

MACROECONOMICS

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SUMMARY

- branch of economics
- focuses on different part of an economy as a whole, rather than individual markets
- examines aggregate indicators:
 - GDP
 - unemployment rates
 - national income
 - inflation
 - economic growth
- try to understand how these factors interact and influence economic policies
- often involves the study of fiscal and monetary policies implemented by governments and central banks.

DEFINITION:

MACROECONOMIC

Macroeconomics versus Microeconomics

	Microeconomics	Macroeconomics
Subject	Economic behavior	Economic behavior
Level of analysis	Individual units	Entire economy
Agents	Individual	Aggregate (sectors of economy)
Markets	Particular goods and services	Composite
Prices	Relative	Absolute
Market Adjustment	Only via changes in prices	In the short run via changes in quantities



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AND MACROECONOMICS

- theory of mercantilism not 100% true
- manufacturing = farming
- revolutionary idea, nation no longer limited
- nation developed industries, technologies and educate their people

INDICATORS

GDP

- primary indicator of economic performance
- rising GDP= a growing economy,
- declining GDP= a recession.

INFLATION RATE

- Moderate inflation= growing economy
- hyperinflation (deflation)= economic instability.

GOVERNMENT DEBT TO GDP RATIO

- provides insight into a country's ability to pay back its debt
- high ratio= potential economic problems

BALANCE OF TRADE

- trade surplus (exports > imports) can strengthen a nation's currency
- trade deficit can weaken it.

UNEMPLOYEMENT

- high rate= economic distress
- low rate =healthy job market.

COMPARISON

BETWEEN SOME EUROPEAN COUNTRIES (2023)

ITALY

- **GDP --> ~ €2 trillion**
- **unemployment= 8-9%**
- **inflation= 5-6%**
- **trade balance, generally balanced, with a strong export sector in luxury goods**
- **governement debts: 145% of GDP**

SWEDEN

- **GDP --> ~ €600 billion**
- **unemployment= 6-7%**
- **inflation= 4-5%**
- **trade balance, trade surplus, driven by exports of technology and machinery.**
- **governement debts: 40% of GDP**

