

# 10 Reasons Why America Will Continue To Dominate The Global Economy For Years

Steven Perlberg **JUN. 22, 2013**, 7:08 AM **17,396** **35**



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The U.S. economy is in recovery mode right now.

Sure, investors have been spooked by Fed taper talks, the Bank of Japan's unprecedented economic experiment, persistent jitters out of Europe, and concerns of a credit crisis in China.

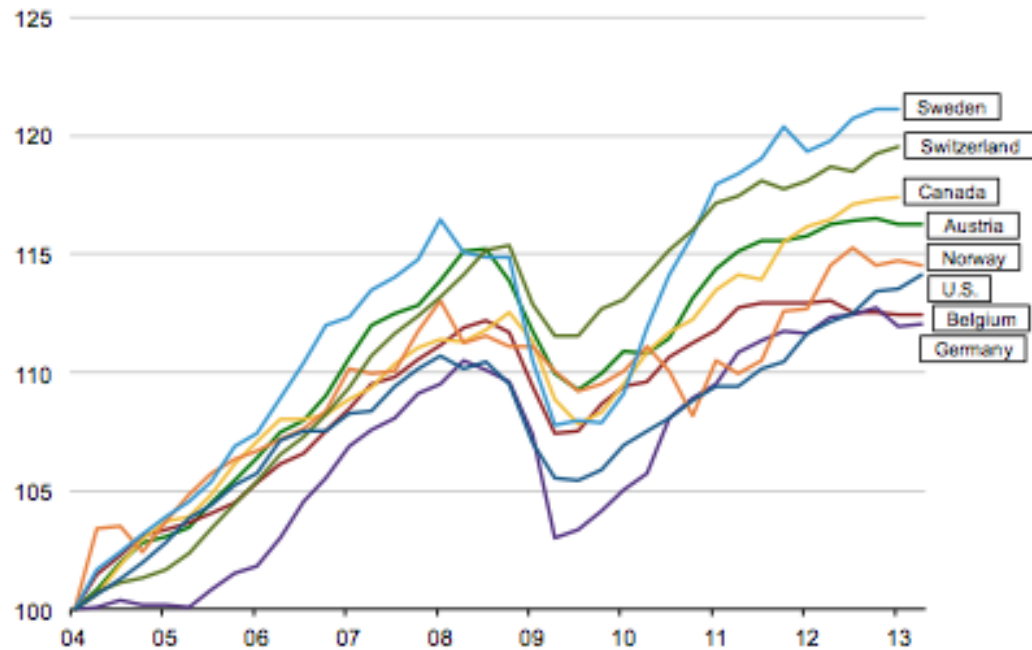
But by in large, investors should be pleased with the way things are going domestically, according to [a new report from Joseph Quinlan, Chief Market Strategist for U.S. Trust](#).

We walk you through U.S. Trust's 10 theses that show "what's right with America."

**1) The U.S. economy is the largest and most productive in the world –**

The U.S. accounts for one-fifth of global GDP with only 4.5% of the world's population. America's economy is nearly twice the size of China's in nominal dollars. Plus, the U.S. is one of just a few developed countries with real GDP higher than it was before the crisis, according to the report.

