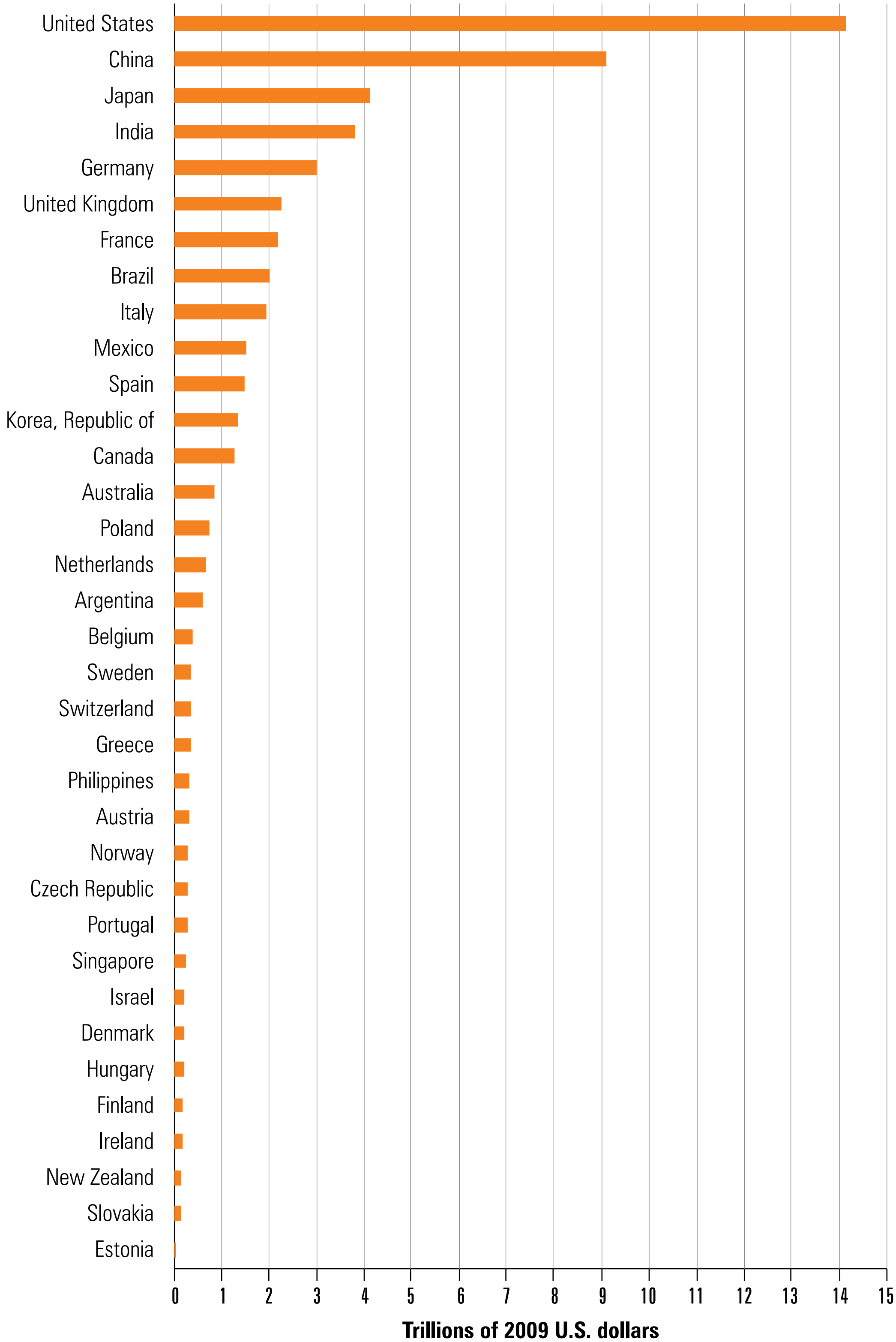
1 SECTION

Gross Domestic Product

Gross domestic product (GDP) is a measure of a country's economic output. GDP per capita and GDP per employed person are related indicators that provide a general picture of a country's well being. GDP per capita is an indicator of overall wealth in a country, and GDP per employed person is a general indicator of productivity.

Gross domestic product, selected countries, in U.S. dollars, 2009



NOTE: GDP is converted to U.S. dollars using purchasing power parities (PPP). See section notes.

SOURCES: Bureau of Labor Statistics and The World Bank

CHART 1.1

Gross domestic product (GDP) was over 14 trillion dollars in the United States and exceeded 3 trillion dollars in only three other countries: China, Japan, and India.

