

China is about 50 years behind EU27 and USA about 22 ahead of it for GDP per capita

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There is a rapid convergence in the east-west direction but not in the west-west direction.

Pavle Sicerl prepared for EUROCHAMBRES the analysis for their Time Distance Study 3. It shows the time gaps for the EU in relation to the United States and China. For GDP per capita the 2007 value for China was attained by EU27 about 50 years ago and in the USA about 70 years ago. For Internet users per capita the time lag is not larger than a decade. Â

Dynamically also for GDP per capita the time distance is expected to be reduced dramatically. China is catching up with both EU and US greatly outpacing their global economic counterparts. Using "what-if"™ calculations the present values for EU27 can be reached in 12 to 18 years if China continues to sustain the present high growth rates; even with just 5% growth of GDP per capita this can be done by 2030. Beyond that, China may attain full equalization with EU27 in less than 20 years if the respective growth differential would stay at about 7%; even with a much smaller difference in growth between China and the EU, for example of 3%, China would catch up between 2046 and 2066. Similar calculations with the US are available.

Europe has a long way to go to catch up with the US and is way beyond the original Lisbon targets. With respect to original Lisbon targets S-time-distance shows that EU27 is behind the line to these targets for 2 years for GDP growth, for 3 years for total employment rate and for more than 6 years for R&D in GDP. At present it is behind the US for 22 years for GDP per capita, for 18 years for GDP per employed, for 30 years in R&D per capita and 4 years in Internet users per capita. For several indicators it was shown that even if EU27 would succeed to grow faster than the US, for realistic differences the convergence is a long time away. For instance, the extremely negative EU performance in terms of R&D investment is well illustrated by a hypothetical 1% EU higher growth, for which the catch up with the US would materialize in 2086.

- Full text: TimeDistanceStudy-2008.pdf

- EUROCHAMBRES Press Release: EUROCAHMBRES Press Release Time-DistanceStudy10Mar08.pdf