



What determines Exports?



U.S. Exports increase

3. The Exchange Rate: the Value of the U.S. dollar
relative to a foreign currency





U.S. Exports decrease

stronger U.S. dollar

What determines Exports?

3. The **Exchange Rate**: the **Value of the U.S. dollar relative** to a foreign currency

Weaker U.S. Dollar → U.S. Exports **increase**

Stronger U.S. dollar → U.S. Exports **decrease**

What determines Imports?