

South American Economic Snapshot: EU-Mercosur Deal, Venezuela Sanctions

South America Finance · Answer Key · 15 Questions

1. The EU-Mercosur trade agreement, which provisionally took effect on May 1, 2026, creates a trading zone encompassing the EU and which South American bloc?

- A) Andean Community
- B) Mercosur**
- C) Pacific Alliance
- D) Central American Integration System

2. What significant development occurred in Venezuela regarding U.S. sanctions in April 2026, as noted in General License 57 (GL 57)?

- A) All sanctions were completely lifted.
- B) Authorization of financial services involving key blocked Venezuelan state banks.**
- C) New sanctions were imposed on the energy sector.
- D) A complete ban on all international trade was enacted.

3. Which South American country's new government is looking to speed up copper production by improving permitting and making regulatory changes, aiming for an annual output of 6 million metric tons in the next four to five years?

- A) Peru
- B) Colombia
- C) Chile**
- D) Argentina

4. According to recent data, what was the year-over-year inflation rate in Argentina for March 2026?

- A) 10.5%
- B) 32.61%**
- C) 5.2%
- D) 45.8%

5. Brazil's nominal public sector deficit reached what percentage of GDP in the twelve months leading up to March 2026?

- A) 2.41%
- B) 9.41%**
- C) 5.15%
- D) 12.30%

6. In April 2026, Peru's consumer prices rose by what percentage on a year-on-year basis, showing an acceleration from the previous month?

- A) 2.1%
- B) 3.8%
- C) 4.0%**
- D) 5.5%

7. The EU-Mercosur trade agreement, provisionally effective from May 1, 2026, eliminates tariffs on the majority of bilateral trade. Which of these countries is NOT part of the Mercosur bloc mentioned in the agreement?

- A) Argentina
- B) Brazil
- C) Uruguay
- D) Paraguay**

8. What was a key development in Venezuela on May 6, 2026, related to its debt, authorized by General License 58 (GL58)?

- A) A complete ban on all financial advisory services.
- B) Authorization for services related to the restructuring of Venezuelan debt.**
- C) A new currency was introduced to replace the Bolivar.
- D) All foreign creditors were nationalized.

9. In the first quarter of 2026, Capstone Copper's production in Chile was affected by a strike at which mine?

- A) Escondida
- B) Chuquicamata
- C) Mantoverde**
- D) El Teniente

10. What was the year-on-year inflation rate in Argentina for March 2026, as reported by INDEC?

- A) 33.2%
- B) 32.60%**
- C) 34.0%
- D) 31.5%

11. The IMF's April 2026 outlook projected what GDP growth for Latin America in 2026?

- A) 1.5%
- B) 2.3%**
- C) 3.1%
- D) 4.0%

12. Which South American country's central bank reduced its policy rate (Selic) by 0.25 percentage points in April 2026, lowering it to 14.50%?

- A) Argentina
- B) Colombia
- C) Peru

D) Brazil

13. According to the OECD report on Colombia (April 2026), what is a key policy gap identified in its economic performance?

- A) Overly efficient tax system
- B) Excessive labor freedom

C) Weaknesses in human capital development

- D) Underdeveloped transportation infrastructure

14. The provisional application of the EU-Mercosur agreement, effective May 1, 2026, creates a trading zone with approximately how many potential consumers?

- A) 300 million
- B) 500 million

C) 720 million

- D) 1 billion

15. What is a primary concern for Chile's copper production in the second half of 2026, related to supply chain issues?

- A) A surplus of sulfuric acid.

B) Shortages of sulfuric acid.

- C) An overabundance of copper cathodes.
- D) Low international copper prices.