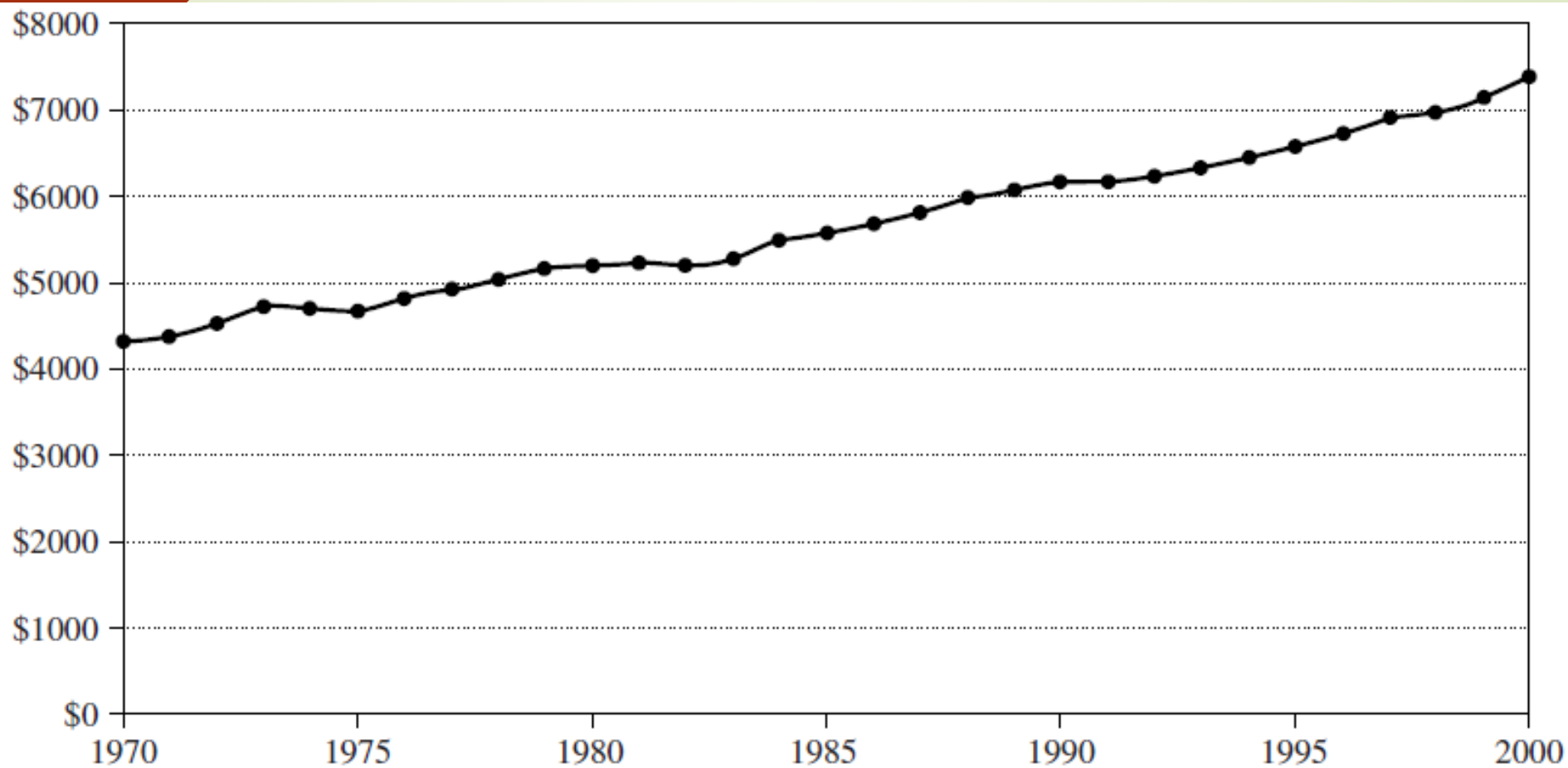


Figure I.4

World per capita GDP, 1970–2000. World per capita GDP is the sum of the GDPs for 126 countries (139 countries after the collapse of the Soviet Union) divided by population. The sample of 126 countries is the one used in Sala-i-Martin (2003a) and accounts for 95 percent of the world's population.