**Exhibit 1: Developed Economies Back Above Pre-Recession Output Levels**  
(Real GDP level, Q1 2004=100)



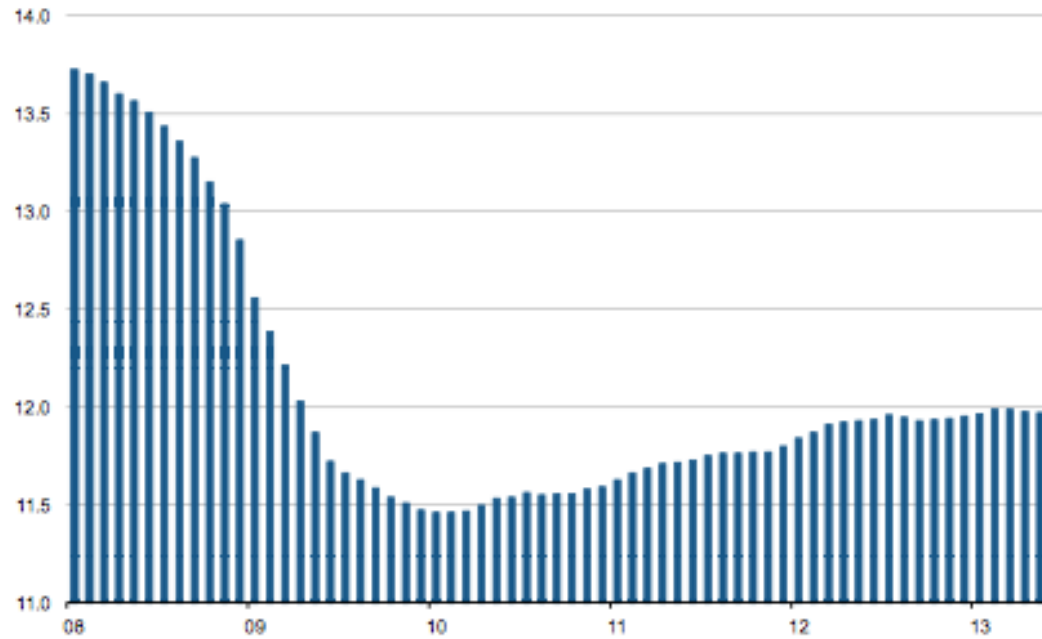
Source: Haver Analytics/OECD.  
Data as of Q2 2013.

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## **2) The U.S. leads the world in manufactured goods –**

Nominal manufacturing output totaled \$1.9 trillion in 2012, a rise of 27% from 2009. Employment in the sector has increased by 500,000 workers since 2010, according to U.S. Trust.

**Exhibit 2: Manufacturing  
Employment in the U.S.**  
(# of people, millions)



Source: Bureau of Labor Statistics.

Data through May 2013.

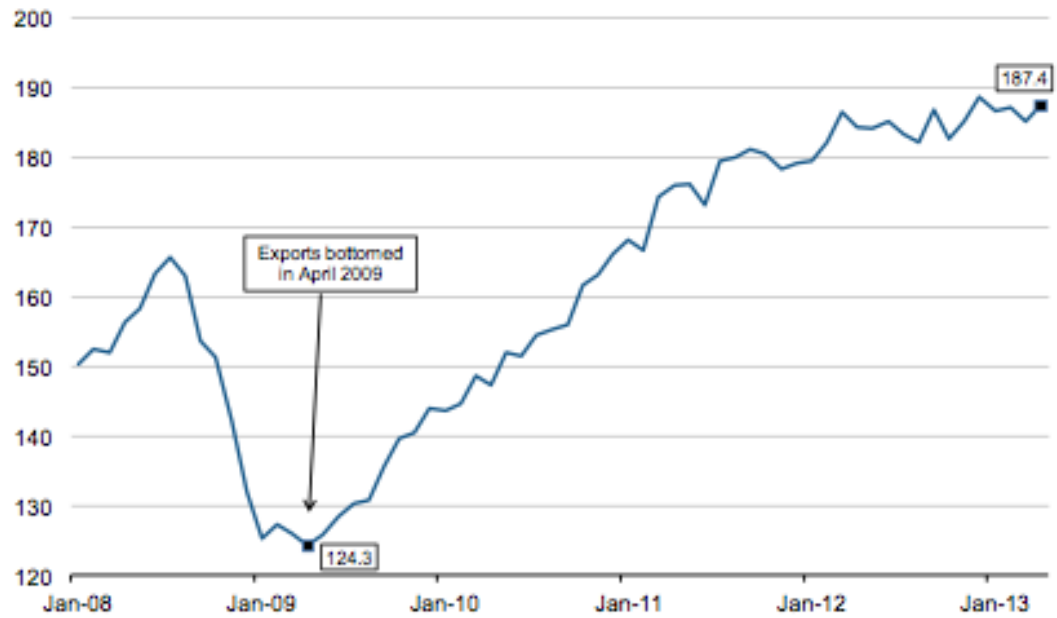
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### 3) The U.S. is among the largest exporters of goods and services –

Exports since the recession have taken off. In 2012, total exports totaled \$2.2 trillion, nearly a 40% rise from 2009 levels, according to the report.

