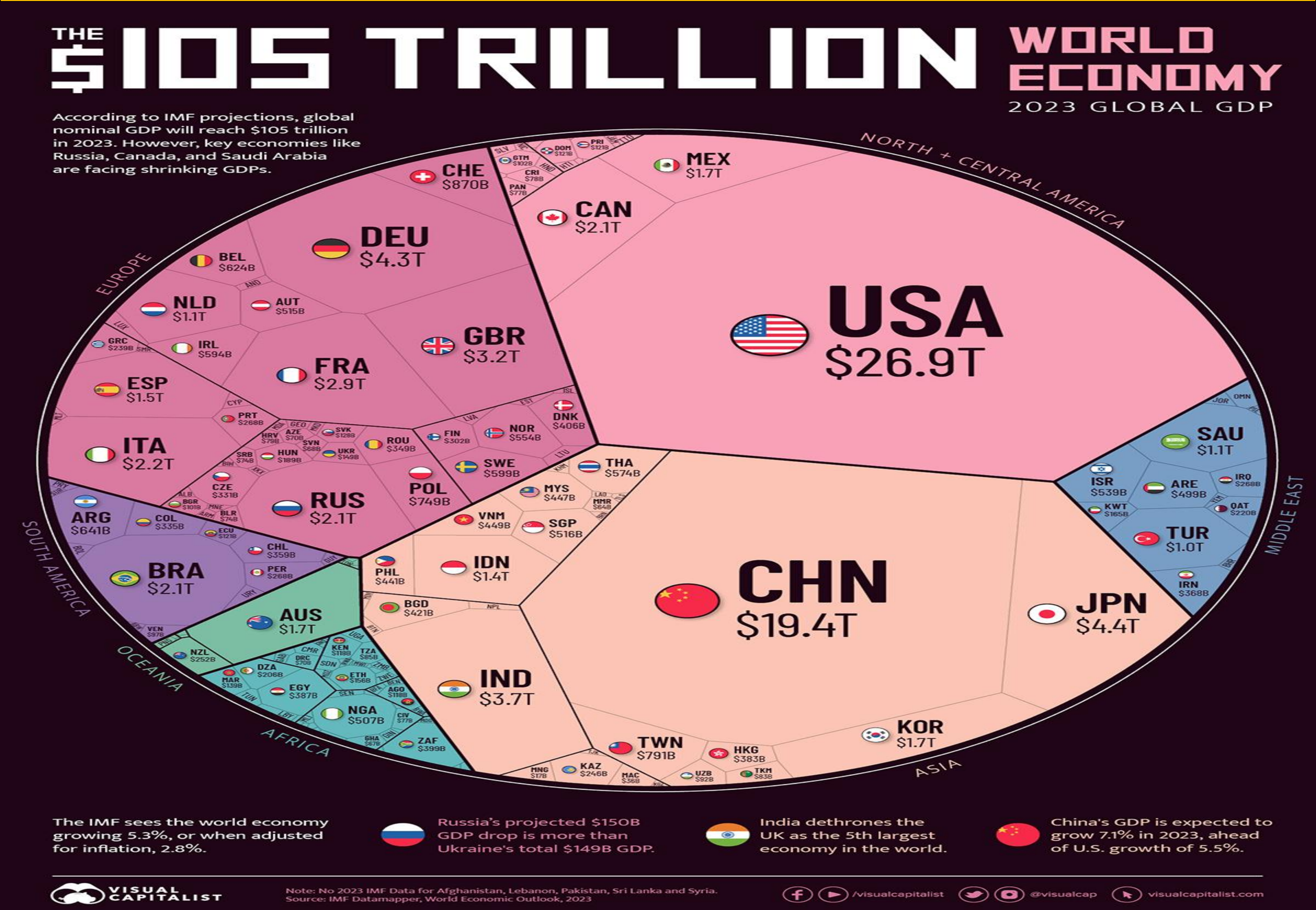
# On Superpower Economies in 2023

- ***Global GDP***
- ***Ranking Global Economies***
- ***Declining Economies 2023***
- ***The USA Economy***
- ***The Chinese Economy***

**Nick Demos**

# 2023's Global Economy

# The $105 Trillion World Economy



# The $105 Trillion World Economy

- Visualizing the $105 Trillion World Economy in One Chart

- By the end of 2023, the world economy is expected to have a gross domestic product (GDP) of $105 trillion, or $5 trillion higher than the year before, according to the latest International Monetary Fund (IMF) projections from its 2023 World Economic Outlook report.

- In nominal terms, that's a 5.3% increase in global GDP. In inflation-adjusted terms, that would be a 2.8% increase.

- Gross Domestic Product (GDP) measures the total value of economic output—goods and services—produced within a given time frame by both the private and public sectors.

- All numbers used in this article, unless otherwise specified, are nominal figures, and do not account for inflation.

- The year started with turmoil for the global economy, with financial markets rocked by the collapse of several mid-sized U.S. banks alongside persistent inflation and tightening monetary conditions in most countries.

- Nevertheless, some economies have proven to be resilient, and are expected to register growth from 2022.

# The $105 Trillion World Economy

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# 2023’s Ranking Economies

# Ranking Countries by Economic Size in 2023

- The **U.S.** is expected to continue being the biggest economy in 2023 with a projected GDP of $26.9 trillion for the year.
    - *This is more than the sum of the GDPs of 174 countries ranked from Indonesia (17th) to Tuvalu (191st).*
- **China** stays steady at second place with a projected $19.4 trillion GDP in 2023. Most of the top five economies remain in the same positions from 2022, with one notable exception.
- **India** is expected to climb past the UK to become the fifth-largest economy with a projected 2023 GDP of $3.7 trillion.