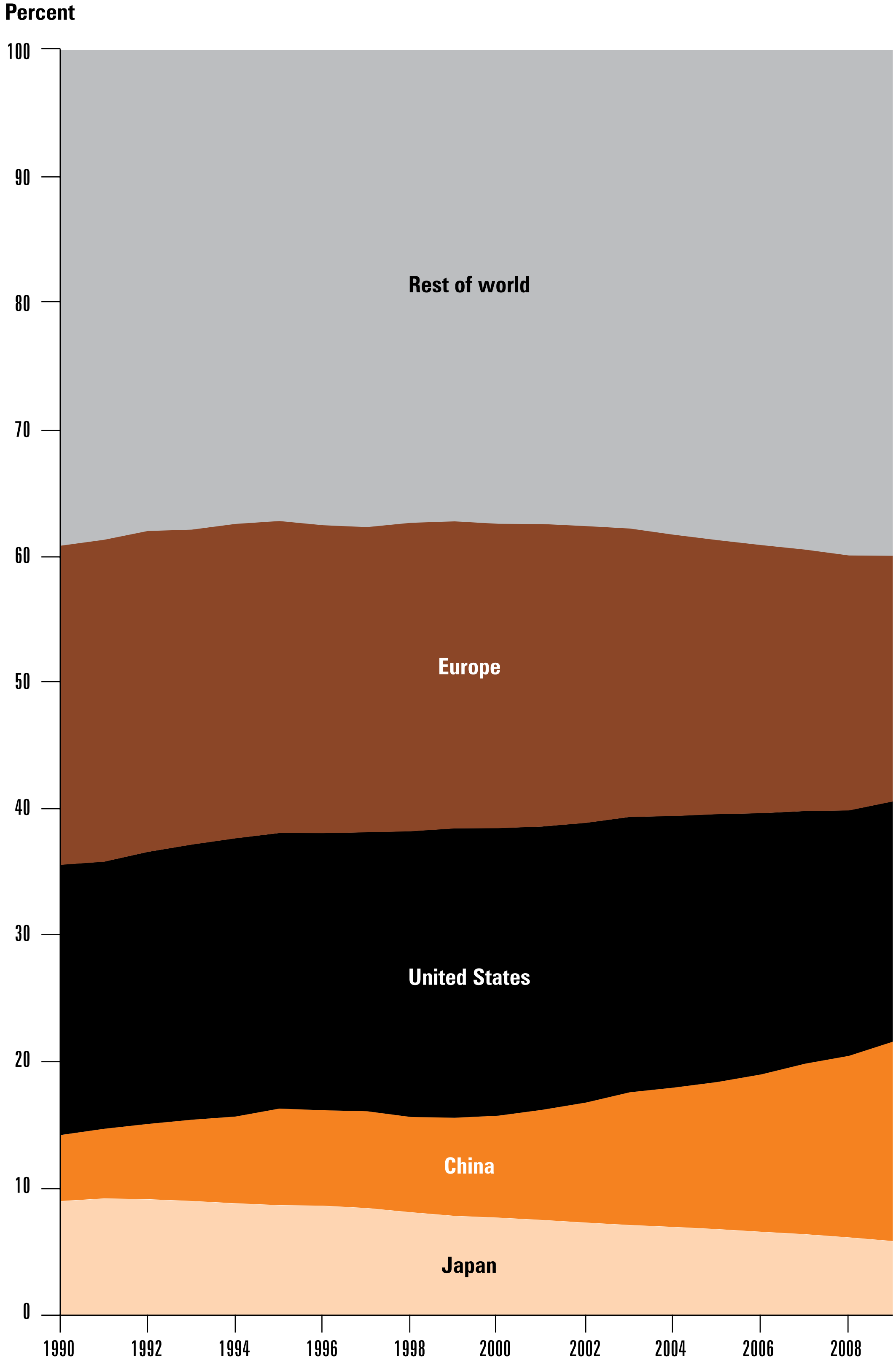
- In addition to China and India, other large emerging economies, such as Brazil and Mexico, were among the 10 largest countries in terms of GDP.
- The GDP of the United States was roughly 5 times larger than that of Germany, 10 times larger than that of the Republic of Korea, and 50 times larger than that of Norway.

