

IMF: China's economy to surpass that of US by 2016

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BEIJING: The Chinese economy will surpass that of the US by 2016, the International Monetary Fund (IMF) has predicted.



Reagan and Deng Xiao-Ping ... 'as long as it catches the mouse'

According to the IMF's forecast, based on "purchasing power parities", China's gross domestic product (GDP) will rise from \$11.2 trillion in 2011 to \$19 trillion in 2016, while the American economy will increase from \$15.2 trillion to \$18.8 trillion.

China's share of the global economy will ascend from 14 percent to 18 percent, while the US' share will descend to 17.7 percent, China Daily reported.

The Economist had predicted in December 2010 that China would overtake the US in terms of nominal GDP in 2019.

Meanwhile, the decision of the credit ratings agency Standard & Poor's analyst Nicola Swann to downgrade US sovereign debt outlook has roiled the world, underscoring the growing view that America is a superpower in decline.

While some financial pundits mocked S&P's call because the agency was one of the cheerleaders for the bubble economy, its warning shot across America's bow was being taken seriously by many for what it augurs for the United States, including by the President himself.

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