# The size of every country's economy in 2023, according to IMF's estimates.

| Rank | Country | GDP (USD) | % of Total |
|---|---|---|---|
| 1 | U.S. | $26,855B | 25.54% |
| 2 | China | $19,374B | 18.43% |
| 3 | Japan | $4,410B | 4.19% |
| 4 | Germany | $4,309B | 4.10% |
| 5 | India | $3,737B | 3.55% |
| 6 | UK | $3,159B | 3.00% |
| 7 | France | $2,923B | 2.78% |
| 8 | Italy | $2,170B | 2.06% |
| 9 | Canada | $2,090B | 1.99% |
| 10 | Brazil | $2,081B | 1.98% |

| | | | |
|---|---|---|---|
| **11** | **Russia** | **$2,063B** | **1.96%** |
| **12** | South Korea | $1,722B | **1.64%** |
| **13** | Australia | $1,708B | **1.62%** |
| **14** | Mexico | $1,663B | **1.58%** |
| **15** | Spain | $1,492B | **1.42%** |
| **16** | Indonesia | $1,392B | **1.32%** |
| **17** | Netherlands | $1,081B | **1.03%** |
| **18** | Saudi Arabia | $1,062B | **1.01%** |
| **19** | Türkiye | $1,029B | **0.98%** |
| **20** | Switzerland | $870B | **0.83%** |
| **21** | Taiwan | $791B | **0.75%** |
| **22** | Poland | $749B | **0.71%** |
| **23** | Argentina | $641B | **0.61%** |
| **24** | Belgium | $624B | **0.59%** |
| **25** | Sweden | $599B | **0.57%** |
| **26** | Ireland | $594B | **0.57%** |
| **27** | Thailand | $574B | **0.55%** |
| **28** | Norway | $554B | **0.53%** |
| **29** | Israel | $539B | **0.51%** |
| **30** | Singapore | $516B | **0.49%** |

| | | | |
|---|---|---|---|
| 31 | Austria | $515B | 0.49% |
| 32 | Nigeria | $507B | 0.48% |
| 33 | UAE | $499B | 0.47% |
| 34 | Vietnam | $449B | 0.43% |
| 35 | Malaysia | $447B | 0.43% |
| 36 | Philippines | $441B | 0.42% |
| 37 | Bangladesh | $421B | 0.40% |
| 38 | Denmark | $406B | 0.39% |
| 39 | South Africa | $399B | 0.38% |
| 40 | Egypt | $387B | 0.37% |
| 41 | Hong Kong | $383B | 0.36% |
| 42 | Iran | $368B | 0.35% |
| 43 | Chile | $359B | 0.34% |
| 44 | Romania | $349B | 0.33% |
| 45 | Colombia | $335B | 0.32% |
| 46 | Czech Republic | $330B | 0.31% |
| 47 | Finland | $302B | 0.29% |
| 48 | Peru | $268B | 0.26% |
| 49 | Iraq | $268B | 0.25% |
| 50 | Portugal | $268B | 0.25% |

| | | | |
|---|---|---|---|
| 51 | New Zealand | $252B | 0.24% |
| 52 | Kazakhstan | $246B | 0.23% |
| 53 | Greece | $239B | 0.23% |
| 54 | Qatar | $220B | 0.21% |
| 55 | Algeria | $206B | 0.20% |
| 56 | Hungary | $189B | 0.18% |
| 57 | Kuwait | $165B | 0.16% |
| 58 | Ethiopia | $156B | 0.15% |
| 59 | Ukraine | $149B | 0.14% |
| 60 | Morocco | $139B | 0.13% |
| 61 | Slovak Republic | $128B | 0.12% |
| 62 | Ecuador | $121B | 0.12% |
| 63 | Dominican Republic | $121B | 0.12% |
| 64 | Puerto Rico | $121B | 0.11% |
| 65 | Kenya | $118B | 0.11% |
| 66 | Angola | $118B | 0.11% |
| 67 | Oman | $105B | 0.10% |
| 68 | Guatemala | $102B | 0.10% |
| 69 | Bulgaria | $101B | 0.10% |
| 70 | Venezuela | $97B | 0.09% |
| 71 | Uzbekistan | $92B | 0.09% |
| 72 | Luxembourg | $87B | 0.08% |
| 73 | Tanzania | $85B | 0.08% |
| 74 | Turkmenistan | $83B | 0.08% |
| 75 | Croatia | $79B | 0.08% |
| 76 | Lithuania | $78B | 0.07% |
| 77 | Costa Rica | $78B | 0.07% |

