



MICROECONOMICS vs MACROECONOMICS



Understanding the Economy: From Small Choices to the Big Picture (Thailand)

MICROECONOMICS

Focuses on individual parts of the economy.

EXAMPLE: A STREET FOOD STALL IN THAILAND



Consumers

Choose what to buy based on price, taste and income.



Businesses

Decide what to sell, how much to charge, and how much to produce.



Workers

Decide how much effort to put in and earn wages.



Specific Markets

Each stall competes with others selling similar food.



Questions

Microeconomics Asks:

- Why do the prices of mango sticky rice change?
- How does the vendor decide the price?
- Why do customers choose one stall over another?
- What determines the worker's wage?

MACROECONOMICS

Focuses on the overall economic behavior of the country.

EXAMPLE: THAILAND'S ECONOMY AS A WHOLE



National Income (GDP) -

Measures the total value of goods and services produced in Thailand.



Money Supply & Interest Rates

The Bank of Thailand controls the money supply and interest rates.



Consumption, Saving & Investment :

Households spend, save money, and businesses invest to grow.



Employment *

The level of employment and unemployment affects people's income and living standards.



International Trade

Thailand exports rice, electronics, cars and tourism services; imports oil, machinery, etc.



Public Finance & Public Debt *

The government collects taxes, spends on public services, and manages public debt.



Economic Problems

Includes unemployment, inflation, deflation and other development challenges.



Questions

Macroeconomics Asks:

- Why is Thailand's economic growth increasing or decreasing?
- What causes inflation?
- Why is unemployment rising or falling?
- How do government policies affect the economy?
- How does Thailand's trade with other countries affect the economy?



MICROECONOMICS

= Looking at one food stall in a Thai market. (Focus on small parts)

SIMPLE SUMMARY ANALOGY



Both are connected!

Decisions made by people and businesses (micro) affect the whole economy (macro), and the economy as a whole affects individual choices.

MACROECONOMICS

= Looking at Thailand's whole economy from above. (Focus on the big picture)