**Exhibit 3: Exports Have Taken Off Since Recession Trough**

(Monthly exports of goods and services, billions of \$)



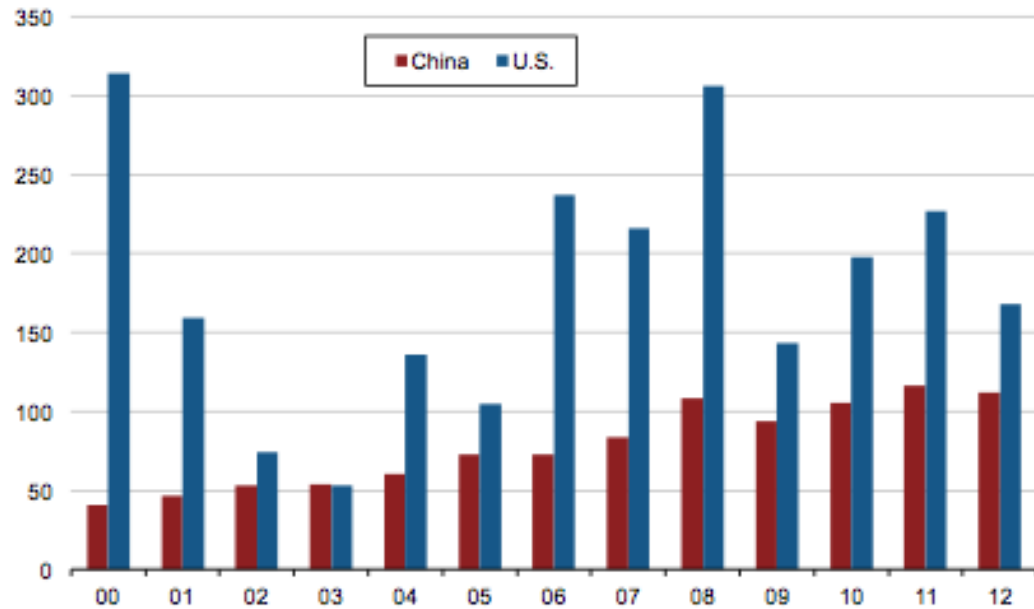
Source: Census Bureau/Haver Analytics.  
Data through April 2013.

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#### **4) Foreign investors still love the U.S.-**

U.S. Foreign Direct Investment inflows in the post-crisis years racked up \$736 billion. That's 15% of the global total, according to U.S. Trust. And while people talk about investment in China, America is still on top by a landslide.

**Exhibit 5: FDI Inflows: U.S. Versus China**  
(Billions of \$)



Sources: Bureau of Economic Analysis; Ministry of Commerce/CEIC.

Data as of June 7, 2013.

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## **5) America has the top global brands –**

In 2008, eight out of 10 of the world's top brands were American.

**Exhibit 6: BrandZ Top 10 Most Valuable Global Brands 2013**

<b>Rank</b>	<b>Company</b>	<b>Country</b>
1	Apple	U.S.
2	Google	U.S.
3	IBM	U.S.
4	McDonald's	U.S.
5	Coca-Cola	U.S.
6	AT&T	U.S.
7	Microsoft	U.S.
8	Marlboro	U.S.
9	Visa	U.S.
10	China Mobile	China

Source: BrandZ Top 100 Global Brands Report 2013.