| | | | |
|---|---|---|---|
| **78** | **Uruguay** | **$77B** | **0.07%** |
| **79** | Panama | $77B | 0.07% |
| **80** | Côte d'Ivoire | $77B | 0.07% |
| **Rank** | Country | GDP (USD) | % of Total |
| **81** | Serbia | $74B | 0.07% |
| **82** | Belarus | $74B | 0.07% |
| **83** | Azerbaijan | $70B | 0.07% |
| **84** | DRC | $69B | 0.07% |
| **85** | Slovenia | $68B | 0.06% |
| **86** | Ghana | $67B | 0.06% |
| **87** | Myanmar | $64B | 0.06% |
| **88** | Jordan | $52B | 0.05% |
| **89** | Tunisia | $50B | 0.05% |
| **90** | Uganda | $50B | 0.05% |
| **91** | Cameroon | $49B | 0.05% |
| **92** | Latvia | $47B | 0.05% |
| **93** | Sudan | $47B | 0.04% |
| **94** | Libya | $46B | 0.04% |
| **95** | Bolivia | $46B | 0.04% |
| **96** | Bahrain | $45B | 0.04% |
| **97** | Paraguay | $43B | 0.04% |
| **98** | Nepal | $42B | 0.04% |
| **99** | Estonia | $42B | 0.04% |
| **100** | Macao | $36B | 0.03% |
| **101** | Honduras | $34B | 0.03% |
| **102** | El Salvador | $34B | 0.03% |
| **103** | Papua New Guinea | $33B | 0.03% |

| | | | |
|---|---|---|---|
| **104** | **Senegal** | **$31B** | **0.03%** |
| 105 | Cyprus | $31B | 0.03% |
| 106 | Cambodia | $31B | 0.03% |
| 107 | Zimbabwe | $30B | 0.03% |
| 108 | Zambia | $29B | 0.03% |
| 109 | Iceland | $29B | 0.03% |
| 110 | Bosnia & Herzegovina | $28B | 0.03% |
| 111 | Trinidad & Tobago | $28B | 0.03% |
| 112 | Georgia | $28B | 0.03% |
| 113 | Haiti | $27B | 0.03% |
| 114 | Armenia | $24B | 0.02% |
| 115 | Guinea | $23B | 0.02% |
| 116 | Burkina Faso | $21B | 0.02% |
| 117 | Mali | $21B | 0.02% |
| 118 | Gabon | $20B | 0.02% |
| 119 | Albania | $20B | 0.02% |
| 120 | Mozambique | $20B | 0.02% |
| Rank | Country | GDP (USD) | % of Total |
| 121 | Botswana | $20B | 0.02% |
| 122 | Yemen | $20B | 0.02% |
| 123 | Malta | $19B | 0.02% |
| 124 | Benin | $19B | 0.02% |
| 125 | West Bank & Gaza | $19B | 0.02% |
| 126 | Nicaragua | $17B | 0.02% |
| 127 | Jamaica | $17B | 0.02% |
| 128 | Mongolia | $17B | 0.02% |
| 129 | Niger | $17B | 0.02% |

| | | | |
|---|---|---|---|
| **130** | **Guyana** | **$16B** | **0.02%** |
| **131** | Madagascar | $16B | 0.02% |
| **132** | Moldova | $16B | 0.02% |
| **133** | Brunei Darussalam | $16B | 0.01% |
| **134** | North Macedonia | $15B | 0.01% |
| **135** | Equatorial Guinea | $15B | 0.01% |
| **136** | Mauritius | $15B | 0.01% |
| **137** | Bahamas | $14B | 0.01% |
| **138** | Laos | $14B | 0.01% |
| **139** | Namibia | $13B | 0.01% |
| **140** | Rwanda | $13B | 0.01% |
| **Rank** | Country | GDP (USD) | % of Total |
| **141** | Congo | $13B | 0.01% |
| **142** | Tajikistan | $13B | 0.01% |
| **143** | Kyrgyz Republic | $12B | 0.01% |
| **144** | Chad | $12B | 0.01% |
| **145** | Malawi | $11B | 0.01% |
| **146** | Mauritania | $11B | 0.01% |
| **147** | Kosovo | $10B | 0.01% |
| **148** | Togo | $9B | 0.01% |
| **149** | Somalia | $9B | 0.01% |
| **150** | Montenegro | $7B | 0.01% |
| **151** | South Sudan | $7B | 0.01% |
| **152** | Maldives | $7B | 0.01% |
| **153** | Barbados | $6B | 0.01% |
| **154** | Fiji | $5B | 0.01% |
| **155** | Eswatini | $5B | 0.00% |

| | | | |
|---|---|---|---|
| 156 | Liberia | $4B | 0.00% |
| 157 | Djibouti | $4B | 0.00% |
| 158 | Andorra | $4B | 0.00% |
| 159 | Aruba | $4B | 0.00% |
| 160 | Sierra Leone | $4B | 0.00% |
| 161 | Suriname | $3B | 0.00% |
| 162 | Burundi | $3B | 0.00% |
| 163 | Belize | $3B | 0.00% |
| 164 | Central African Republic | $3B | 0.00% |
| 165 | Bhutan | $3B | 0.00% |
| 166 | Eritrea | $3B | 0.00% |
| 167 | Lesotho | $3B | 0.00% |
| 168 | Cabo Verde | $2B | 0.00% |
| 169 | Gambia | $2B | 0.00% |
| 170 | Saint Lucia | $2B | 0.00% |
| 171 | East Timor | $2B | 0.00% |
| 172 | Seychelles | $2B | 0.00% |
| 173 | Guinea-Bissau | $2B | 0.00% |
| 174 | Antigua & Barbuda | $2B | 0.00% |
| 175 | San Marino | $2B | 0.00% |
| 176 | Solomon Islands | $2B | 0.00% |
| 177 | Comoros | $1B | 0.00% |
| 178 | Grenada | $1B | 0.00% |
| 179 | Vanuatu | $1B | 0.00% |
| 180 | Saint Kitts & Nevis | $1B | 0.00% |
| 181 | Saint Vincent & the Grenadines | $1B | 0.00% |
| 182 | Samoa | $1B | 0.00% |
| 183 | Dominica | $1B | 0.00% |
| 184 | São Tomé & Príncipe | $1B | 0.00% |
| 185 | Tonga | $1B | 0.00% |
| 186 | Micronesia | $0.5B | 0.00% |
| 187 | Marshall Islands | $0.3B | 0.00% |
| 188 | Palau | $0.3B | 0.00% |
| 189 | Kiribati | $0.2B | 0.00% |
| 190 | Nauru | $0.2B | 0.00% |

