

Oceania's Economic Tightrope: Global Shocks, Local Realities, and Future Outlook

Global Finance · Answer Key · 15 Questions

1. Which Pacific Island nation is projected to experience a slowdown in tourism-driven growth in 2025 due to normalizing post-pandemic travel demand and capacity limits?

- A) Fiji**
- B) Papua New Guinea
- C) Vanuatu
- D) Solomon Islands

2. What is a primary factor contributing to renewed inflation pressures and fiscal strain in Pacific Island economies, as highlighted by the World Bank in its May 2026 report?

- A) Turmoil in global energy and shipping markets linked to Middle East conflict**
- B) A decrease in remittances from abroad
- C) A significant drop in global agricultural prices
- D) Reduced foreign direct investment from Australia

3. In 2025, how is Australia's agricultural export performance projected to be impacted by its network of free trade agreements, according to the Department of Agriculture, Fisheries and Forestry?

- A) It is forecast to reach \$70.1 billion, driven by improved market access through FTAs.**
- B) It is expected to decline due to increased tariffs from key trading partners.
- C) It will remain stagnant as global demand for agricultural products weakens.
- D) It will be primarily driven by domestic consumption rather than exports.

4. What is a key challenge for Fiji's economic growth in 2025, as identified by the State Department's 2024 Investment Climate Statements?

- A) A high debt-to-GDP ratio and slow reduction by the government.**
- B) A significant decrease in foreign tourist arrivals.
- C) A decline in global commodity prices affecting exports.
- D) Reduced investment from Australia and New Zealand.

5. According to the 2024 ExportNZ DHL Export Barometer Report, what percentage of New Zealand exporters reported increased business costs in the period leading up to November 2024?

- A) 89%**
- B) 50%
- C) 20%
- D) 10%

6. How are Pacific countries exploring the use of digital money to address challenges like expensive and slow cross-border payments, as discussed in the 'Pacific digital-finance push continues' report?

A) By examining digital-payment systems and central-bank digital currencies, alongside cautious exploration of cryptocurrencies.

- B) By exclusively adopting decentralized cryptocurrencies to bypass traditional banking.
- C) By relying solely on increased traditional banking services in remote areas.
- D) By discouraging all forms of digital financial innovation due to global volatility.

7. What impact are higher U.S. import tariffs expected to have on Asia-Pacific economies in the near-term, according to S&P Global's Q4 2025 outlook?

A) They will likely reduce demand for exports and weigh on growth.

- B) They will primarily boost domestic demand and encourage regional trade.
- C) They will have a minimal impact due to strong global growth.
- D) They will lead to increased exports to the United States.

8. What is a significant factor driving the growth in New Zealand's goods exports to \$74 billion in the year to March 2025, as per the Trade and Economic Update Q1 2025?

A) Favorable domestic production conditions and rising global commodity prices.

- B) A sharp decrease in global demand for dairy products.
- C) Reduced production capacity due to natural disasters.
- D) Increased import tariffs from major trading partners.

9. Australia has committed significant funding to deepen Pacific integration. In the 2024-25 Budget, what was the commitment to enhance Australia's presence in Pacific countries?

A) \$165.9 million

- B) \$2 billion
- C) \$1.9 billion
- D) \$550 million

10. What is a key risk to Tonga's economic outlook in 2025, as identified in the IMF's 2025 Article IV Consultation Staff Report?

A) Inflationary pressures and elevated global uncertainty.

- B) A surplus in the national budget.
- C) A decrease in remittances from overseas workers.
- D) Strong growth in domestic agricultural output.

11. Which factor is identified as a primary driver for the projected slowdown in Fiji's GDP growth from 3.4% in 2024 to 3.0% in 2025?

- A) A decline in travel demand and significant capacity limits in tourism.**
- B) Increased foreign investment in new infrastructure projects.
- C) A surge in exports of niche crops like kava and taro.
- D) Stronger remittances from Fijians working abroad.

12. The World Bank's October 2024 Pacific Economic Update indicates that growth in Pacific Island countries slowed to an estimated 3.6 percent in 2024. What is the projected growth for these countries in 2025?

- A) 3.7%**
- B) 4.9%
- C) 5.8%
- D) 2.9%

13. In early 2025, what was the trend in headline inflation across most Pacific markets, according to BSP's Group CEO?

- A) It remained stable but elevated, with a slightly upward trajectory.**
- B) It decreased significantly below pre-pandemic levels.
- C) It stabilized at pre-pandemic levels.
- D) It saw a sharp decline due to falling global commodity prices.

14. Which Australian free trade agreement, entering into force on October 1, 2025, aims to provide preferential access to the UAE's growing market for premium food and agricultural products?

- A) Australia-United Arab Emirates Comprehensive Economic Partnership (A-UAE CEPA)**
- B) Australia-United Kingdom Trade Agreement (A-UK FTA)
- C) Australia-India Economic Cooperation and Trade Agreement (AI-ECTA)
- D) Japan-Australia Economic Partnership Agreement (JAEPA)

15. What initiative is the Pacific Islands Forum moving forward with to aggregate regional transaction flows, lower remittance costs, and set shared technical and regulatory standards?

- A) The "Regional Fast Payments System"**
- B) The establishment of a single regional currency.
- C) A unified digital asset regulatory framework.
- D) A collective investment fund for infrastructure development.