The Comparison of the United States and China

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**Introduction:**

The United States of America and China are the countries who are growing with a boost. The relationship between China and the United States was corporative before the governance of Donald Trump but after his governance and trade war of his governance made the situation critical. The trade war will affect both the economies negatively. In this assessment, we are be going to compare some of the key economic indicators of both the countries(Jacobs, n.d.).

**Key Economic indicators:**

|  |  |  |
| --- | --- | --- |
| Country | United States | China |
| Gross Domestic Product (GDP) | $20.66 trillion | $13.457 trillion |
| GDP per Capita | $62,517 | $9,633 |
| Durable and Non-Durable Goods | $4.4 trillion | $4.481 trillion |
| Retail Sales | 452.97B | 462B |
| Housing Starts | 1256 thousand unit | 9.70 |
| Unemployment Rate | 3.9 | 3.8 |
| Inflation Rates | 2.9 | 1.9 |
| Population | 326 million | 1390 million |
| Median Household Average Income | $59,039 | $12,472.51 |
| Human Development Index (HDI) | 0.924 | 1.9 |
| Trade Deficit or Trade Surplus (In millions of dollars) | -55488 | 571 |

**Summary:**

The United States of America is a developed country while China is a developing country. The above table shows the population of both the countries, U.S total population is 326 million while China total population is 1390 which is more than four times of U.S. If we notice the household average income America has higher income level than China, i.e. $59,039 and $12,472.51 respectively. This income difference can be affected by many other economic indicators like inflation rate, unemployment rate, and human development index (HDI). The unemployment rate has not much difference with respect to the population sizes of both the country (“Durable Goods,” n.d.). Economist believes that in developing country unemployment is more than the developed country, but in the case of these two countries this statement is not that much true. China has 3.8% while the US has 3.9% more than China. One major reason for this unemployment rate is that China is more business oriented and focused on economic advancement while the US is more focused on individual freedoms and politics. This fact can be noticed by the comparison of housing starts in two countries. US housing starts are 1256 thousand units, and China has 9.70 only. Consumption of durable and non-durable goods are almost the same which is 4.4 trillion dollars and 4.481 trillion dollars in US and China respectively. Retail sales are recorded in the US is 452.97 billion while in China it is 462 billion. This is the good indicator for China as he has maintained his consumer consumptions and retail sales with the inflation rate of 1.9%. America who has the strongest economy is failed to increase the retail sales more than China. The retail price of the US is 452.97 billion with the same inflation rate that is 1.9%. Indicators like the retail sale, inflation rates, average income, and population affected the human development index (HDI). HDI of US is 0.9 while China has 1.9, 1 unit more than America. The balance of trade shows that America is facing a trade deficit of -55488 and China is having a trade surplus of 571. Most of the above indicators that China is doing better than the US but total GDP and GDP per capita is better in America. America total GDP is about 20 trillion dollars, and GDP per capita is 62,517 trillion dollars. China GDP is 13.457 trillion dollars, and GDP per capita is 9,633 dollars (“Final consumption expenditure (current US$) | Data,” n.d.).

**Conclusion:**

Many economic indicators show the progress of China as a developing country. Although GDP and GDP per capita are much better in the US while many other factors like HDI, trade surplus and retail sales show that China is growing on boost ("China vs. the United States - Country Comparison," n.d.). It is possible that in the next few years China will be much better than many developed countries including the US.

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