

# EU Economic Crossroads: Inflation Surges, Green Deal Investment, and Trade

EU Economy · Answer Key · 12 Questions

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**1. What was the approximate EU inflation rate in 2023?**

- A) 1.5%
- B) 6.4%**
- C) 9.2%
- D) 2.6%

**2. Which of the following is a primary objective of the European Green Deal?**

- A) To increase fossil fuel consumption for energy security
- B) To reverse all environmental regulations previously enacted
- C) To make Europe the first climate-neutral continent by 2050**
- D) To reduce foreign direct investment within the EU

**3. As of recent reports, which region remains the top foreign investor in the EU?**

- A) Asia
- B) Africa
- C) The United States**
- D) South America

**4. What is a key focus of the EU's Recovery and Resilience Facility (RRF)?**

- A) Reducing the number of Small and Medium-sized Enterprises (SMEs)
- B) Increasing agricultural subsidies across the board
- C) Financing national agendas of investments and reforms, particularly in green and digital sectors**
- D) Phasing out all renewable energy projects

**5. What has been a significant factor contributing to inflation in the Euro Area since the pandemic, according to recent data?**

- A) A consistent decrease in energy prices
- B) A sharp decline in global supply chain efficiency
- C) The initial rebound in economic activity, global supply pressures, and reduced Russian gas flows**
- D) A coordinated effort to lower interest rates significantly

**6. Which of the following is NOT a stated aim of the EU's Common Agricultural Policy (CAP)?**

- A) Ensuring food security in the EU
- B) Helping farmers make a decent living
- C) Contributing to tackling climate change
- D) Discouraging sustainable farming practices**

**7. What is the primary goal of the EU's Digital Single Market (DSM) strategy?**

- A) To restrict the free movement of data between member states
- B) To create national digital barriers and promote protectionism
- C) To enable trusted data flows and remove digital barriers to the free movement of goods, services, capital, and people**
- D) To favor physical retail over online businesses

**8. According to the European Central Bank's most recent policy decisions, what is the target inflation rate for the medium term?**

- A) 1%
- B) 3%
- C) 2%**
- D) 0.5%

**9. Which of the following best describes a trend in Foreign Direct Investment (FDI) transactions in the EU in 2024?**

- A) A significant increase in both greenfield and M&A deals
- B) A substantial rise in greenfield projects with a slight decrease in M&A
- C) A decrease in overall FDI transactions, largely driven by a decline in greenfield projects**
- D) No significant change in FDI from the previous year

**10. What is the primary objective of the European Green Deal's Carbon Border Adjustment Mechanism (CBAM)?**

- A) To subsidize fossil fuel industries
- B) To encourage industries worldwide to adopt greener production methods**
- C) To impose tariffs on all imported goods
- D) To increase the cost of renewable energy imports

**11. What is the approximate total size of the 'Next Generation EU' recovery plan in euros?**

- A) EUR500 billion
- B) EUR807 billion**
- C) EUR1.2 trillion
- D) EUR250 billion

**12. As of early 2024, what is the status of the EU's agreement on new rules for managing the Generalised Scheme of Preferences (GSP)?**

- A) The agreement has been fully ratified and implemented
- B) Negotiations have stalled due to disagreements on linking market access to migrant readmission and rice import limits**
- C) The proposal was unanimously approved by all EU institutions
- D) The rules were simplified and immediately enacted in January 2024