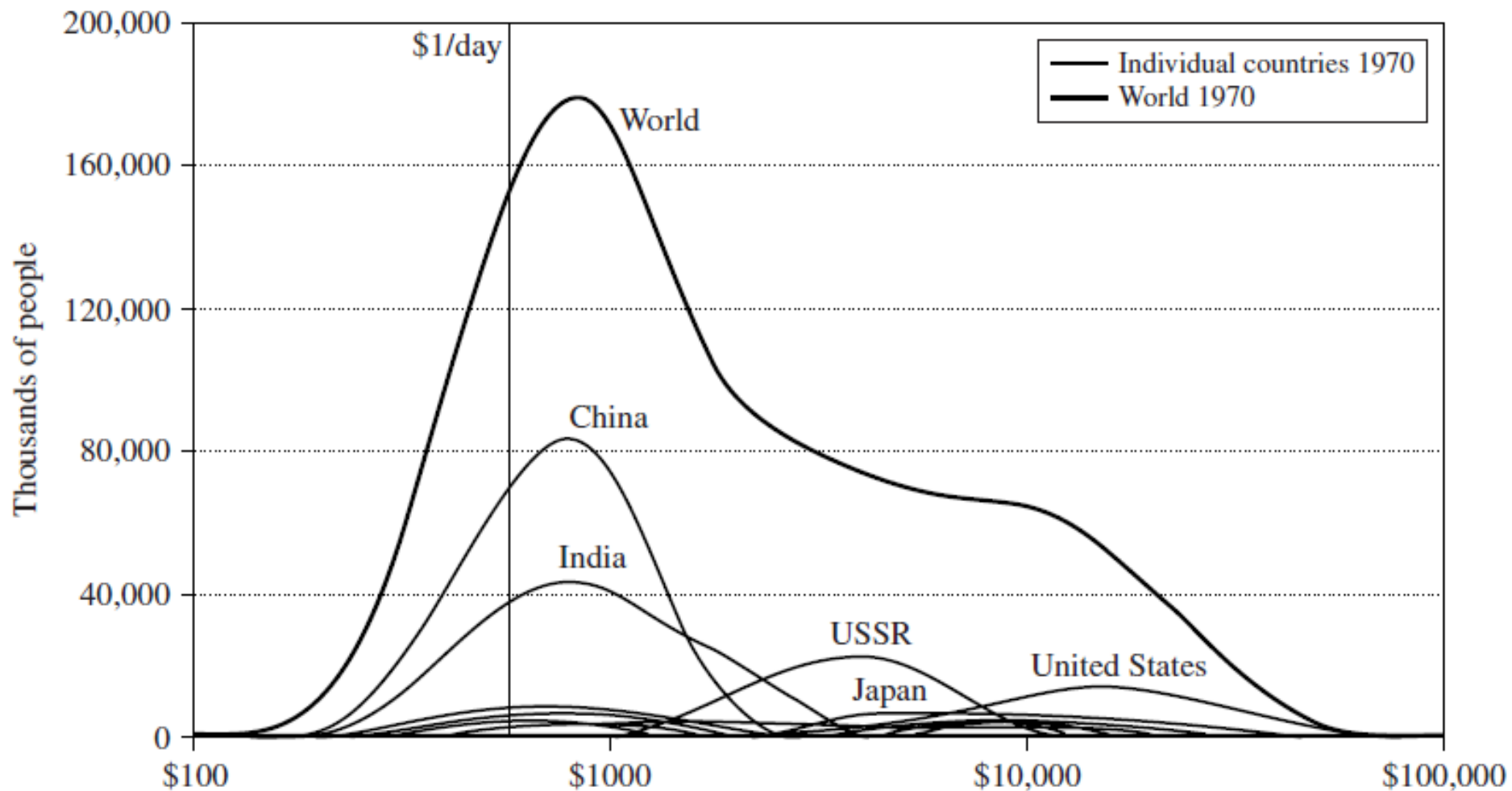


Figure I.5

The world distribution of income in 1970. The level of income is on the horizontal axis (on a logarithmic scale), and the number of people is on the vertical axis. The thin curves correspond to the income distributions of individual countries. The thick curve is the integral of individual country distributions and corresponds to the world distribution of income. The vertical line marks the poverty line (which corresponds to one dollar a day in 1985 prices). Source: Sala-i-Martin (2003a).

