

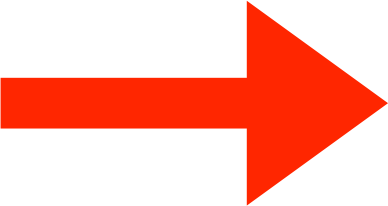


1

2

# What determines Exports?

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



U.S. Exports decrease

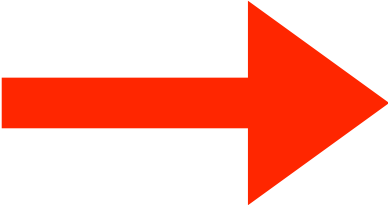
U.S. Exports increase

2. U.S. Prices relative to foreign prices



U.S. Prices **rise** relative  
to prices abroad

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

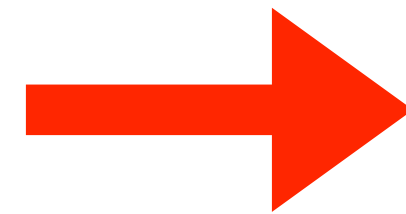


U.S. Prices **fall** relative  
to prices abroad

# What determines Exports?

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

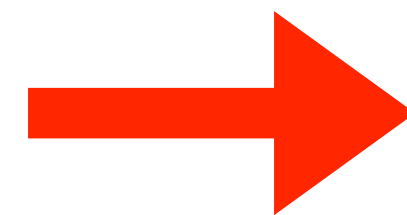
U.S. Prices **rise** relative to prices abroad



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

U.S. Exports **decrease**

U.S. Prices **fall** relative to prices abroad



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

U.S. Exports **increase**