# Largest Economies in Continents

**<u>Here are the largest economies for each region of the world.</u>**

- **Africa:** Nigeria ($506.6 billion)
- **Asia:** China ($19.4 trillion)
- **Europe:** Germany ($4.3 trillion)
- **Middle East:** Saudi Arabia ($1.1 trillion)
- **North & Central America:** U.S. ($26.9 trillion)
- **Oceania:** Australia ($1.7 trillion)
- **South America:** Brazil ($2.1 trillion)

*Note: Projections for Afghanistan, Lebanon, Pakistan, Sri Lanka and Syria are missing from IMF's database for 2023.*

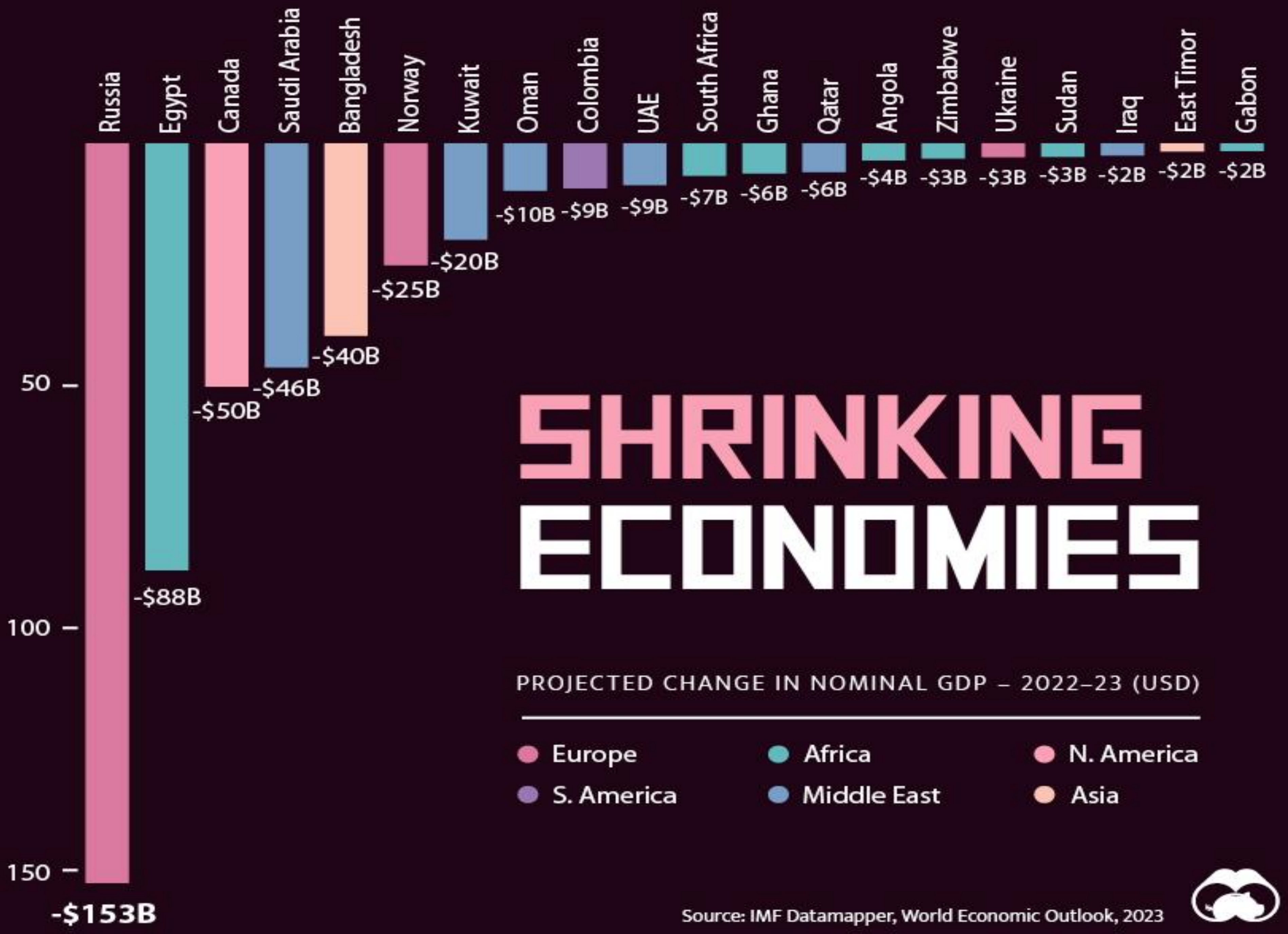
# 2023’s Shrinking Economies

# Ranked: 2023's Shrinking Economies

In fact,

**29 economies are projected to shrink from their 2022 sizes,**

leading to nearly $500 billion in lost output.