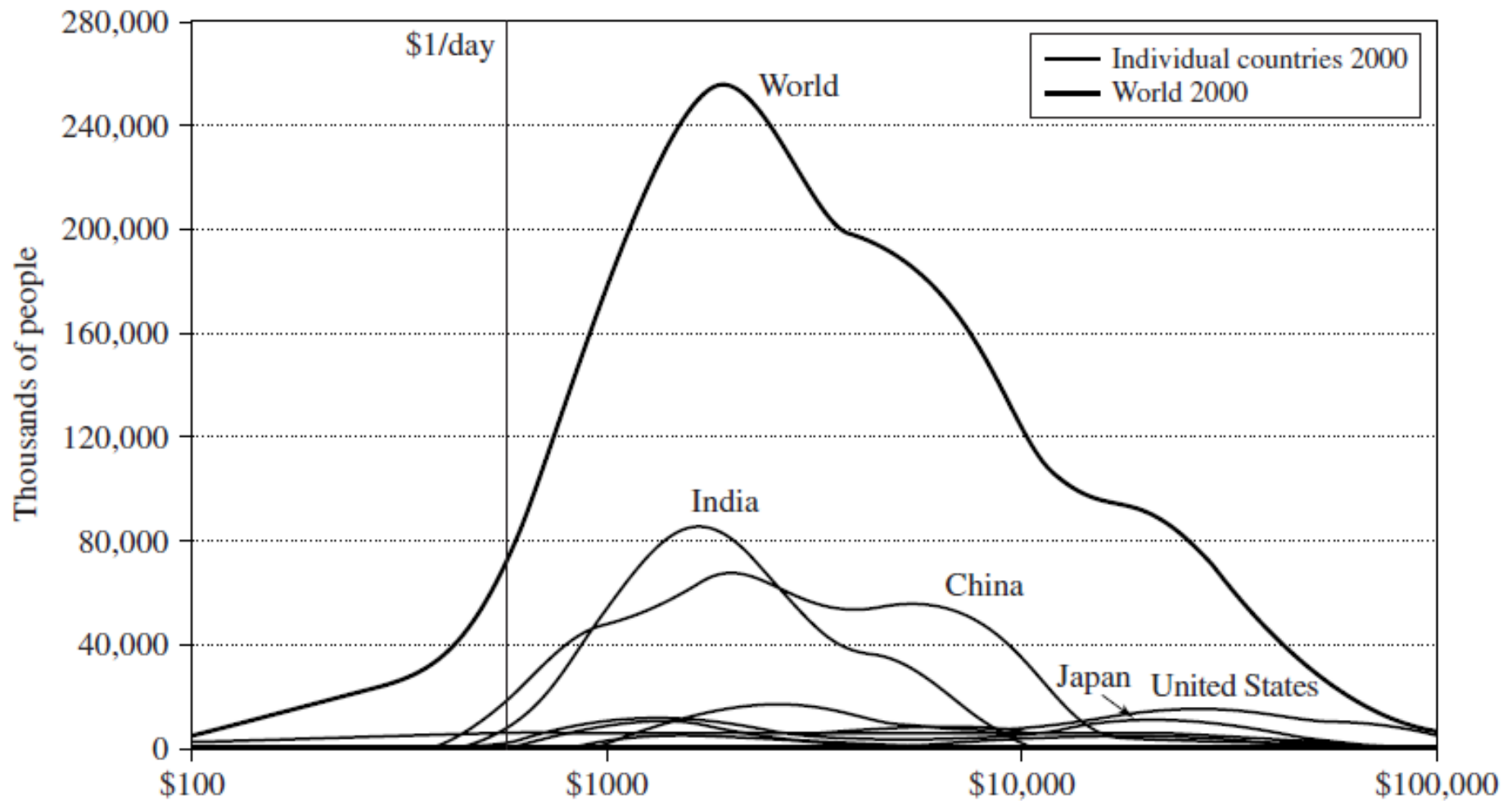


Figure I.6

The world distribution of income in 2000. The level of income is on the horizontal axis (on a logarithmic scale), and the number of people is on the vertical axis. The thin curves correspond to the income distributions of individual countries. The thick curve is the integral of individual country distributions and corresponds to the world distribution of income. The vertical line marks the poverty line (which corresponds to one dollar a day in 1985 prices). Source: Sala-i-Martin (2003a).

