



Rest of the
World

GDP = Purchases of new final goods by

Foreign purchases of U.S. goods and
services are included as Exports





U.S. purchases of Foreign
goods (imports) are excluded

Exports (X)

Imports (X)

GDP= Purchases of new final goods by



Expenditures Approach

When we calculate GDP, we want the total value of goods and services produced in the U.S.