





What determines Exports?

American goods are more expensive than foreign goods: Foreigners buy less U.S. goods



U.S. Exports decrease

U.S. Exports increase

2. U.S. Prices relative to foreign prices



US.Pricesrise

American goods are  
cheaper than foreign  
goods: Foreigners buy  
more U.S. goods



U.S. Prices Fall

# What determines Exports?

## 2. U.S. Prices relative to foreign prices

U.S. Prices **rise** → American goods are more expensive than foreign goods: Foreigners buy **less** U.S. goods

U.S. Exports **decrease**

U.S. Prices **fall** → American goods are cheaper than foreign goods: Foreigners buy **more** U.S. goods

U.S. Exports **increase**