SHRINKING
ECONOMIES
PROJECTED CHANGE IN NOMINAL GDP – 2022–23 (USD)
Russia -$153B
Egypt -$88B
Canada -$50B
Saudi Arabia -$46B
Bangladesh -$40B
Norway -$25B
Kuwait -$20B
Oman -$10B
Colombia -$9B
UAE -$9B
South Africa -$7B
Ghana -$6B
Qatar -$6B
Angola -$4B
Zimbabwe -$3B
Ukraine -$3B
Sudan -$3B
Iraq -$2B
East Timor -$2B
Gabon -$2B
50
100
150
Europe
Africa
N. America
S. America
Middle East
Asia
Source: IMF Datamapper, World Economic Outlook, 2023

# 2023's Shrinking Economies

**Russia** will see the biggest decline, with a projected $150 billion contraction this year. This is equal to about one-third of total decline of all 29 countries with shrinking economies.

**Egypt** (-$88 billion) and **Canada** (-$50 billion) combined make up another one-third of lost output.

In Egypt's case, the drop can be partly explained by the country's currency (Egyptian pound), which has dropped in value against the U.S. dollar by about 50% since mid-2022.

Russia and Canada are some of the world's largest oil producers and the oil price has fallen since 2022.

A further complication for Russia is that the country has been forced to sell oil at a steep discount because of Western sanctions.

Here are the projected changes in GDP for all countries facing year-over-year declines:

# 2023's Shrinking Economies

| Country | Region | 2022–23 Change (USD) | 2022–23 Change (%) |
|---|---|---|---|
| Russia | Europe | -$152.65B | -6.9% |
| Egypt | Africa | -$88.12B | -18.5% |
| Canada | North America | -$50.17B | -2.3% |
| Saudi Arabia | Middle East | -$46.25B | -4.2% |
| Bangladesh | Asia | -$39.69B | -8.6% |
| Norway | Europe | -$25.16B | -4.3% |
| Kuwait | Middle East | -$19.85B | -10.8% |
| Oman | Middle East | -$9.77B | -8.5% |
| Colombia | South America | -$9.25B | -2.7% |
| UAE | Middle East | -$8.56B | -1.7% |

# 2023's Shrinking Economies

- The presence of Saudi Arabia, Norway, Kuwait, and Oman in the top 10 biggest GDP contractions further highlights the potential impact on GDP for oil-producing countries, according to the IMF's projections.
- More recently, producers have been cutting supply in an effort to boost prices, but concerns of slowing global oil demand in the wake of a subdued Chinese economy (the world's second-largest oil consumer), have kept oil prices lower than in 2022 regardless.

# The Footnote on GDP Forecasts

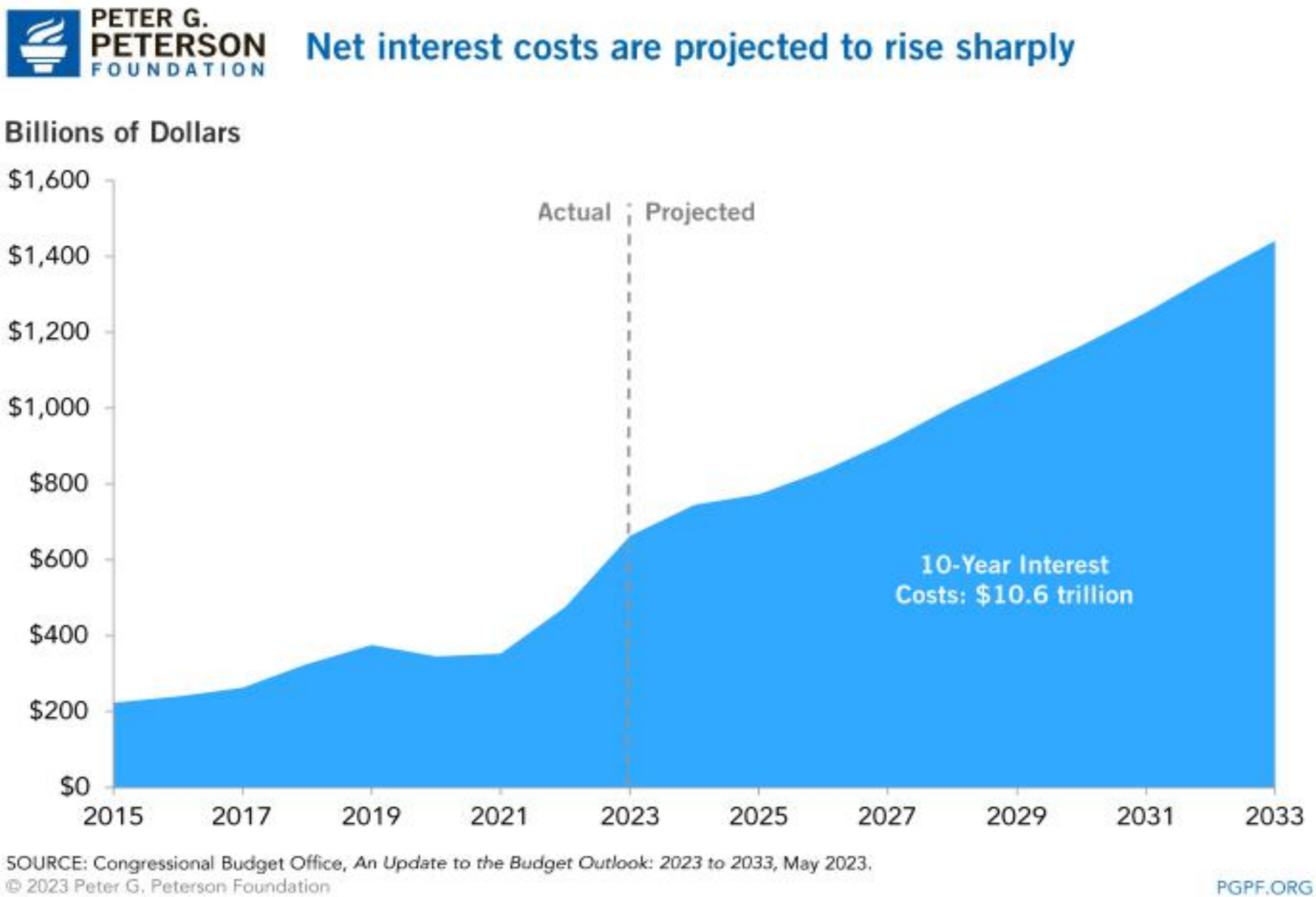
- While organizations like the IMF have gotten fairly good at GDP forecasting, it's still worth remembering that these are projections and assumptions made at the beginning of the year that may not hold true by the end of 2023.
- For example, JP Morgan has already changed their forecast for China's 2023 real GDP growth six times in as many months after expectations of broad-based pandemic-recovery spending did not materialize in the country.
- The key takeaway from IMF's projections for 2023 GDP growth rests on how well countries restrict inflation without stifling growth, all amidst tense liquidity conditions.

