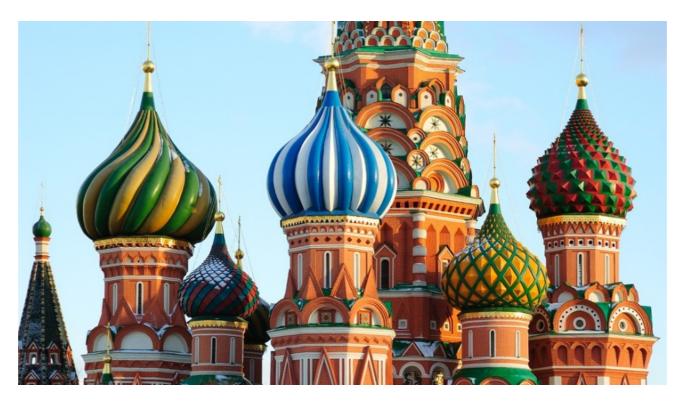
# The Russia's advantage

**line bebee.com/producer/the-russia-s-advantage** 



Published on November 5, 2017 on LinkedIn

## Introduction

Initially written in the comment at this my comment since October 30th, 2017

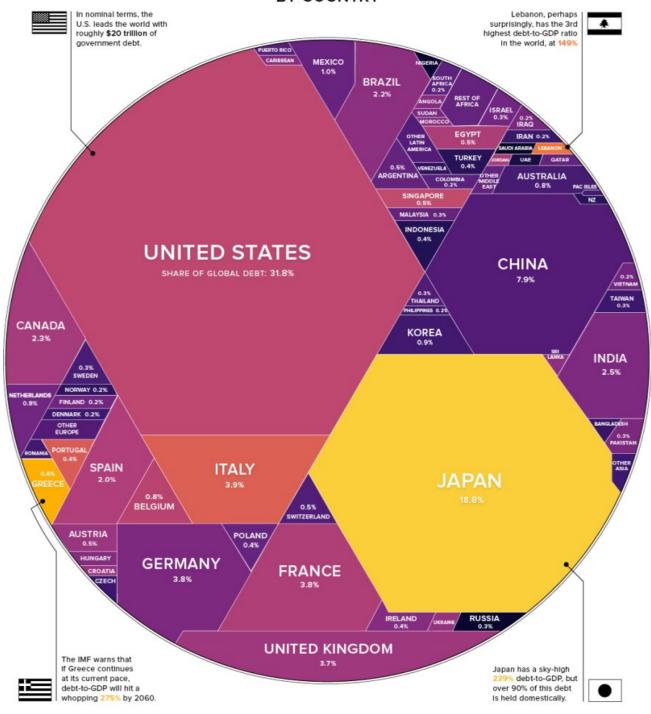
• <a href="https://www.linkedin.com/feed/update/urn:li:activity:6330629648543739904">https://www.linkedin.com/feed/update/urn:li:activity:6330629648543739904</a>

## The United Nations of Debt

If you add up all the money that national governments have borrowed, it tallies to a hefty \$63 trillion.

## **Percentage of World Debt**

#### BY COUNTRY



## Debt as a Percentage of GDP



In an ideal situation, governments are just borrowing this money to cover short-term budget deficits or to finance mission critical projects. However, around the globe, countries have taken to the idea of running constant deficits as the normal course of business, and too much accumulation of debt is not healthy for countries or the global economy as a whole.

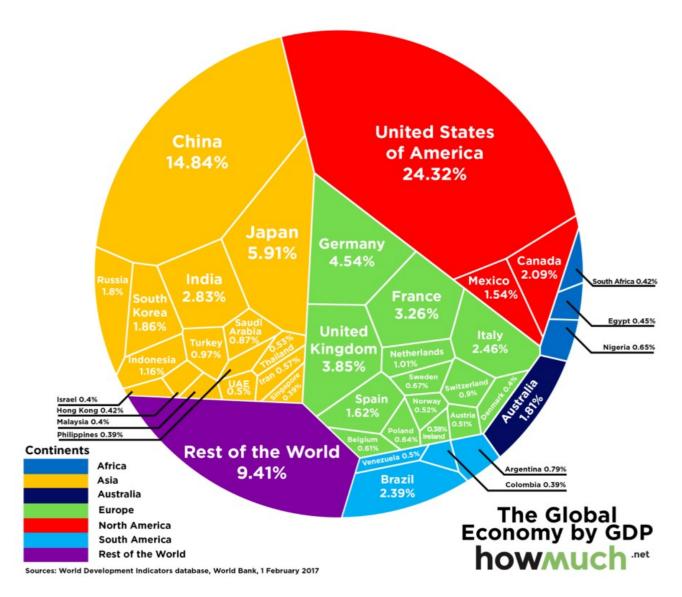
The U.S. is a prime example of "debt creep" – the country hasn't posted an annual budget surplus since 2001, when the federal debt was only \$6.9 trillion (54% of GDP). Fast forward to today, and the debt has ballooned to roughly \$20 trillion (107% of GDP), which is equal to 31.8% of the world's sovereign debt nominally.