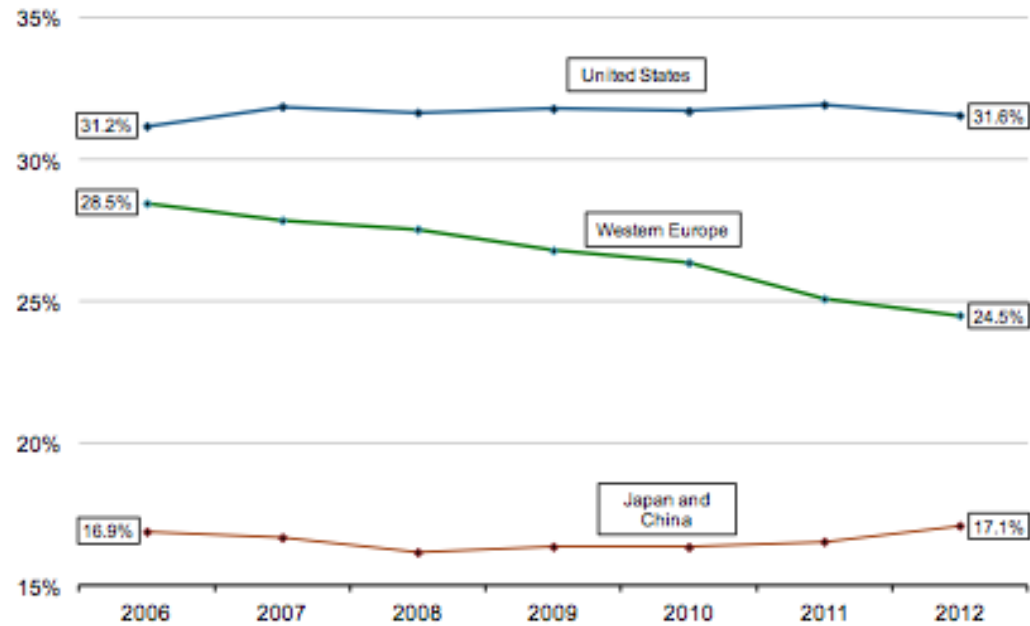
Data as of May 31, 2013.

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## 6) The U.S. is the world leader in technology –

People still flock to America to become tech innovators. The U.S. is home to the major social media players and beats out other countries in spending levels.

**Exhibit 7: The U.S. Is a Technology Titan**  
(Global IT Spending, % of world total)



Source: International Data Corporation.  
Data as of May 29, 2013.

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## 7) America has the world's best colleges –

American college kids fill their minds with kegs worth of knowledge at some of the world's best universities. Six out of the top 10 universities in the 2012 Quacquarelli Symonds World Rankings<sup>7</sup> were American.

**Exhibit 8: Top 10 Universities in the World**

Rank	University	Country
1	Massachusetts Institute of Technology (MIT)	U.S.
2	University of Cambridge	United Kingdom
3	Harvard University	U.S.
4	University College London (UCL)	United Kingdom
5	University of Oxford	United Kingdom
6	Imperial College London	United Kingdom
7	Yale University	U.S.
8	University of Chicago	U.S.
9	Princeton University	U.S.
10	California Institute of Technology (Caltech)	U.S.

Source: Quacquarelli Symonds World University Rankings 2013.

Data as of May 31, 2013.

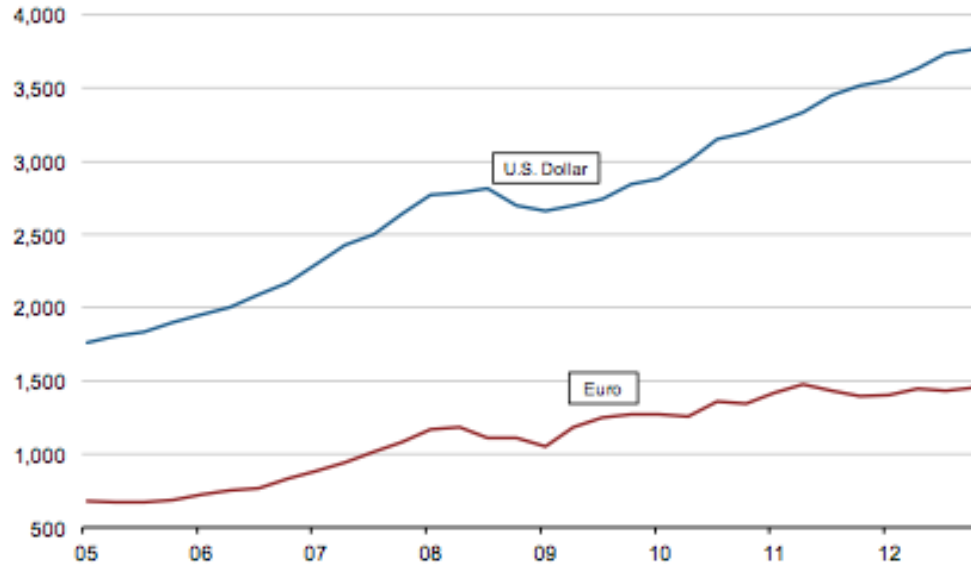
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### 8) The U.S. dollar is king –