# 2023's USA Economy

# WHAT IS THE US DEBT COSTING AMERICANS?

- Programs that millions of Americans depend on and care about may be feeling a squeeze from interest costs on our high and rising national debt.
- The Congressional Budget Office (CBO) projects that interest payments will total $663 billion in fiscal year 2023 and rise rapidly throughout the next decade — climbing from $745 billion in 2024 to $1.4 trillion in 2033.
- In total, net interest payments will total nearly $10.6 trillion over the next decade. Relative to the size of the economy, interest will rise from 2.7 percent of GDP in fiscal year 2024 to 3.7 percent in 2033.
- The previous high for interest relative to GDP in the post-World War II era was 3.2 percent in 1991 — that ratio would now be exceeded in 2029.

# AMERICAN INTEREST COSTS



# THE COST OF PAYING THE DEBT IS MORE THAN ANYTHING ELSE

The US Federal Government already spends more on interest than on budget areas such as

- **veterans' benefits,**
- **transportation, and**
- **education.**

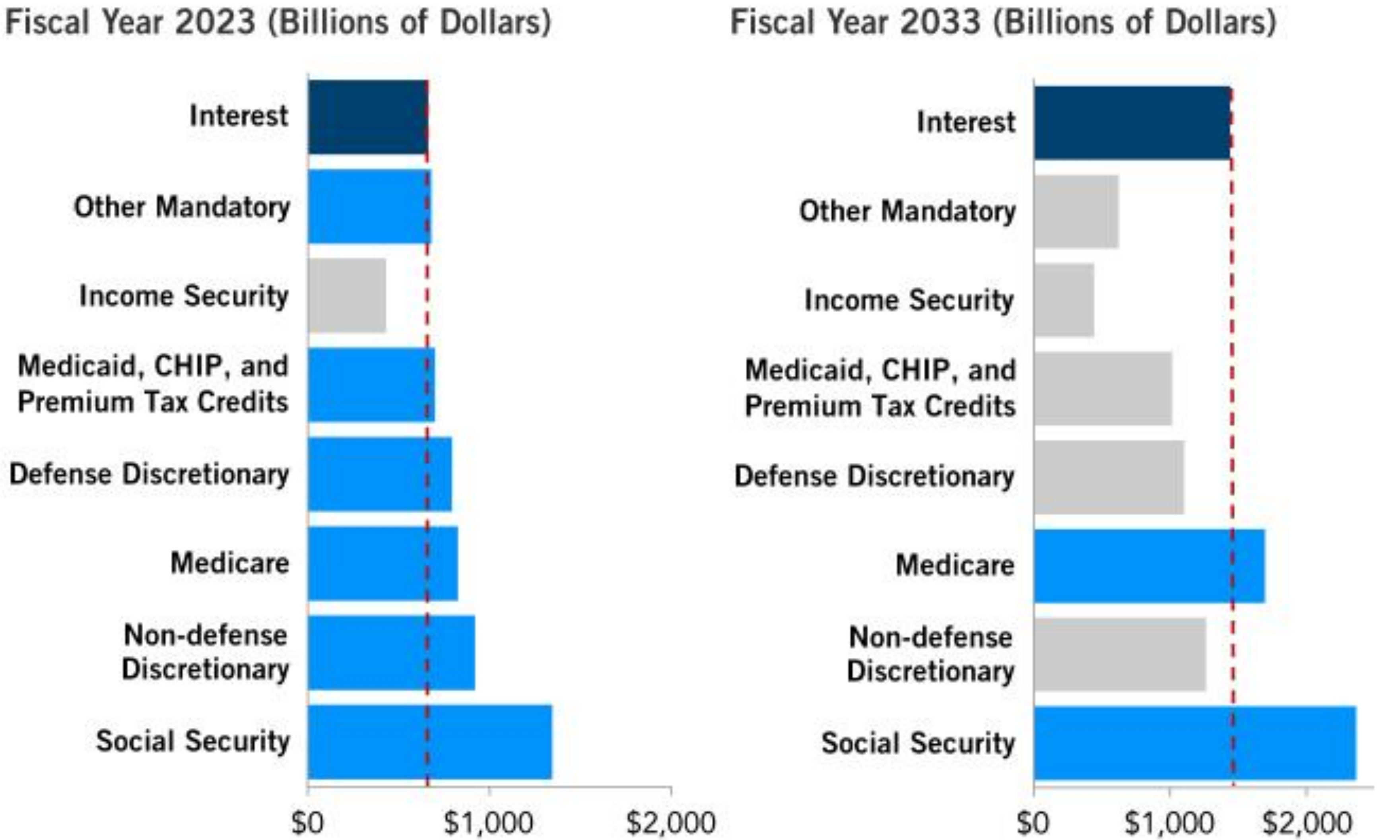
# THE COST OF PAYING THE INTEREST ON THE DEBT …