-Source: visualcapitalist.com

## Top Ten Economies in the World

The economy of the United States is the largest in the world. At \$18 trillion, it represents a quarter share of the global economy (24.3%), according to the latest World Bank figures.

China follows, with \$11 trillion, or 14.8% of the world economy. Japan is in third place with an economy of \$4.4 trillion, which represents almost 6% of the world economy.



The economy of the United States is larger than the combined economies of numbers three to 10 on the list.

-Source: weforum.org

## A Quick Outlook

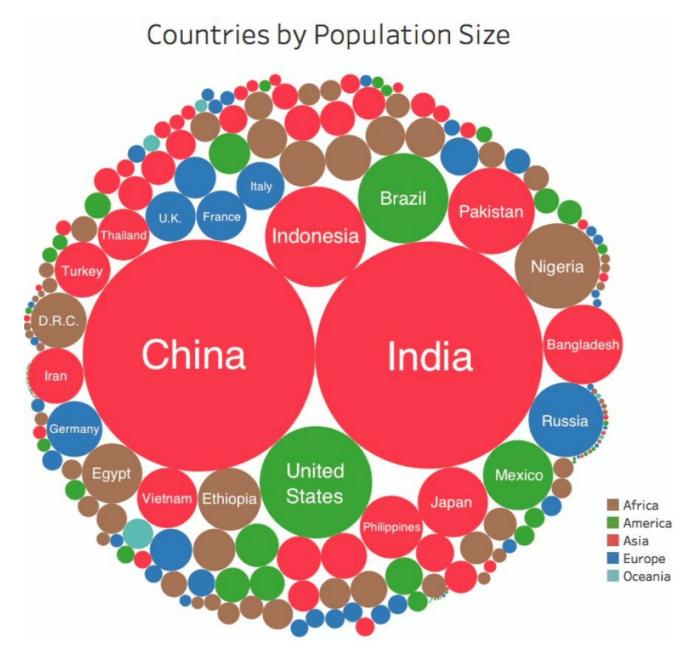
The U.S.A. has 24% (quite near 2/4) of world's GDP but 32% (quite near 1/3) of global debt while China has 15% (less than 1/6) of global GDP but only 8% (1/12) of the global debt. In proportion bigger is better, so far

- China GDP/DBT = 1/3:1/6 = 2
- U.S.A. GDP/DBT = 1/4:1/3 = 3/4

Did China win the competition. Probably yes, as widely accepted when this KPIs and their ratio are kept in consideration. After all, for example

- Russia GDP/DBT = 1.8%:0.3% = 6
- EU28+UK GDP/DBT = 24%:27% = 0.9

Who would care about a country that has a GDP lesser than 2% of global GDP?



What's about IF the GDP would not a relevant KPI? What about population?

- China 1.4 billions
- India 1.3 billions (near less than China)
- UE28+UK 578 millions
- U.S.A. 323 millions (less than 1/4 of China)
- Russia 144 millions (near 10x less China)

We may consider the EU28+UK+Russia, it would have more GDP than USA, double of their population but half of China or India. An unitary ratio between GDP/Debt = 1. Is it not curious?

However, what about <u>Gross Domestic Product(GDP)</u> = moving money + creating value? In which proportion are these two parts. Very hard to say. Issuing new currency create new debt. Moving currency around do not create value, necessarily.

#### Efficiency, Did We Forget About It?

The <u>NASA spent \$150M for a pen</u> (biro) that it is working at zero gravity. Russian Space Agency discovered that standard biro would not work in microgravity and <u>they switched on pencil</u>. How much could cost giving astronauts some pencils? Could it be \$150? Reasonably yes. That's the point.

A efficiency ratio of 1M times between American and Russian may seems too big. It is true. This is a very exceptional case. However, it is going around the whispering gossip that Russia influenced the last USA presidential election using social network spinning advertising for a cost of about \$120K in two years, only.

What about 10x more efficiency? Russian GDP will grown at the equivalent of 20% and its debt still be down at near zero which would improve their ratio at 60, instead of 6.

There are a lot of these specific signals indicating that the Russia of Putin is **extremely** efficient as a nation/country system. Including in the picture that Russia is a nuclear superpower and it has its own huge quantities of minerals, oil, gas, gold, natural resources and cultivable lands in abundance. Put all together under this point of view and...

...Russia won! Oops! 😱