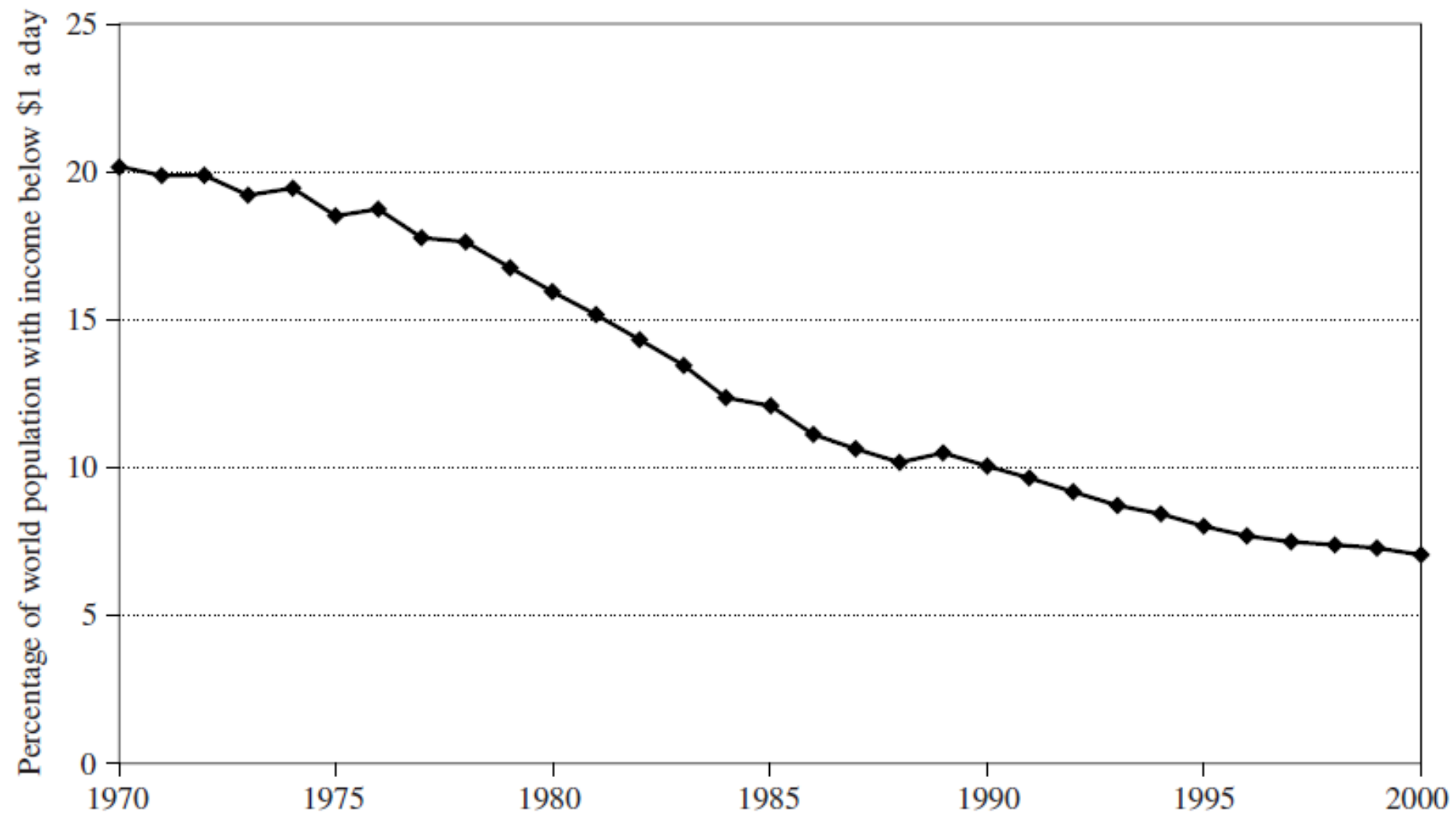


Figure I.7

World poverty rates. The graphs show the fraction of overall population with income below the poverty line.

Source: Sala-i-Martin (2003a).

