

Complementary Goods Complements are products that are generally bought and sold together. Digital cameras and flash memory, for example, are **complementary goods**. When two goods are complementary, the decrease in the price of one will increase the demand for it as well as its complementary good. If the price of digital cameras drops, for example, people will probably buy more of them. They will also probably buy more flash memory to use with the cameras. Therefore, a decrease in the price of digital cameras leads to an increase in the demand for flash memory. As a result, the demand curve for flash memory will shift to the right, as shown in the graph on the right. The opposite would happen if the price of digital cameras increased. In this case, the demand for the complement, flash memory, would decrease, and the demand curve would shift to the left.

D₁

D₂

1 2 3 4 5 6 7
Quantity of butter demanded
(in millions of pounds)

If Price of Complement
Decreases

