

G7 Economic Crossroads: Holiday Spending Shifts, Global Trade Tensions, and Inflationary Pressures

Global Economics · Answer Key · 20 Questions

1. In the current economic climate, which G7 nation's retail sales exhibit the most pronounced seasonal effect, particularly around holidays and major shopping events like Black Friday?

- A) United Kingdom
- B) Germany
- C) United States**
- D) Japan

2. As of late 2025/early 2026, which of the following G7 countries has successfully maintained inflation below the 2% target rate, primarily due to softer economic conditions?

- A) United States
- B) Japan
- C) Canada**
- D) Italy

3. Given the persistent inflation and slowing global economy, G7 central banks are closely monitoring various factors. Which specific geopolitical event, as of early 2026, has been a major concern for G7 central banks due to its impact on oil prices and potential to drive higher inflation and slower growth?

- A) The ongoing Russia-Ukraine War
- B) A prolonged conflict in the Middle East involving Iran**
- C) Trade disputes between the US and China
- D) Climate-related extreme weather events disrupting supply chains

4. With consumers increasingly seeking value, which product category has faced muted growth in the 2025 holiday season, while others like apparel and beauty are considered bright spots?

- A) Consumer electronics
- B) Luxury goods**
- C) Home appliances
- D) Toys

5. The G7/OECD policy priorities paper on tourism highlights several areas for future leadership. Which of the following is NOT listed as a prospective area for G7 leadership in optimizing tourism's socio-economic impacts?

- A) Harnessing the power of Artificial Intelligence and digital tools for tourism development
- B) Promoting climate action through greener models of tourism
- C) Mandating specific holiday durations for international tourists**
- D) Encouraging accessible and inclusive tourism

6. France, in its G7 presidency, is spotlighting global economic imbalances. Which of the following is identified as a key concern alongside China's surging exports and Europe's weak investment?

- A) The United States' persistent current account surpluses**
- B) The United Kingdom's rising unemployment rate
- C) Japan's aggressive interest rate hikes
- D) Canada's burgeoning national debt

7. In the context of global supply chain disruptions affecting the holiday season, which of the following was a significant issue that crippled global supply chains leading into recent holiday periods?

- A) A widespread adoption of AI in manufacturing
- B) A global oversupply of shipping containers
- C) The COVID-19 pandemic, extreme weather events, and trade issues**
- D) A sudden surge in demand for services over goods

8. Considering the impact of global events on consumer behavior for holiday shopping, what percentage of shoppers, according to a June 2026 survey, stated that global and local events are not impacting their gift-giving at all?

- A) 10%
- B) 20%
- C) 40%**
- D) 60%

9. With regards to G7 economies and inflation, which country, as of November 2025, had inflation rates averaging above 3%, while Canada and France were below 2%?

- A) Japan
- B) Italy
- C) United Kingdom**
- D) Germany

10. The 2025 holiday season has seen shifts in consumer spending. Which generation is expected to reduce their holiday budgets the most, by 23%, due to factors like early career challenges and limited savings?

- A) Baby Boomers
- B) Gen X
- C) Millennials
- D) Gen Z**

11. As global supply chains become more interconnected, G7 economies are warned that they are highly exposed to cross-border climate risk. Imports from which regions are considered acutely vulnerable to these climate-related disruptions?

- A) North America and Europe
- B) Africa, Latin America, and Asia**
- C) Australia and New Zealand
- D) Eastern Europe and Central Asia

12. The G7 summit in Evian, France (June 2026) focused on global economic imbalances. Which of the following is a direct consequence of these imbalances as highlighted by French President Emmanuel Macron?

- A) Increased global cooperation on climate change initiatives
- B) Escalating trade disputes and potential financial unrest**
- C) A synchronized reduction in interest rates across G7 nations
- D) A significant increase in foreign direct investment into developing economies

13. Recent data from Salesforce indicates that in the 2025 holiday season, AI and agents played a significant role in driving retail sales. What percentage of all retail sales did AI and agents account for globally?

- A) 5%
- B) 10%
- C) 20%**
- D) 30%

14. In the context of G7 economies and their response to persistent inflation, which of the following actions did the U.S. and Canada take in September 2025 that other G7 nations were not doing?

- A) They maintained interest rates at historic lows
- B) They initiated significant rate cuts**
- C) They increased tariffs on imported goods
- D) They implemented price controls on essential items

15. Looking at the economic impact of tourism on G7 countries prior to the pandemic, what percentage of GDP did tourism account for on average across these nations?

- A) 1.5%
- B) 3.6%**
- C) 4.4%
- D) 6.1%

16. With the ongoing conflict in the Middle East and its impact on energy markets, G7 central banks in April 2026 are holding rates steady. Which of the following is a primary reason for this cautious approach?

- A) A significant decrease in global consumer demand
- B) The risk of further inflation shocks from rising oil prices**
- C) A rapid and widespread economic recovery in emerging markets
- D) A coordinated global effort to boost stock market performance

17. Regarding G7's focus on inclusive and sustainable tourism, which of the following is a stated goal for optimizing socio-economic impacts?

- A) Prioritizing mass tourism to boost foreign exchange earnings
- B) Focusing solely on luxury tourism for higher revenue
- C) Encouraging accessible and inclusive tourism**
- D) Reducing the number of international tourist arrivals to manage environmental impact

18. In the context of G7 economies facing stagflation (persistent inflation and a slowing economy) by November 2025, which of the following statements accurately reflects the situation for Canada and France compared to other G7 nations?

- A) Both Canada and France had inflation rates above 3%, while others were below 2%
- B) Only Canada and France had kept inflation below 2%, driven by softer economic conditions**
- C) Canada and France were experiencing rapid economic growth, unlike other G7 nations
- D) Canada and France had implemented significant fiscal stimulus packages, while others had not

19. The G7's approach to trade is evolving. As of June 2026, what is the trend in Western economies' economic postures, particularly concerning supply chains and tariffs?

- A) A move towards protectionism and the deployment of targeted tariffs**
- B) A reduction in tariffs to stimulate global trade
- C) Increased investment in manufacturing within Asian countries
- D) A focus on establishing free trade agreements with all nations

20. According to a June 2026 report, what is the projected impact of increased climate change-related events on global supply chains, as warned by G7 economies?

A) A decrease in the price of imported goods

B) Increased price increases and shortages of most goods

C) A complete shift to localized production chains

D) A reduced reliance on international trade