It's the world's reserve currency. From the U.S. Trust report: "The greenback accounted for roughly 62% of global central bank reserves as of the fourth quarter of 2012, according to the IMF, a share down slightly from 2008 but relatively constant over the post-crisis years." It crushed the beleaguered Euro.

**Exhibit 9: World Central Bank Reserves: the Dollar Versus the Euro**  
(Billions of \$)



Source: International Monetary Fund.  
Data through Q4 2012.

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**9) The U.S. has one of the most competitive economies –**

In the latest competitiveness survey from the World Economic Forum, the U.S. slipped to seventh place, down two spots, according to the report. Still, U.S. Trust guesses America will head north on the list in the future.

**Exhibit 10: Top 10 Competitive Economies in the World**

<b>Rank</b>	<b>Country</b>
1	Switzerland
2	Singapore
3	Finland
4	Sweden
5	Netherlands
6	Germany
<b>7</b>	<b>United States</b>
8	United Kingdom
9	Hong Kong SAR
10	Japan

Source: World Economic Forum, The Global Competitiveness Report 2012-13.

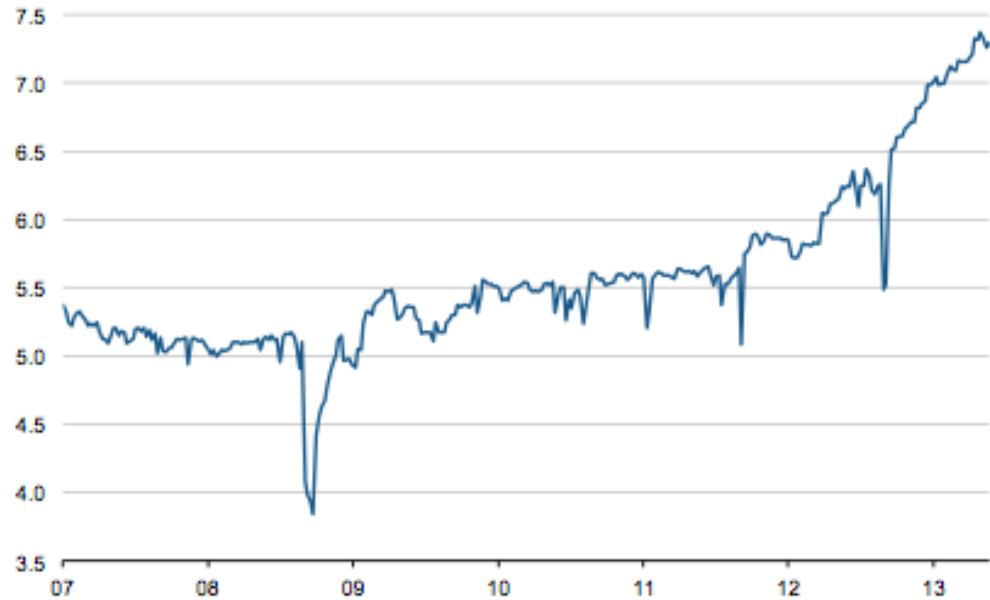
Data as of May 31, 2013.

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**10) America is in the middle of an energy Renaissance –**

Much to the chagrin of some environmentalists, U.S. domestic oil production is in revival mode. It exceeded imports for the first time in 16 years, according to the report. Thanks to "fracking" that unlocked shale in North Dakota, Oklahoma, and Texas, the U.S. has seen a major surge in production, the report notes.

**Exhibit 11: Weekly U.S. Crude Oil Production**  
(Million barrels per day)



Source: U.S. Energy Information Administration.  
Data through May 2013.

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Read more: <http://www.businessinsider.com/10-ways-us-competitive-advantage-2013-6#ixzz2XArzVnHJ>