## Over the next few years,

## spending on interest will surpass spending on major budget categories:

1. In this fiscal year, spending on interest will become greater than **mandatory spending for income security programs**
   - *a category that includes programs targeted to lower-income Americans such as the Supplemental Nutrition Assistance Program;*
   - *earned income, child, and other tax credits; Supplemental Security Income; unemployment compensation; family support and foster care; and child nutrition.*
2. In fiscal year 2024, interest payments will surpass the combined amount that the federal government spends on major **healthcare programs** other than Medicare.
   - *which is comprised of Medicaid, the Children's Health Insurance Program (CHIP), and premium tax credits and related spending.*
3. In fiscal year 2028, the federal government will spend more on interest than on **defense.**
4. In fiscal year 2031, the federal government will spend more on interest than on non-defense discretionary, which includes funding for **transportation, veterans, education, health, international affairs, natural resources and environment, general science and technology, general government, and more.**

# Spending on interest will exceed spending on a number of categories over the next decade




SOURCE: Congressional Budget Office, *An Update to the Budget Outlook: 2023 to 2033*, May 2023.
NOTES: Medicare outlays are net of offsetting receipts. Income Security outlays include only mandatory programs.



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# More & More …

To make another comparison, in fiscal year 2024, the federal government will spend more on interest payments than the total portion of the federal budget allocated to children (based on 2022 data compiled by the Urban Institute).

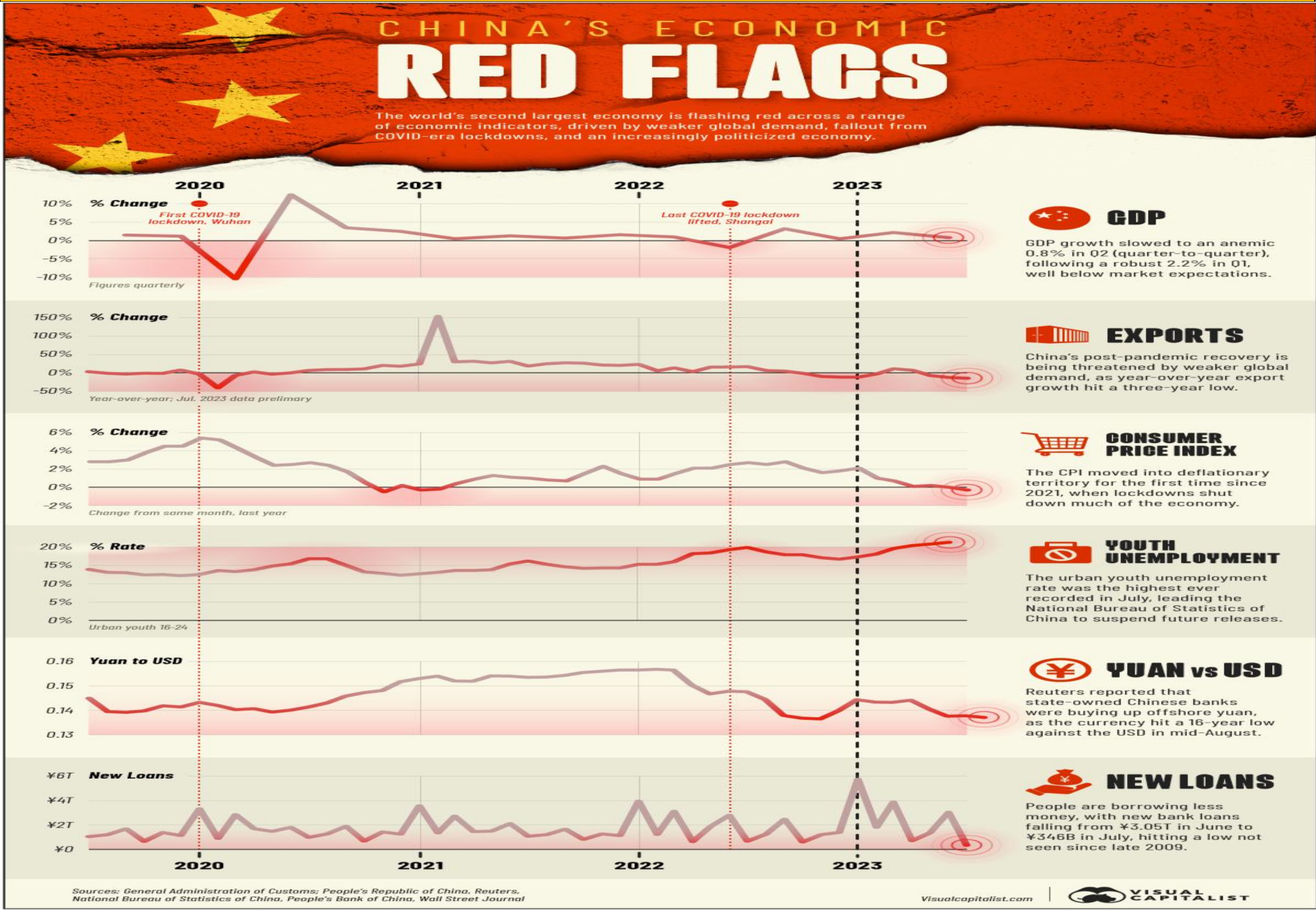
Over a longer period, interest will continue to outstrip other budget categories.

