

G-1⁽⁺⁾ - The G7 is irrelevant without China

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The wildly aspirational 25-page, 70 paragraph communique of the just ended G-7 summit in the UK which mentions China only four times, highlights the deepening geopolitical (and geoeconomic) irrelevancy of the group of 7 major industrialized nations. Without China, none of the commitments made by the G-7 can be sustainably implemented. While in the year 2000 the nation-states who gathered at Cornwall held 33% of global FX reserves, earlier this year, their total combined reserves amounted to just 19% of the total global pool of sovereign capital reserves. China today holds nearly 30% of total global FX reserve capital, an increase of 2,120% since 2000. The US, ostensibly the leader of the G-7 holds only 4% of total global FX reserves, 225% less than the combined reserves of Greater China. In 2012, Ian Bremmer, a mentor to DaMina's founder, presciently posited that the G-7 had crumbled into G-zero. It is now patently obvious that the world has entered a period of 'G-One (+)'. Without the membership of China in the G-7, no major global geopolitical, economic, environmental, health or security challenge can be resolved. Like the League of Nations before it, the G-7 is doomed unless it expands to absorb China and becomes less Euro-centric.

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G-7 Irrelevant without China

Rank		Member of G-7	GDP - 2022E	Total FX Reserves @ Q1 2000	Total FX Reserves @ Q1 2021	FX Reserves as % of Total Global FX Reserve @ Q1 2021	Total GeoEconomic Book Value (ie. 2022E GDP + FX Reserves)
1	Greater China (Hong Kong & Taiwan)	NO	\$ 30,760,200	\$ 373,870	4,351,007	29%	\$ 35,111,207,140,656
2	United States	Yes	\$ 24,003,704	\$ 132,159	570,215	4%	\$ 24,573,918,791,260
3	India	No	\$ 11,161,955	\$ 38,903	581,087	4%	\$ 11,743,042,409,250
4	Japan	Yes	\$ 5,856,478	\$ 311,075	1,364,662	9%	\$ 7,221,140,083,658
5	Germany	Yes	\$ 5,017,163	\$ 92,584	246,228	2%	\$ 5,263,391,210,401
6	Russia	No	\$ 4,592,088	\$ 15,217	572,833	4%	\$ 5,164,921,230,059
7	Indonesia	NO	\$ 3,794,845	\$ 29,319	137,121	1%	\$ 3,931,966,212,878
8	Brazil	NO	\$ 3,491,092	\$ 39,200	347,376	2%	\$ 3,838,468,181,279
9	France	Yes	\$ 3,444,471	\$ 65,377	206,034	1%	\$ 3,650,504,862,105
10	United Kingdom	Yes	\$ 3,411,255	\$ 42,546	171,090	1%	\$ 3,582,345,458,917
11	South Korea	NO	\$ 2,561,887	\$ 83,703	445,841	3%	\$ 3,007,728,439,588
12	Italy	Yes	\$ 2,765,866	\$ 47,279	193,317	1%	\$ 2,959,183,057,818
13	Mexico	NO	\$ 2,753,202	\$ 36,432	199,301	1%	\$ 2,952,503,297,394
14	Saudi Arabia	NO	\$ 1,814,431	\$ 17,760	466,079	3%	\$ 2,280,509,572,559
15	Canada	Yes	\$ 2,117,759	\$ 31,106	83,375	1%	\$ 2,201,134,060,406
16	Taiwan (China)	NO	\$ 1,479,122	\$ 116,757	562,076	4%	
17	Switzerland	No	\$ 694,744	\$ 53,109	1,051,810	7%	\$ 1,746,553,965,870
18	Thailand	NO	\$ 1,436,082	\$ 32,253	245,461	2%	\$ 1,681,542,592,334
19	Poland, Rep. of	NO	\$ 1,457,991	\$ 26,207	158,383	1%	\$ 1,616,373,993,836
20	Philippines	NO	\$ 1,089,934	\$ 16,055	104,288	1%	\$ 1,194,222,075,212
21	Malaysia	NO	\$ 1,060,992	\$ 33,950	108,636	1%	\$ 1,169,628,453,985
22	Singapore	NO	\$ 633,477	\$ 300,928	388,699	3%	\$ 1,022,175,906,672
23	China (Hong Kong)	NO	\$ 501,550.00	\$ 93,830	491,369	3%	
24	United Arab Emirates	NO	\$ 716,725	\$ 10,816	107,873	1%	\$ 824,597,794,184
25	Czech Republic	NO	\$ 491,589	\$ 12,680	163,638	1%	\$ 655,226,656,812

Source: Bank for International Settlements (BIS)/ DaMina Advisors

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