COMPARISON

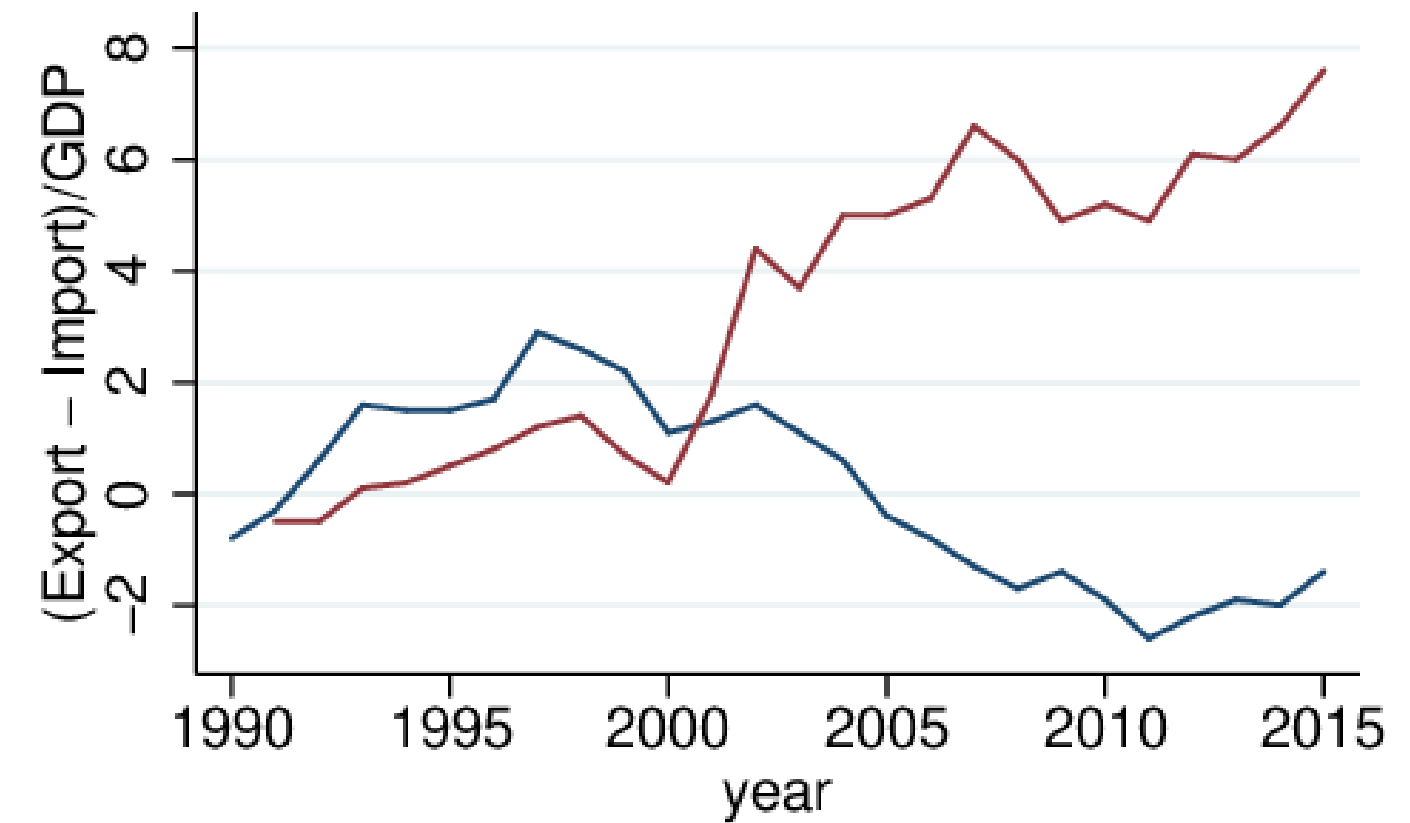
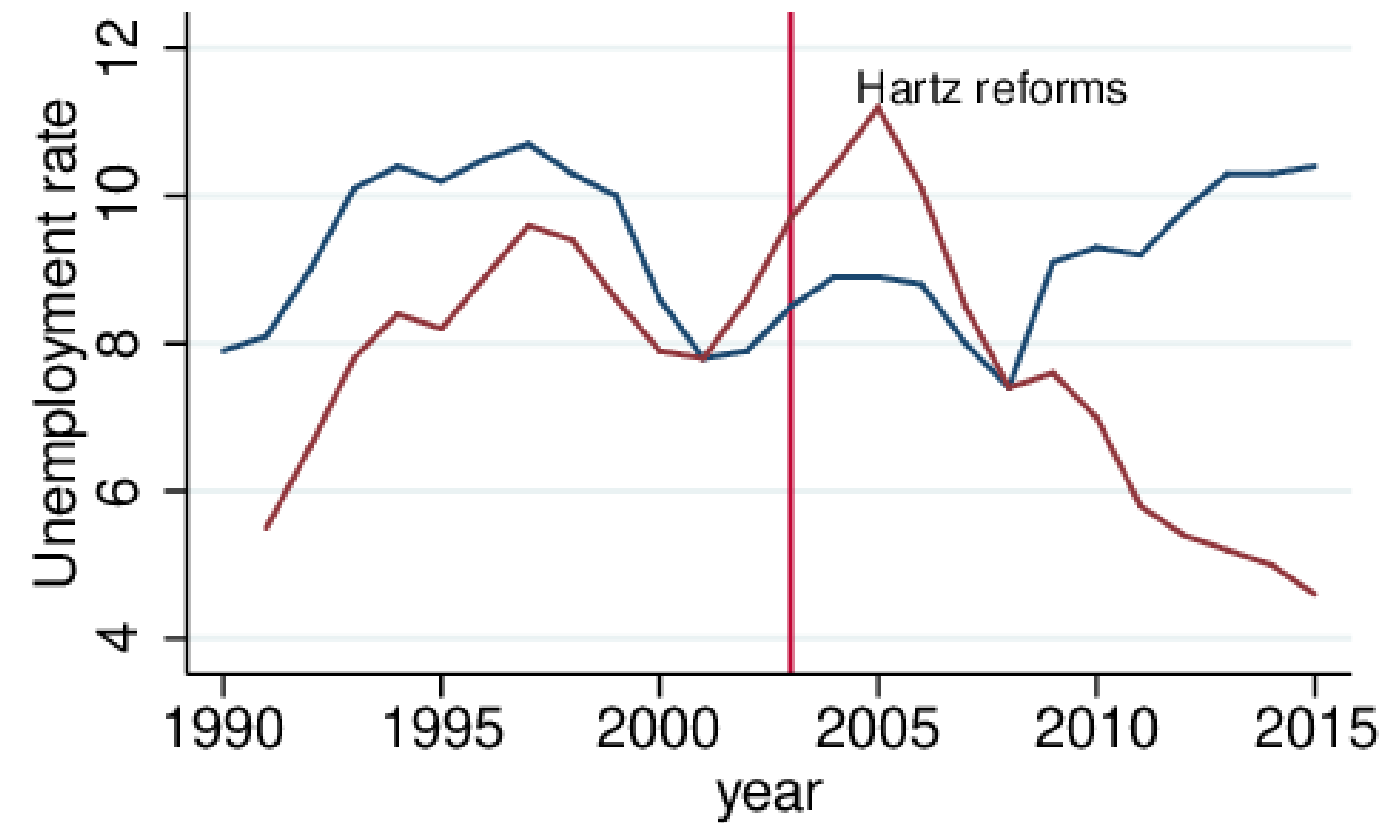
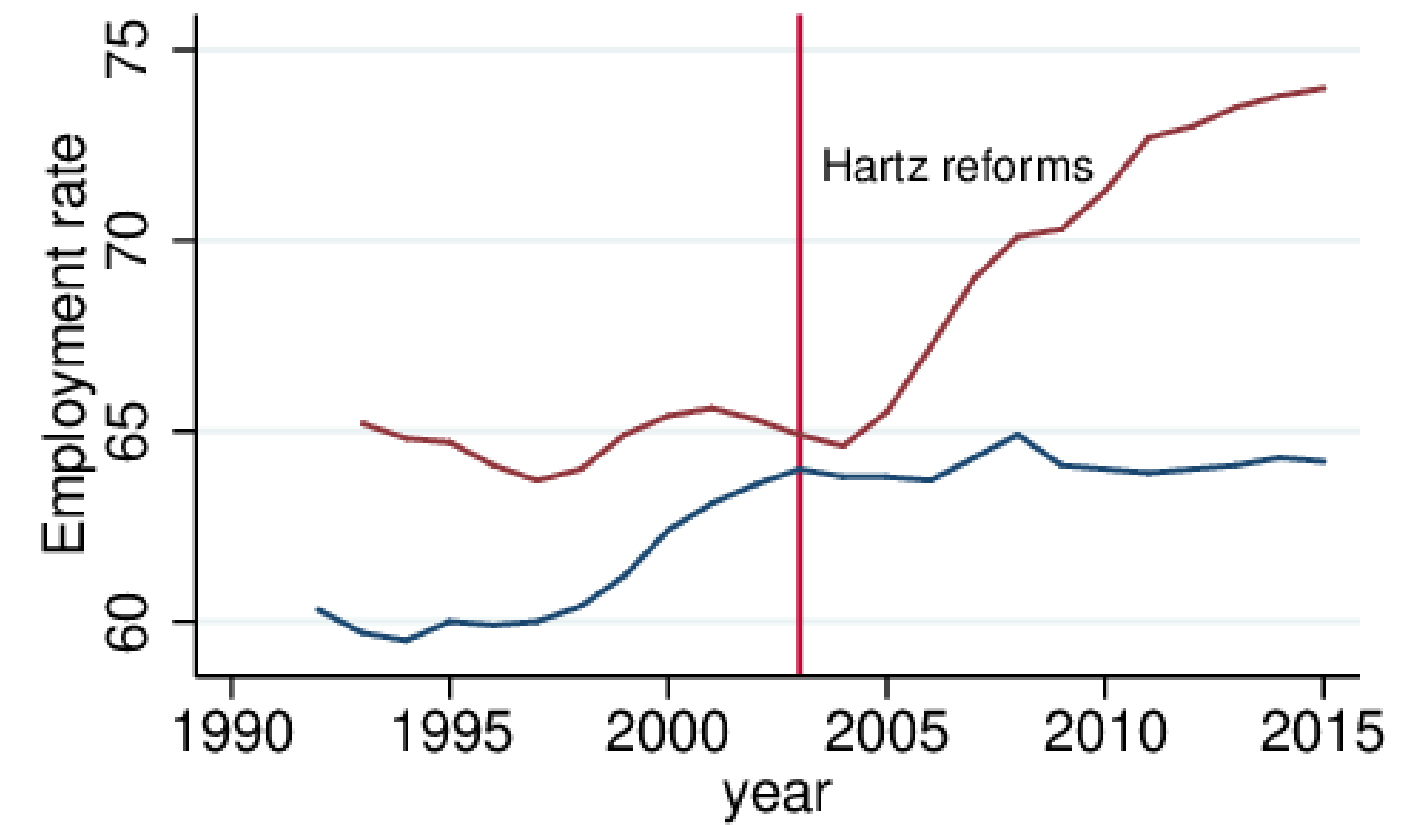
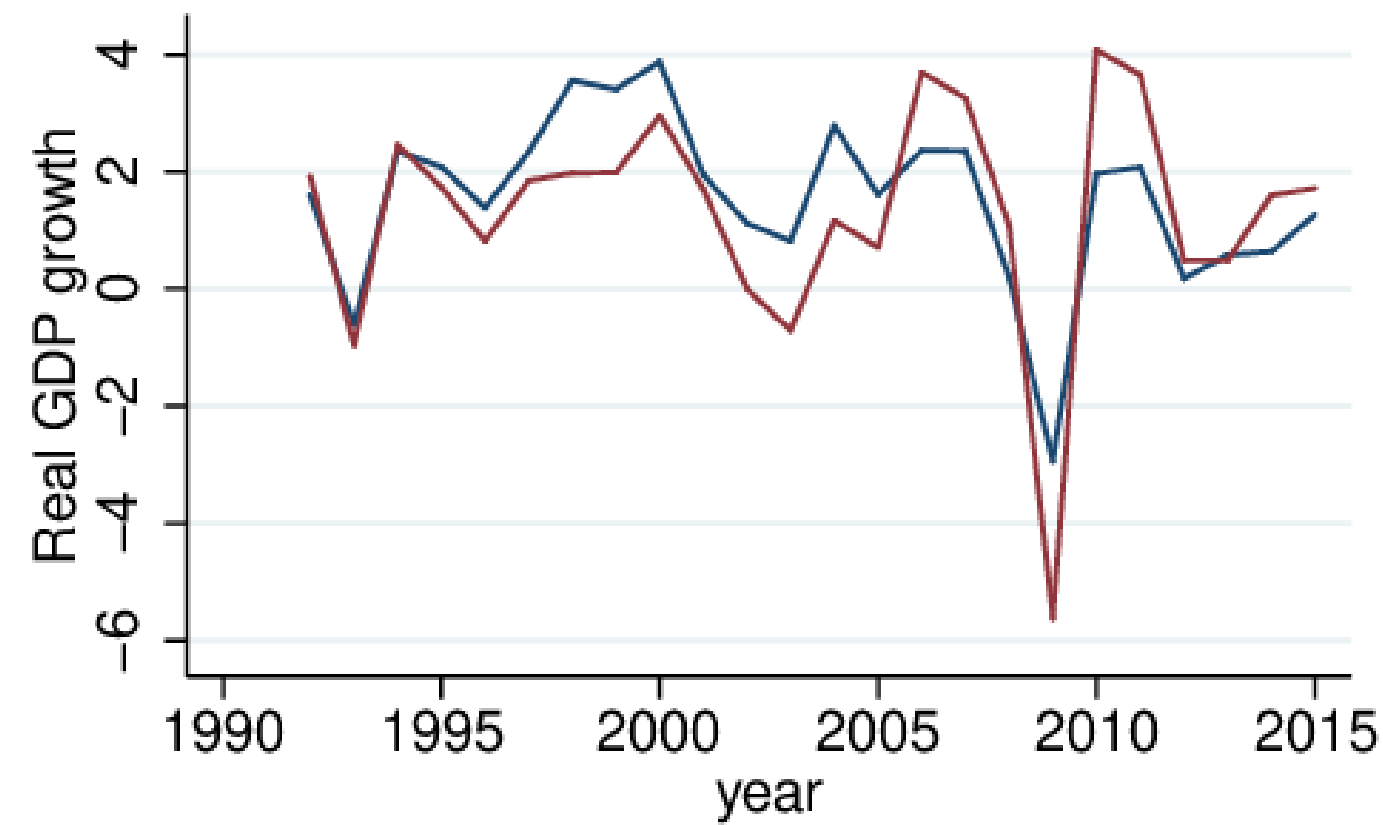
BETWEEN SOME EUROPEAN COUNTRIES (2023)

FRANCE

- **GDP --> ~ €3 trillion**
- **unemployment= 7-8%**
- **inflation= 4-5%**
- **trade balance, trade deficit, heavily reliant on imports, particularly energy.**
- **gouvernement debts: 115% of GDP**

GERMANY

- **GDP --> ~ €4 trillion**
(the largest economy in Europe)
- **unemployment= 5-6%**
- **inflation= 3-4%**
- **trade balance, Strong trade surplus due to exports in machinery and vehicles.**
- **gouvernement debts: 60% of GDP**



SOURCES

<https://mcmscommunity.org/blog/difference-between-micro-and-macro-economics.html>

Standard economics textbooks such as "Macroeconomics" by N. Gregory Mankiw and "Principles of Economics" by Karl E. Case and Ray C. Fair.

https://www.thepaper.cn/newsDetail_forward_2063228

<https://ec.europa.eu/eurostat>

<https://www.worldbank.org/ext/en/home>

Thank you for
listening