

# Latin America's Financial Crossroads: Inflation Peaks, Trade Deals Signed, and

Global Finance · Answer Key · 13 Questions

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**1. As of April 2026, what was the year-on-year inflation rate in Argentina, and how did it compare to the previous month?**

- A) 32.6%, a decrease from 33.1% in February.**
- B) 33.1%, an increase from 32.6% in February.
- C) 31.0%, a decrease from 31.5% in February.
- D) 34.0%, an increase from 33.0% in February.

**2. In January-April 2026, Chile's mining sector experienced a significant year-over-year increase in export value. What was this percentage increase, and what proportion of total national exports did mining account for during this period?**

- A) 19.6% increase, accounting for 59.4% of total national exports.**
- B) 12.5% increase, accounting for 45.2% of total national exports.
- C) 25.1% increase, accounting for 65.0% of total national exports.
- D) 15.0% increase, accounting for 55.8% of total national exports.

**3. According to a report released in April 2026, what was the projected GDP growth rate for Latin America and the Caribbean in 2026, and what factors contributed to this forecast?**

- A) 2.2%, due to geopolitical tensions, higher oil prices, tighter financial conditions, and weaker global trade.**
- B) 2.5%, driven by strong commodity prices and increased foreign investment.
- C) 2.0%, influenced by post-pandemic recovery and domestic demand.
- D) 2.8%, bolstered by significant reforms and trade agreements.

**4. In the first quarter of 2026, foreign direct investment in Colombia saw a notable decline. By what percentage did it fall compared to the same period in the previous year, and what does this signify?**

- A) 10%, bringing capital inflows back to levels not seen in five years.**
- B) 5%, indicating a temporary slowdown in investor confidence.
- C) 15%, reflecting a significant shift in investment patterns.
- D) 8%, due to increased political instability.

**5. The EU-Mercosur Partnership Agreement, provisionally applied on May 1, 2026, aims to create one of the largest free trade zones. Which of the following countries are members of Mercosur involved in this agreement?**

**A) Argentina, Brazil, Paraguay, and Uruguay.**

B) Chile, Peru, Colombia, and Ecuador.

C) Mexico, Argentina, Brazil, and Venezuela.

D) Brazil, Argentina, Chile, and Colombia.

**6. As of March 2026, Peru's GDP growth forecast for 2026 was revised downwards due to several supply shocks. What was the revised forecast, and what were two of the identified domestic supply shocks?**

**A) 2.9%, due to deteriorating weather conditions and a domestic gas supply squeeze.**

B) 3.1%, influenced by high metal prices and global economic uncertainty.

C) 2.7%, caused by a decrease in mining output and political instability.

D) 3.0%, stemming from increased public spending and external demand.

**7. In early 2026, Chile's copper export value increased despite a drop in production volume. What was the primary reason for this increase in export value?**

**A) A significant surge in average copper prices.**

B) An increase in the physical volume of copper exports.

C) New government subsidies for copper producers.

D) A decrease in global demand for copper.

**8. Regarding Brazil's economic reforms effective January 1, 2026, what significant change was implemented concerning taxation?**

**A) An increase in the taxation of Interest on Net Equity (INE) payments from 15% to 20%.**

B) A reduction in corporate income tax for financial institutions.

C) The introduction of tax exemptions for certain financial investments.

D) A decrease in the withholding tax on foreign dividends.

**9. In March 2026, the World Bank projected Peru's GDP growth for the year to be 2.7%. What factor was noted as adversely affecting this growth, despite continued favorable export commodity prices and positive business confidence?**

**A) The global oil price shock stemming from the Middle East conflict.**

B) A significant decline in copper prices.

C) Increased domestic consumption and reduced investment.

D) Tighter monetary policy by the Central Bank of Peru.

**10. What was the projected primary fiscal balance for Brazil in 2026, according to Fitch Ratings in February 2026, and what measures were in place to achieve it?**

**A) A primary deficit of 0.2%, with revenue measures including increased taxes on fintech and gambling.**

- B) A primary surplus of 0.5%, through significant cuts in public spending.
- C) A balanced budget, with a focus on reducing public debt.
- D) A primary deficit of 1.0%, due to increased social security contributions.

**11. By May 2026, the EU-Mercosur trade agreement had provisionally taken effect. What is a key benefit for EU exporters under this agreement?**

**A) Elimination of duties on 91% of EU exports to Mercosur markets.**

- B) Guaranteed access to Mercosur's agricultural sector with reduced quotas.
- C) A 50% increase in EU agricultural product exports due to new subsidies.
- D) Simplified customs procedures for all EU-manufactured goods.

**12. As of April 2026, Venezuela's economy was experiencing a projected acceleration in growth. What was the primary driver behind this anticipated economic improvement?**

**A) A significant projected rise in oil revenues, by 76.8% from 2025 levels.**

- B) A surge in foreign direct investment due to political reforms.
- C) Increased consumer spending fueled by a stable exchange rate.
- D) The successful implementation of new trade agreements with neighboring countries.

**13. In March 2026, Colombia's central bank raised interest rates by 100 basis points. What was the stated reason for this action, and what impact was it expected to have on economic growth?**

**A) To combat inflation that remained well above target, which was likely to hamper growth.**

- B) To stimulate investment and encourage borrowing.
- C) To align with global interest rate trends, despite moderating inflation.
- D) To reduce the fiscal deficit and control public debt.