Rest of the World

GDP= Purchases of new final goods by

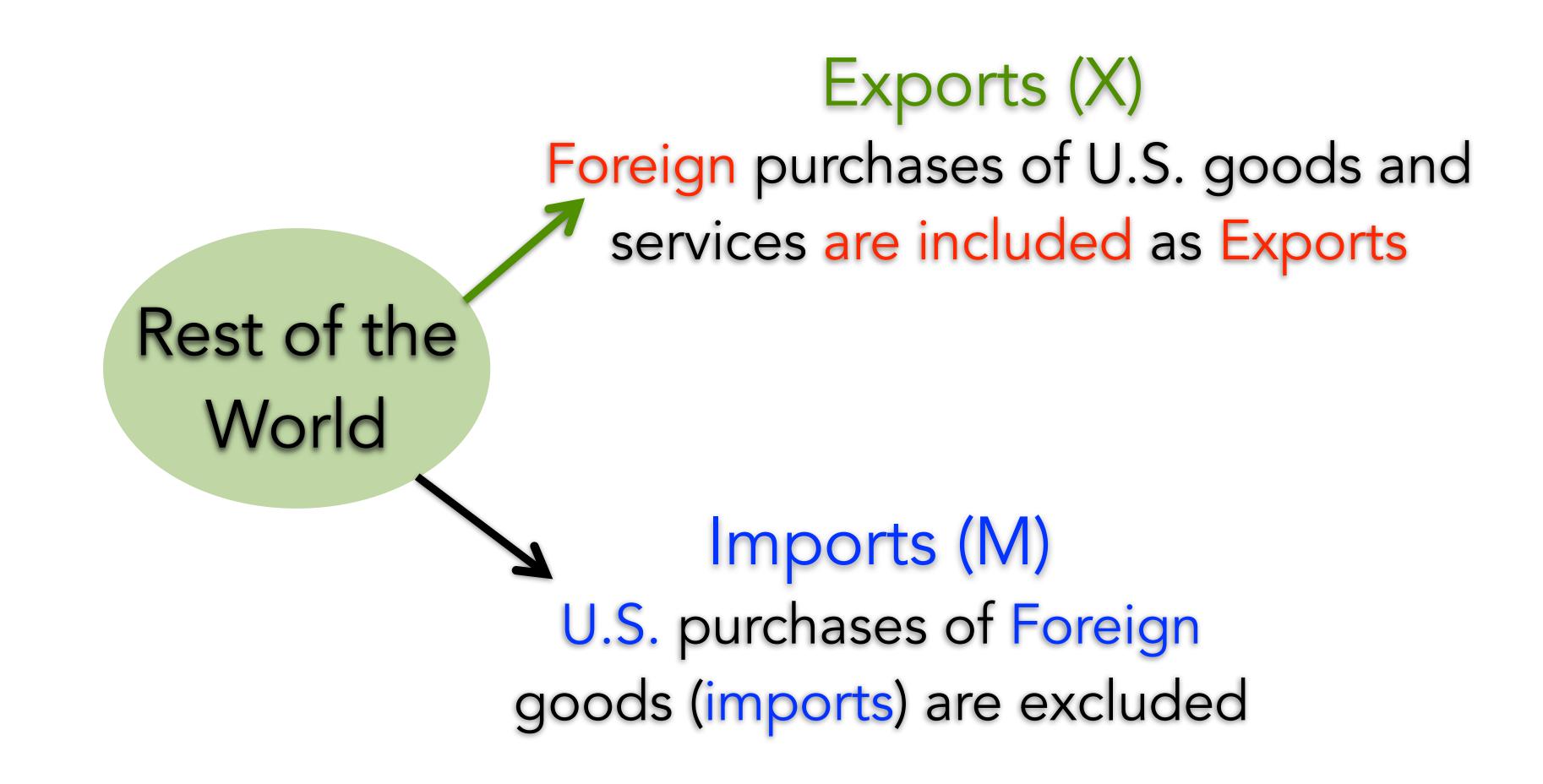
Foreign purchases of U.S. goods and services are included as Exports



Exports (X)

Imports (M)

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.