CHART 1.2

Share of world gross domestic product, selected economies, 1990–2009

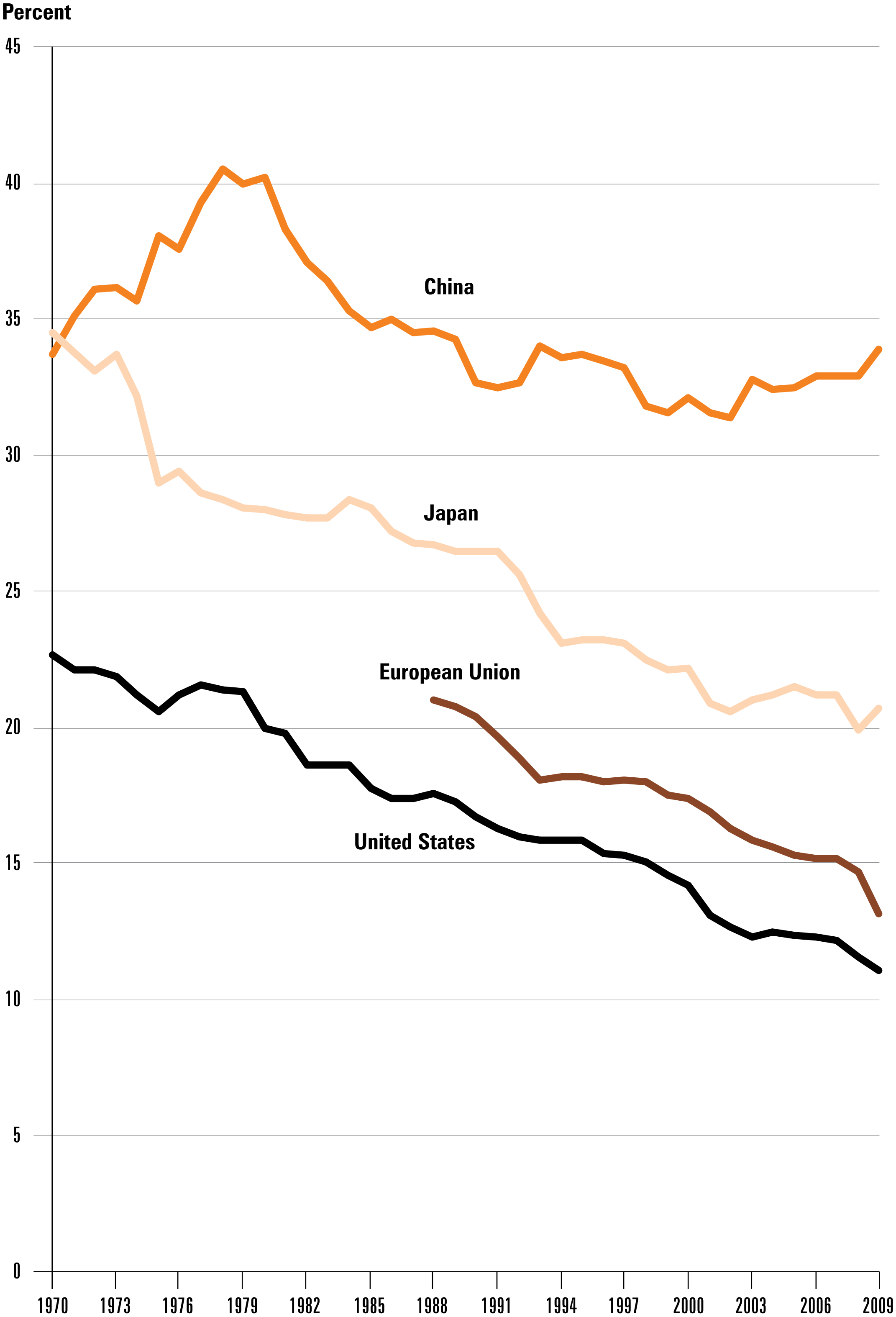
China's share of world gross domestic product (GDP) increased steadily during the past two decades, from approximately 5 percent in 1990 to 16 percent in 2009. By 2000, China's GDP had surpassed Japan's.

- As a percent of world GDP, the United States, Europe, and Japan each declined slightly over the last two decades, due largely to China's growth.
- The rest of the world's share of world GDP decreased during the 1990s but grew steadily from 2000 to 2009.



SOURCE: The Conference Board

Manufacturing output as a percent of gross domestic product, selected economies, 1970–2009



SOURCES: Bureau of Labor Statistics and The World Bank

CHART 1.3

Over the period, the manufacturing sector's share of gross domestic product (GDP) declined at about the same rate in Japan, the European Union, and the United States.

