

Europe's Economy Unpacked: Inflation, Energy, and Trade Shifts in 2026

European Economics · Answer Key · 7 Questions

1. What was the annual inflation rate in the Euro area in April 2026?

- A) 1.5%
- B) 2.2%
- C) 3.0%**
- D) 4.5%

2. Which of the following countries registered the lowest annual inflation rate in the EU in April 2026?

- A) Romania
- B) Sweden**
- C) Bulgaria
- D) Croatia

3. What is a significant factor currently contributing to spikes in European fossil fuel energy prices?

- A) New EU carbon taxes
- B) Conflict in the Middle East**
- C) Increased reliance on Russian gas
- D) Overproduction of renewable energy

4. What was the European Central Bank's deposit facility rate as of its April 30, 2026 decision?

- A) 0.50%
- B) 1.00%
- C) 2.00%**
- D) 2.50%

5. The ongoing war in Ukraine has significantly increased EU spending in which of the following areas?

- A) Tourism promotion
- B) Security and defense**
- C) Agricultural subsidies
- D) Space exploration

6. Which renewable energy source has been the fastest growing in the EU electricity mix in 2024?

- A) Hydropower
- B) Wind power
- C) Solar power**
- D) Biomass

7. What is one primary issue causing ongoing supply chain disruptions in Europe?

- A) Decreased consumer demand
- B) Abundant raw material supplies
- C) Logistics constraints and port congestion**
- D) Excessive production capacity