CBO projects that interest will exceed the amount spent on Medicare in 2044 and Social Security in 2050, at which point it will be the largest expense in the federal budget.

Looking ahead, lawmakers should chart a more stable, sustainable path for the federal budget that would alleviate the growing interest burden and help ensure that there is room in the budget for national priorities.

# 2023's Chinese Economy

# Six Red Flags Pointing to China's Economy Slowing Down



# Six Red Flags Pointing to China's Economy Slowing Down

- The People's Republic of China is the world's second-largest economy, responsible for one quarter of global GDP growth this millennium—so when the country catches a cold, the world notices.
- The past several months have seen an avalanche of bad economic news for China, putting the country's post-pandemic recovery, and global economic growth, in jeopardy.
- In this visualization, we look at six important indicators that point to China's economy slowing down.
- Data comes from the National Bureau of Statistics of China, the People's Bank of China, and the General Administration of Customs, to see what is flashing red.

# Six Red Flag Indicators on China's Economy

## 1. GDP

- China's annual GDP growth rate has averaged 9% since 1978, when the country opened itself up to the global market under Deng Xiaoping.
- However, growth seems to have slowed to a crawl, **down to 0.8% (quarter-to-quarter)** in the second quarter of 2023 driven by weakness in the Tertiary Sector, which includes retail spending and the troubled real estate sector.
- This follows a more robust 2.2% figure in Q1, which was driven by pent-up demand released by the end of COVID-era lockdowns.
- On an annual basis, China's GDP expanded 6.3% year-over-year, below the forecasted 7.3% rate.

## 2. Exports

- Exports fell by **14.5% in July**, marking the third straight month of declines, and hitting lows not seen since February 2020.
- Meanwhile, imports fell 12.4%, reflecting the cautious consumer mood.
- On a regional basis, exports fell year-over-year to China's three biggest customers, ASEAN, the EU, and the U.S., by 17.4%, 15.1%, and 20.8% respectively.
- There was one bright spot, however: exports to sanction-burdened Russia increased 51.8%, but that wasn't nearly enough to offset the overall downward trend.

### 3. Consumer Price Index

- The consumer price index moved into deflationary territory for the first time since 2021, with prices **falling 3%** year-over-year.
- The decline was led by Household Articles and Services, Food & Tobacco, and Transportation and Communications.
- At the same time, the prices that producers paid for industrial products (PPI) fell 4.4% (year-over-year), the tenth month in a row with a negative reading.

### 4. Youth Unemployment

- And while the headline unemployment rate remained steady at 5.3% in August 2023, up slightly from 5.2% the month before, it papers over serious weakness for urban youth, aged 16 to 24.
- In July, the urban youth unemployment rate reached **21.3%**, the highest ever recorded in the country, leading the National Bureau of Statistics of China to suspend future releases.

# Six Red Flag Indicators on China's Economy

## 5. Yuan vs. USD

- Given the stream of economic bad news, it's no surprise that the yuan fell to a **16-year low** against the U.S. dollar on August 16, 2023 in offshore trading.
- In an effort to stabilize the currency, major state-owned Chinese banks were seen buying up yuan in offshore money markets.
- At the same time, the spread between the fixed exchange rate set by the People's Bank of China and the offshore rate, rose to more than 1,000 basis points.

## 6. New Loans

- Adding to the dismal economic mood, people borrowed less money according to the most recent figures provided by the government.
- New bank loans **fell to ¥346 billion** in July, down from ¥3.05 trillion in the month before. This was the lowest reading since late-2009, and less than half of the ¥780 billion economists had forecast.

# What's Next?

- *Foreign Affairs* recently published an article with the provocative title "The End of China's Economic Miracle," arguing that China's troubles could be a U.S. opportunity.

- And while this may be somewhat premature, the Middle Kingdom has some serious structural issues to contend with, many of them of their own making. Some of the top challenges include crackdowns on the tech sector, a collapsing real estate market, a larger debt crisis, and a shrinking population.

- But large-scale government intervention does not appear to be in the offing, beyond exhortations for consumers to spend more and blaming Western media for engaging in "cognitive warfare."

- It's no wonder that consumer confidence has plunged so low. At least we think so: the Chinese government stopped publishing that too.

# Thank You

Sources

1) Copyright © 2021-2026 Visual Capitalist, All rights reserved.

2) Wikipedia

3) References at Slides