

A Decade of Global Growth & Top 5 U.S states by GDP

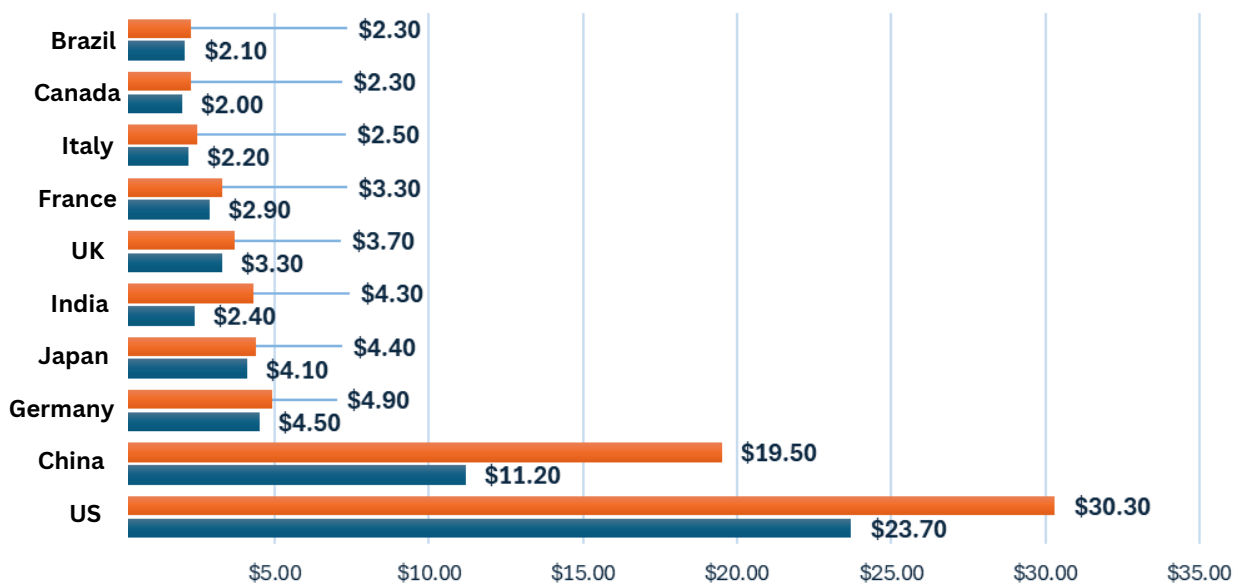
Since 2015, the Global economy has grown from a total GDP of \$85.2 trillion to \$115.3 trillion, marking an inflation-adjusted growth rate of 35%. Reflecting on the significant events that have influenced the last decade, such as pandemics and conflicts, the fact that the global economy has increased by \$30 trillion is indeed impressive. However, growth has been skewed across the globe, with certain countries growing much faster than others over the last decade. In line with our recent Financial Insight regarding changes in the Global Economy, the US has maintained its dominance in GDP, rising from \$23 trillion in 2015 to \$30.3 trillion by 2025, resulting in a 28% growth rate.

One of the two key stories is China, whose GDP has surged in the last 10 years. In 2015, China's GDP stood at \$11.2tn, and at that time it was forecasted by some that China would eventually overtake the US the world's largest economy. However, the Covid Pandemic and the collapse of the Chinese property market in the preceding 10 years has resulted in China staying in a distant second. Despite this, the country still achieved an impressive inflation-adjusted GDP growth of 74% during this period, which is significant given its size in 2015.

Perhaps the other key story is India. As the world's second most populous nation, India had a GDP of \$2.4 trillion in 2015, placing it behind the highly developed economies of the UK and France. However, by 2025, India has significantly outpaced both, with a GDP of \$4.3 trillion, which is \$600 billion more than the UK and a full trillion ahead of France. Between 2015 and 2025, India's GDP experienced a remarkable growth rate of 77%, the highest among the top 20 economies worldwide.

Finally, examining established economies, we can see that while growth has been achieved in the previous decade by all, the progress has been far slower than in China, India and the US. Italy's GDP has grown by an inflation adjusted rate of 11%, while France has grown by 12% and the UK by 14%. Once dominant players in global trade and policy, these nations have been somewhat eclipsed by emerging markets in the East, which boast vast populations and rich resources, potentially reshaping the global economy for many years to come.

GDP Growth - 2015 & 2025 (\$UStn)



Source - Seaspray Private

Returning to the U.S, it's fascinating to consider not only the size of the country itself in GDP terms but also that of the individual states that comprise the United States of America. Below, we highlight the five largest states by GDP.

California leads as the largest single economy in the U.S., boasting a GDP of \$4.1 trillion, which positions it as the largest subnational entity in the world. When compared to the figures above, California surpasses the GDPs of the UK, France, Italy, and Canada. Home to Silicon Valley, California houses notable companies like Apple, Alphabet, NVIDIA, Meta, and Netflix, despite a decline in Silicon Valley's dominance, with companies such as Tesla relocating their corporate office to Texas. Remarkably, California has more Fortune 500 companies than any other state, surpassing Texas in 2024, with 57 companies based there. Even more impressive is Los Angeles County, which, with an area smaller than the Province of Leinster, achieved a GDP of nearly \$1 trillion in 2023, making it the leading county in the U.S. by GDP.

Texas, known as the Lone Star State, ranks second with a GDP of \$2.7 trillion, exceeding the GDPs of Brazil, South Korea, and Australia. The second largest state by land area, following Alaska, Texas produces 40% of America's oil and nearly a quarter of its natural gas reserves. What sets Texas apart is the absence of a state income tax for individuals and businesses. Additionally, it boasts 380 airports, second only to Alaska, and 16 seaports, with the Port of Houston handling the highest cargo volume of any port in 2023. Texas also shares a border with Mexico, the U.S.'s second-largest export partner.

New York, primarily represented by New York City, has a GDP of \$2.3 trillion, surpassing the economies of Spain and Mexico. The state is home to the world's largest central business district, located in Midtown Manhattan, serving as a central hub for finance, communication, and banking in the country. With a population nearing 20 million, sectors like healthcare and retail play significant roles in the state's overall GDP.

Completing the top five are Florida and Illinois, with GDPs of \$1.7 trillion and \$1.1 trillion, respectively. Collectively, these five states contribute \$11.9 trillion to the U.S. economy, highlighting that while the U.S. may currently face economic fluctuations due to tariffs and concerns over slower growth, its economic strength remains considerable.