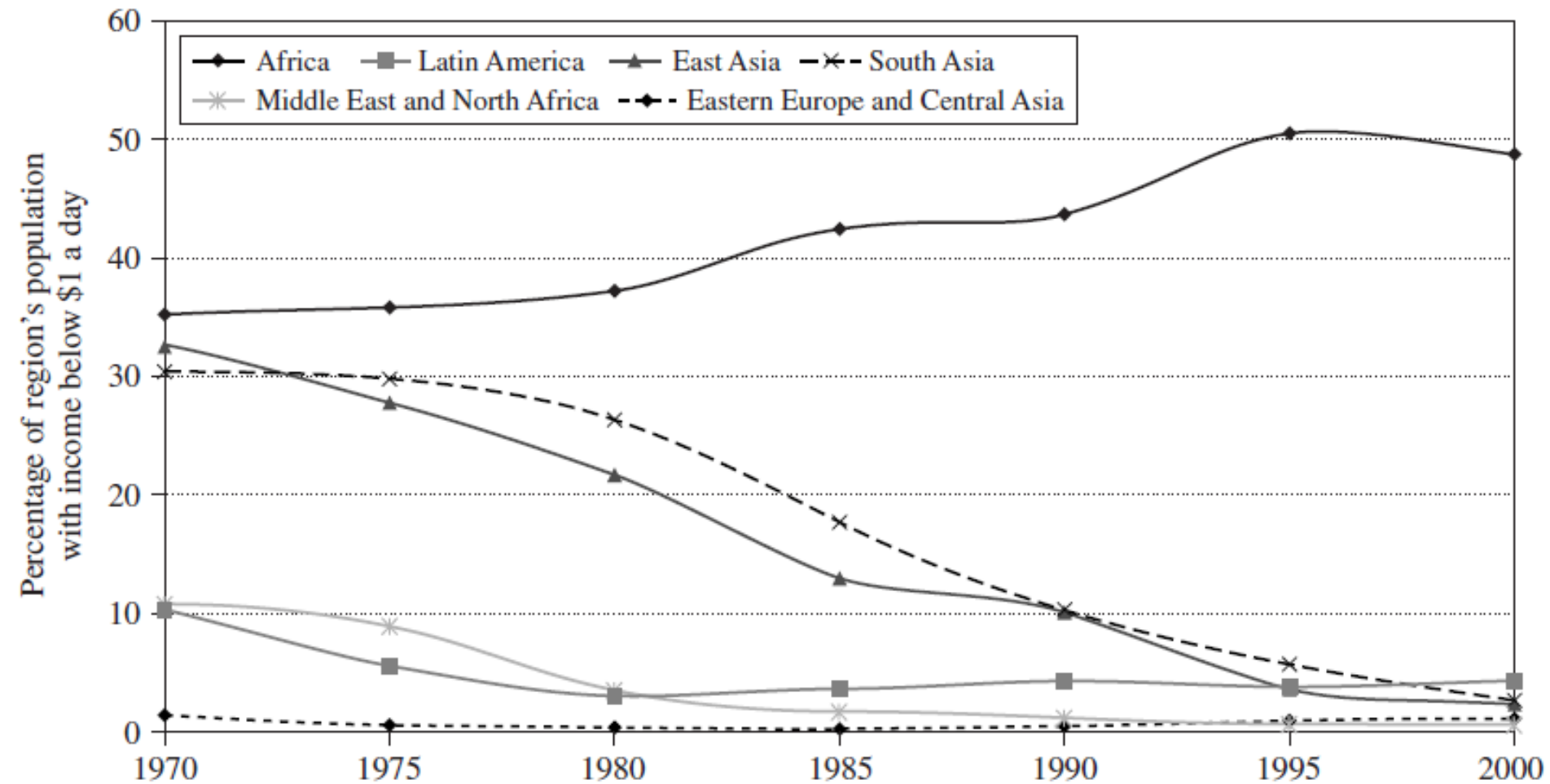


Figure I.8

Regional poverty rates. The graphs show the fraction of each region's population with income below the poverty line. The regions are the ones defined by the World Bank: East Asia, South Asia, Latin America, Africa, the Middle East and North Africa (MENA), and Eastern Europe and Central Asia. Source: Sala-i-Martin (2003a).

Table I.2**Long-Term Growth Rates for Currently Less-Developed Countries**

Period	Growth Rate (percent per year)	Number of Countries
1900–13	1.2	15
1913–50	0.4	15
1950–73	2.6	15
1973–87	2.4	15

Source: Table 12.11 in chapter 12.

Note: The growth rates are simple averages for the countries with data.

Table I.1**Long-Term Growth Rates for Currently Developed Countries**

Period	Growth Rate (percent per year)	Number of Countries
1830–50	0.9	10
1850–70	1.2	11
1870–90	1.2	13
1890–10	1.5	14
1910–30	1.3	16
1930–50	1.4	16
1950–70	3.7	16
1970–90	2.2	16

