

Oceania's Economic Crossroads: Navigating Global Tensions & Local Impacts

Global Finance · Answer Key · 10 Questions

1. Which Pacific Island nation has seen its tourism-dependent economy significantly impacted by geopolitical tensions in the Middle East, leading to the reactivation of its Tourism Action Group to safeguard bookings and plan for future seasons?

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

2. The implementation of new U.S. tariffs has introduced significant economic uncertainty in Australia and New Zealand, with potential ramifications for commodity exports. Which of these Australian exports is particularly integral to Chinese manufacturing and could be indirectly impacted by U.S. tariffs on Chinese imports?

- A) Wool
- B) Iron Ore**
- C) Dairy
- D) Wine

3. In the context of global commodity price fluctuations, Papua New Guinea's economy faces a balanced impact in 2025 and 2026. While LNG prices are set to decline, what other commodity, with increased production at a specific mine, is expected to counterbalance these effects?

- A) Copper
- B) Nickel
- C) Gold**
- D) Bauxite

4. Samoa's economy is heavily reliant on remittances, which accounted for over a quarter of its GDP in 2024. However, remittance inflows have stagnated in early 2025. What is cited as a primary reason for this stagnation?

- A) Increased domestic investment in Samoa
- B) Easing labor demand and subdued economic activity in major host countries like Australia and New Zealand**
- C) A significant decline in the value of the Samoan Tala
- D) Government restrictions on international money transfers

5. Vanuatu, highly exposed to climate-related economic fluctuations, has adopted policies in 2024 to address climate loss and damage. Which of these policies is specifically designed to protect and safeguard the economy from the adverse impacts of disasters through financing instruments?

- A) National Adaptive Social Protection Policy
- B) Disaster Risk Financing Policy**
- C) National Environmental Management Plan
- D) Climate Resilience Investment Framework

6. The Cook Islands has seen a significant improvement in its fiscal balance, leading to a sharp decline in net general government debt. What major economic activity's revival is crucial for maintaining this positive fiscal trajectory and debt reduction?

- A) Agriculture
- B) Fishing
- C) Tourism**
- D) Manufacturing

7. In 2024, Palau became the first nation to officially ratify the UN High Seas Treaty. This action is part of its broader commitment to ocean stewardship, which includes designating a significant portion of its waters as a no-take zone. What is the name of this large-scale marine protected area?

- A) Palau Great Barrier Reef
- B) Palau National Marine Sanctuary**
- C) Micronesian Marine Reserve
- D) Palau Deep Sea Sanctuary

8. The Solomon Islands' economy is heavily dependent on overseas development assistance and is vulnerable to global economic trends. While forestry, fisheries, and services are key sectors, what factor has led to a tripling of public debt since before the pandemic, alongside depleted government cash reserves?

- A) A significant increase in infrastructure spending and hosting major events**
- B) A sudden drop in global commodity prices
- C) An unexpected rise in inflation
- D) A decline in remittances

9. The global nickel market is expected to remain in a surplus situation in 2025. Which nation, due to its increasing production of nickel, has been a dominant factor in this oversupply, leading to price volatility and closures of mines elsewhere, including in New Caledonia?

- A) Australia
- B) Philippines
- C) Indonesia**
- D) Canada

10. The Asian Development Bank (ADB) forecasts that economic growth in the Pacific Islands is projected to decelerate in 2025, partly due to worsening global financial conditions and slower worldwide growth. Which of these factors is also identified as a potential contributor to a decline in growth, potentially averaging a 0.2 percentage point decrease?

- A) Increased foreign direct investment
- B) Rising commodity prices
- C) Policy uncertainty and increased tariffs**
- D) A surge in regional tourism