

Macroeconomic data analysis and report

[Literature](#), [Russian Literature](#)



ECONOMICS The economic performance of various countries is gauged on various variables, but the analysis can suitably be done using data that are provided by the different states' Bureaus of Statistics. The tables presented here give economic variables for two countries and the corresponding trend in three years running from the year 2000, 2001 and 2002. The United Kingdom has been selected for economic comparison with Saudi Arabia. These two countries have different social, political and economic structures, and this explains the different economic directions they exhibit. The variables that are taken into consideration in this work comprise of population, exchange rate with the US dollar as the base currency, purchasing power parity and ratio of gross national product to gross domestic product. It is important to note that the population growth rate is an important factor in gauging the economic performance of a state; by taking the case of these two countries, it will be easy to establish their economic trends. If this is presented in a table form or graphically, the trend will give an insight into the economic characteristics of the two countries. Exchange rate is vital in comparing the strength of the currency between the countries and this is an index of measuring level of economic growth holding other factors constant. Purchasing power parity is important in measuring the inflation rate between the two states under case study. The ratio of gross national product to gross domestic product is important in providing a ground for estimating the amount of income that is repatriated to other countries. Bigger ratio means unfavorable productivity of the country and overdependence on foreign capital and skilled manpower. To explain the economic growth and development, parity between these two states needs

to be presented in graphs. The figure below shows the trend in exchange rate for the two countries. Fig 1 The figure one above shows that the exchange rates between the two states have a wide gap and this is consistent across three years. It is important to note that the UK is more developed and economically stable as reflected by its comparatively lower exchange rate than that of Saudi Arabia. Considering the figures of exchange rate across the years shows some changes for the United Kingdom while Saudi Arabia has a constant exchange rate which hints stable currency and consistent economic growth as compared with the UK (Sarno & Taylor, 2005, 98). The figure 2 below shows the population trend for the two countries. The population differences are important in indicating the per capita income expected. Fig. 2 The United Kingdom has a high population which presents a strain on the existing resources considering the geographical size of the state. The point of concern in this case is the trend in population growth. The rate of population increase is higher for Saudi Arabia than the UK and this presents expansionary threat to Saudi Arabia as the population will put steady strain on the available resources and the national income (Mason, 2001, p67). This simply shows that the UK is experiencing greater economic performance than Saudi Arabia. It is also important to analyze the purchase parity power (PPP) between the two countries as this is a suitable tool of measuring the type of the economy growing faster. The figure 3 below shows the graphical presentation of this scenario. It is evident from the above bar charts that the PPP for Saudi Arabia is much higher than that of the UK. PPP shows the rate of inflation experienced in a country and the higher it is the slower will be the rate of economic growth. The information in the charts also

indicates that the UK does better economically than Saudi Arabia. The price of products and services between these two countries exhibits a case with Saudi Arabia life standards being more expensive in terms of its product costs. This is the case with developing economies across the world (Ignatiuk, 2009, p 56). Considering the ratio of GNP to GDP, it is possible to establish the proportion of the countries income that flows outside its boundaries. This measures the extent of economic maturity and increase in per capita income. Using the trend from this figure 4 below, the comparative analysis can be established between the two countries. Fig 4 The United Kingdom has a higher PPP which shows the relative strength of its currency and subsequent greater purchasing power of its currency against that of Saudi Arabia. It is worth to note that the UK has been experiencing an exponential PPP increase as opposed to the dwindling case of Saudi Arabia. This shows that the UK is doing better than Saudi Arabia. References Cherunilam, F. (2008). International economics. The MacGraw-Hill Companies. Ignatiuk, A. (2009). The Principle, Practice and Problems of Purchasing Power Parity Theory. München, Grin Verlag. Mason, A. (2001). Population change and economic development in East Asia: challenges met, opportunities seized. Stanford, California, Stanford Univ Press. Sarno, L., & Taylor, M. P. (2005). The economics of exchange rates. Cambridge [u. a.], Cambridge Univ Press.