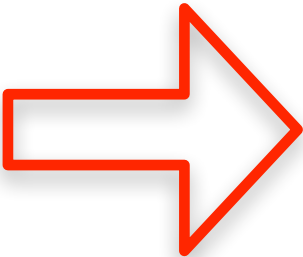




Trade Deficit/Surplus

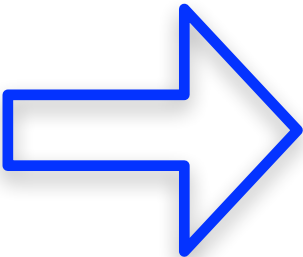
If Exports > Imports

The country has
a Trade Surplus



If Imports > Exports

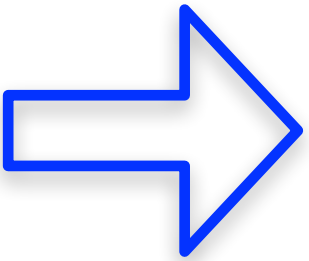
The country has
a Trade Deficit



Deficit/Surplus = Exports - Imports

Trade Deficit/Surplus

If **Exports** > Imports  The country has a Trade **Surplus**

If **Imports** > Exports  The country has a Trade **Deficit**

$$\text{Deficit/Surplus} = \text{Exports} - \text{Imports}$$

What determines Exports?