Source: Table 12.10.

Note: The growth rates are simple averages for the countries with data.

Table I.3

Ratios to GDP of Gross Domestic Investment and Gross National Saving (percent)

Period	Australia	Canada	France	India	Japan	Korea	United Kingdom	United States
1. Gross Domestic Investment								
1870–89	16.5	16.0	12.8	—	—	—	9.3	19.8
1890–09	13.7	17.2	14.0	—	14.0	—	9.4	17.9
1910–29	17.4	19.8	—	6.4	16.6	5.1 ^a	6.7	17.2
1930–49	13.3	13.1	—	8.4	20.5	—	8.1	12.7
1950–69	26.3	23.8	22.6	14.0	31.8	16.3 ^b	17.2	18.9
1970–89	24.9	22.8	23.2	20.2	31.9	29.1	18.2	18.7
2. Gross National Saving								
1870–89	11.2	9.1	12.8	—	—	—	13.9	19.1
1890–09	12.2	11.5	14.9	—	12.0	—	13.1	18.4
1910–29	13.6	16.0	—	6.4	17.1	2.38	9.6	18.9
1930–49	13.0	15.6	—	7.7	19.8	—	4.8	14.1
1950–69	24.0	22.3	22.8	12.2	32.1	5.9 ^b	17.7	19.6
1970–89	22.9	22.1	23.4	19.4	33.7	26.2	19.4	18.5

Source: Maddison (1992).^a1911–29^b1951–69



**Thank you for your
kind attention**