where E^* and P^* refer to nominal expenditures and the price index in the foreign country, $c^x(\omega)$ to the demand for variety ω from the Foreign household and $p^x(\omega)$ to the price set by the firm producing the variety ω on the export market. Solving for this yields:

$$p^x(\varphi) = \frac{\sigma}{\sigma - 1}\left[\frac{\tau}{\varphi} + t\right]$$