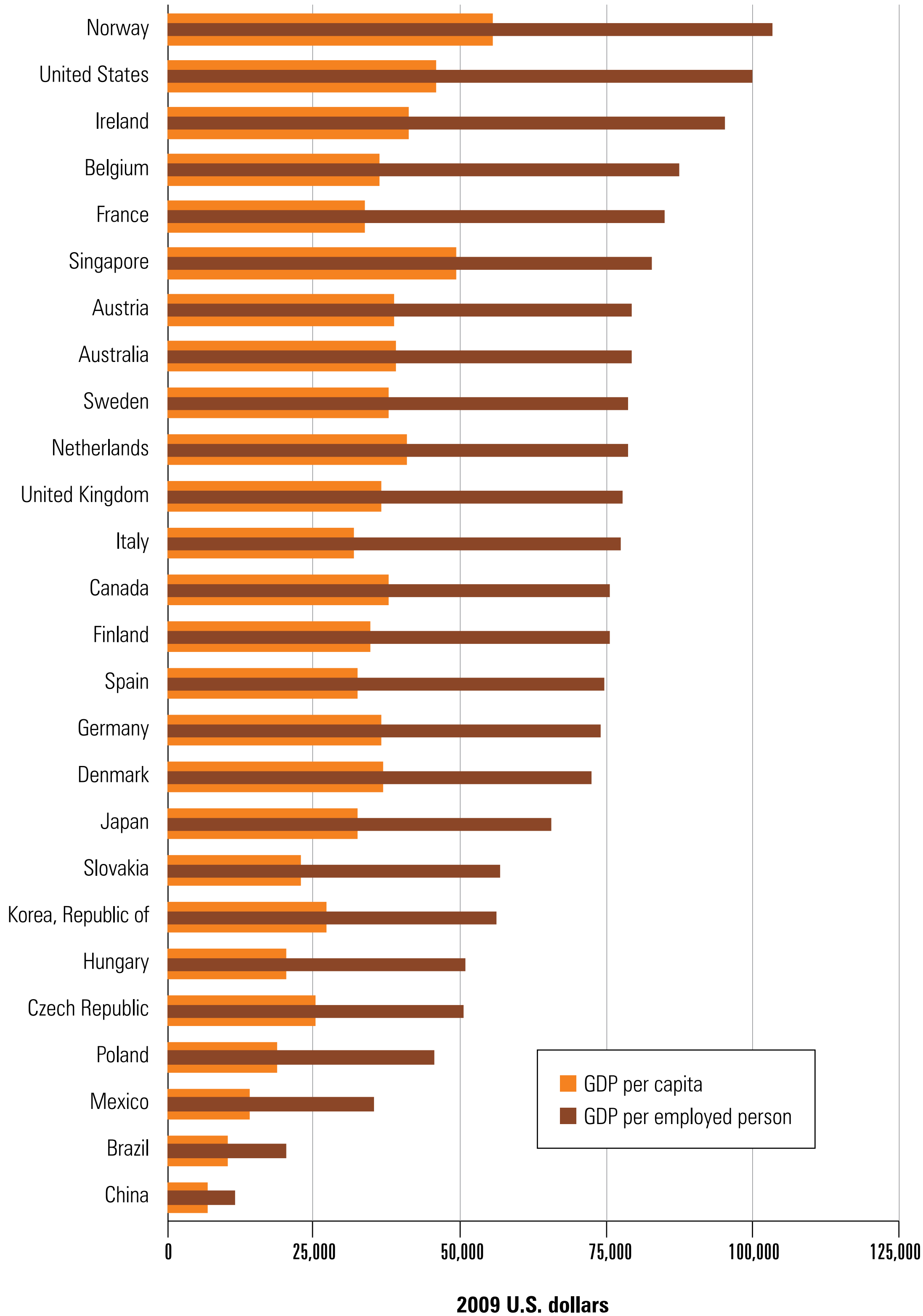
- U.S. manufacturing made up 11 percent of GDP in 2009, compared with 23 percent of GDP in 1970.
- Manufacturing output as a share of GDP was about one-third in both China and Japan in 1970. The share decreased overall in Japan but rose and fell in China before returning to 1970 levels in 2009.

CHART 1.4

Gross domestic product per capita and per employed person, selected countries, in U.S. dollars, 2009

Norway had the highest gross domestic product (GDP) per capita and per employed person.

- GDP per capita in the United States was approximately 7 times larger than that of China.
- Singapore had the second highest GDP per capita, but only the sixth highest GDP per employed person—indicating a high employment rate in that country.



SOURCES: Bureau of Labor Statistics and The World Bank

Sources

Data for most countries are based on the BLS report *International Comparisons of GDP per Capita and per Hour, 1960–2009*. Data for the remaining countries and all purchasing power parities (PPP) are based on data in the World Bank database World Development Indicators. A country or region's share of world gross domestic product (GDP) is based on data in The Conference Board Total Economy Database.

Each country prepares GDP measures in accordance with national accounts principles. To make international comparisons of levels of GDP, GDP per capita, and GDP per employed person, it is necessary to express GDP in a common currency unit. BLS converts GDP from national currency units to U.S. dollars through the use of PPP.

In this section, Europe includes 20 countries: Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Malta, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.

Definitions

Gross domestic product (GDP) is the market value of all goods and services produced in a country. **GDP per capita** is GDP divided by population and is a rough measure of a country's overall wealth. **GDP per employed person** is GDP divided by the number of employed persons and is a rough measure of a country's productivity. **Purchasing power parities** (PPP) are currency conversion rates that allow output in different currency units to be expressed in a common unit of value. A PPP is the ratio between the number of units of a country's currency and the number of U.S. dollars required to purchase an equivalent basket of goods and services within each respective country. ■