

July 2013

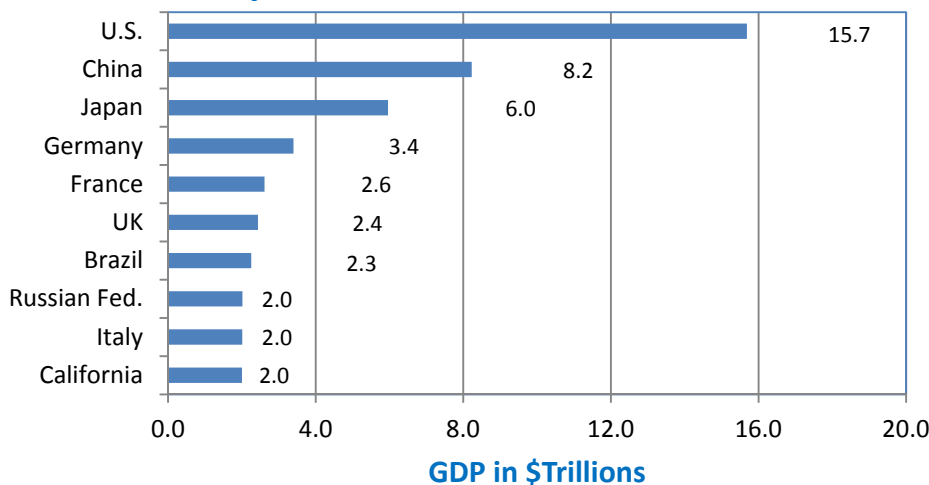
## California Poised to Move Up in World Economy Rankings in 2013

California is poised to pass Italy and the Russian Federation and become the world's eighth-largest economy in 2013. California, Italy and the Russian Federation were in a virtual tie in 2012 for eighth-tenth place in the world rankings with a gross domestic product (GDP) of \$2.0 trillion. The state GDP is the value of all goods and services produced in California and is comparable to the national definition.

According to World Bank estimates, China was the world's second-largest economy in 2012 with a GDP just over half of the U.S. total. Japan, Germany and France were the next three largest world economies in 2012. With the European economies in recession, California pulled even with Italy and moved closer to the GDPs of France and the United Kingdom.

The next five largest economies in 2012 were India and Canada (\$1.8 trillion), Australia (\$1.5 trillion), Spain (\$1.4 trillion) and Mexico (\$1.2 trillion).

### Top World Economies in 2012



With the European economy forecast to remain in recession in 2013 and with California posting large job gains in 2013, the state will pass Italy and, possibly, the Russian Federation in the 2013 rankings. On the other hand it is likely that India will pass California in the near future and Canada and the Russian Federation will remain close.

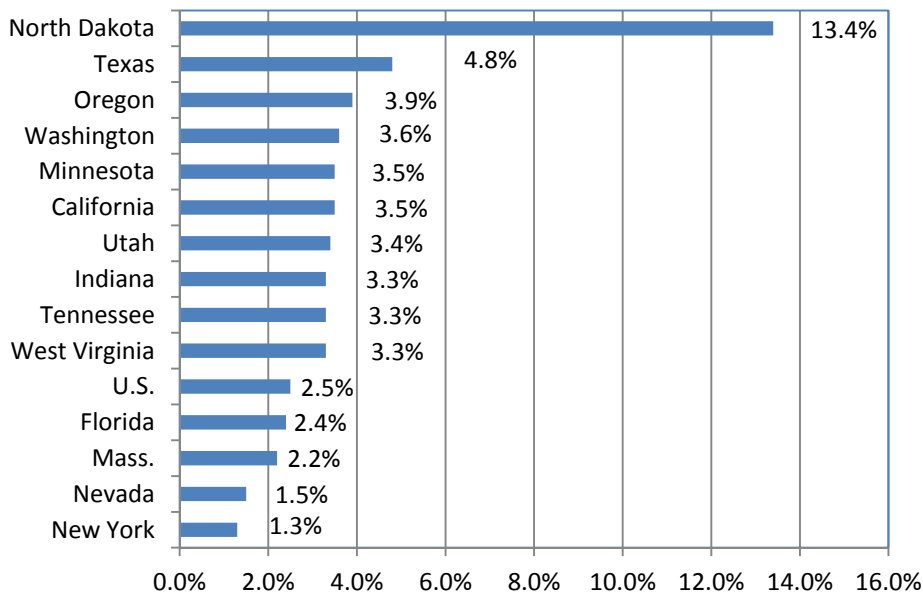
The world GDP data and methodology can be found on the World Bank website at <http://data.worldbank.org/indicator/NY.GDP.MKTP.CD>.

## Fastest Growth in 2012

After five years of below average growth, California outpaced most states in GDP growth in 2012. California was tied with Minnesota for the fifth fastest rate of growth in 2012 with a GDP gain of 3.5% compared with the national average of 2.5%. North Dakota and Texas led all states with California's Pacific Coast neighbors, Oregon and Washington, just ahead of California.

The GDP growth rates shown in this *Numbers in the News* are for real growth, that is growth above the rate of inflation.

## Real State GDP Growth in 2012



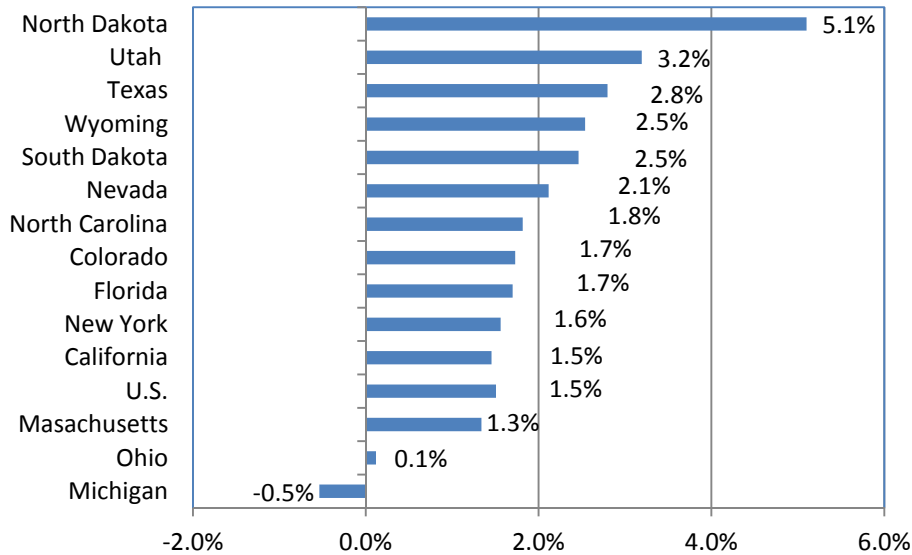
## California has been an Average Growth State Since 2000

Since 2000 California and the nation have posted the same GDP growth of 1.5% per year. California has outpaced the nation in growth years such as 2012 and lagged behind the nation in recession years.

All of the five fastest-growing states (North Dakota, Utah, Texas, Wyoming and South Dakota) are in the middle of the country and have strong resource bases, participating in the oil and gas boom of recent years. Nevada, North Carolina, Colorado and Florida among the larger states also outpaced California in GDP growth during this period.

Other large states including Massachusetts, Ohio and Michigan have trailed California during this period.

## Average Annual Real GDP Growth 2000-12 Selected States

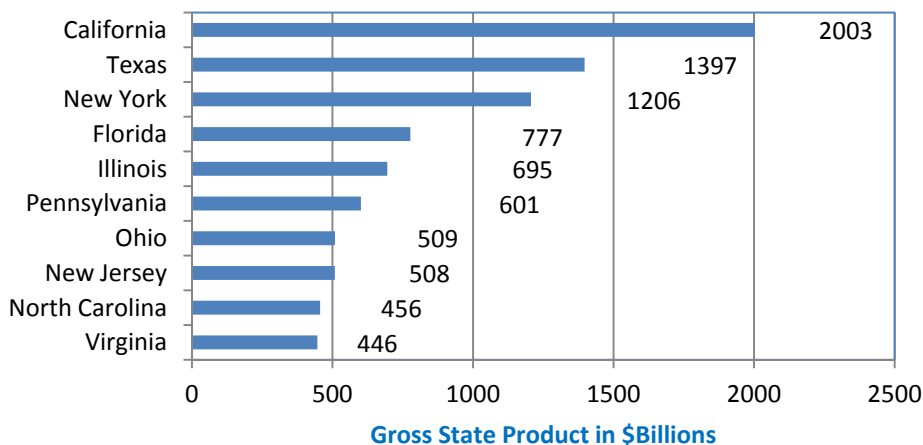


### Largest State Economies

California has the largest GDP among states, which is to be expected since the state is much larger in terms of jobs and population than Texas, the next largest state. California's GDP in 2012 was \$2,003 billion followed by Texas with \$1,397 billion and New York with \$1,206 billion. The next largest state GDPs were in Florida, Illinois, Pennsylvania, Ohio, New Jersey, North Carolina and Virginia.

Texas and New York would rank as the 14<sup>th</sup> and 15<sup>th</sup> largest world economies.

### Top State Economies in 2012



The state GDP data can be found on the Bureau of Economic Analysis (BEA) website at <http://www.bea.gov/regional/index.htm>.

## Regional Rankings in California

In 2012 the Los Angeles Basin had a GDP of \$925 billion, which placed the region between 15<sup>th</sup> ranked South Korea and Indonesia. The Bay Area with a GDP of \$594 billion ranked between Switzerland (19th in the world) and Sweden. San Diego ranked between the Czech Republic (45<sup>th</sup>) and Ukraine while the San Joaquin Valley ranked between Vietnam (48th) and Hungary. The Sacramento region ranked between Angola (51st) and Puerto Rico.

The 2012 regional GDP estimates were based on the 2011 metropolitan area GDP estimates released by BEA in February 2013 and CCSCE's estimate of regional growth in 2012 based on relative job growth rates.

The World Bank did not have 2012 GDP estimates for many countries in the Middle East including Saudi Arabia, Iran, the United Arab Emirates, Israel, Qatar, and Kuwait. It is likely that all of these countries would rank below the Bay Area but above the San Diego region in the world rankings if the data were available.

	Rank in World	2012 GDP in \$Billions
15	South Korea	1130
	LA Basin	925
16	Indonesia	878
19	Switzerland	632
	Bay Area	594
20	Sweden	526
45	Czech Republic	196
	San Diego	179
46	Ukraine	176
48	Vietnam	142
	San Joaquin Valley	132
49	Hungary	126
51	Angola	114
	Sacramento	102
52	Puerto Rico	101