Global Finance Diplomacy: South America's Shifting Alliances and Cross-Bor

Global Finance · Answer Key · 12 Questions

1. In late 2024, the European Union and Mercosur announced the conclusion of a Partnership Agreement after more than two decades of negotiations. Which of the following was a key point of contention and subsequent adjustment in the final stages of these negotiations?

A) EU's demands for stronger sustainability commitments, particularly regarding the Paris Agreement and combating deforestation.
B) Mercosur's insistence on agricultural export quotas to the EU.
C) Disagreements over intellectual property rights for technological advancements.
D) The allocation of fishing rights in the South Atlantic.

2. Argentina, under President Javier Milei's administration, reached a significant agreement with the International Monetary Fund (IMF) in early 2024. What was the primary purpose of this agreement regarding Argentina's existing debt?

A) To continue paying off its existing $44 billion debt with the IMF by unlocking a $4.7 billion disbursement.
B) To renegotiate the total debt amount to a lower principal.
C) To secure a new, larger loan to fund infrastructure projects.
D) To transition the debt from IMF oversight to a private financial consortium.

3. In June 2026, China and Brazil held a financial and economic meeting in Beijing, pledging to deepen cooperation. Which of the following areas was NOT explicitly mentioned as a focus for enhanced cooperation between the two nations?

A) Cooperation in banking, insurance, capital markets, trade financing, and agricultural financing.
B) Joint efforts to strengthen the Asian Infrastructure Investment Bank (AIIB) and the New Development Bank (NDB).
C) Expansion of joint space exploration missions and satellite technology development.
D) Promoting deeper connections between financial institutions and market players.

4. The BRICS bloc underwent significant expansion, with new members invited to join effective January 1, 2024. However, Argentina ultimately withdrew its application to join. What was the primary reason for Argentina's withdrawal?

A) The election of Javier Milei as president, who pledged to pivot the country towards a pro-Western orientation.
B) Disagreements over the establishment of a new BRICS currency.
C) Concerns about the bloc's economic stability and lack of transparency.
D) A territorial dispute with a neighboring BRICS member.

5. The trade agreement between the EU and Mercosur, concluded in December 2024, aims to create one of the world's largest free-trade zones. Which of the following was a significant aspect of the agreement concerning agricultural imports into the EU from Mercosur?

A) The establishment of quotas for beef, pork, poultry, and sugar with phased-in duties or duty-free access.
B) An immediate and complete elimination of all tariffs on agricultural products.
C) A strict ban on the import of all beef products from Mercosur countries.
D) A requirement for Mercosur to adopt the EU's Common Agricultural Policy in full.

6. In early 2025, Argentina's President Milei signed a decree allowing the government to enter into a new adjustment program with the IMF, replacing the one that expired in December 2024. What was a key policy outcome attributed to President Milei's reforms by January 2025, as noted by the IMF?

A) A reduction in the month-on-month inflation rate from 26% in December 2023 to 2.2% in January 2025.
B) A significant increase in foreign currency reserves, reaching $38 billion.
C) A complete elimination of the country's national debt.
D) A substantial depreciation of the peso against the US dollar.

7. The United States has maintained economic sanctions against certain Latin American countries for decades. Which of the following countries has faced a more targeted sanctions regime, where non-government dealings are largely authorized, as opposed to broad-based sanctions?

A) Venezuela and Nicaragua.
B) Cuba and Panama.
C) Bolivia and Ecuador.
D) Chile and Colombia.

8. The Andean Community (CAN), a regional integration organization, has been involved in various financial and adaptation initiatives. What is a primary aim of the Andean Regional Initiative on Adaptation to Climate Change (ARIACC) project running from 2024 to 2027?

A) To increase the resilience of Andean Family Agriculture to climate change by improving policies, building capacity, and leveraging investments.
B) To establish a common Andean currency for intra-regional trade.
C) To finance the construction of a high-speed rail network connecting all member states.
D) To create a unified customs union with a single external tariff for all member nations.

9. In recent years, China's economic influence in South America has grown considerably. Which of the following accurately reflects China's position in relation to South America's economy as of mid-2025?

A) China is South America's top trading partner and a major source of foreign direct investment and lending for energy and infrastructure.
B) China's economic engagement has remained minimal, with the United States maintaining its dominant role.
C) China primarily focuses on agricultural imports, with limited investment in infrastructure or energy sectors.
D) South American nations have collectively boycotted Chinese goods and investments due to geopolitical tensions.

10. A territorial dispute between Colombia and Peru, which had its origins in Spanish colonial-era definitions of territory, resurfaced in 2024. What is the current focus of this renewed conflict?

A) The sovereignty of Santa Rosa island, which separated from Chinería Island due to natural fluvial fragmentation.
B) Disputes over oil exploration rights in the Amazon basin.
C) Control over a strategic port on the Pacific coast.
D) Access to shared water resources from the Amazon River.

11. The Americas Partnership for Economic Prosperity (APEP) was launched with the aim of increasing opportunity and decreasing inequity in the Western Hemisphere. Which of the following is a key initiative supported by the APEP, as of mid-2024?

A) The United States committing $30 million in technical assistance for sustainable investment.
B) The establishment of a common currency for all member nations.
C) The creation of a unified military defense pact.
D) The launch of a joint space mission to Mars.

12. The European Union and the Andean countries (Colombia, Peru, and Ecuador) have a significant trade relationship. When did the trade agreement, which allows for the full implementation of market opening, services, intellectual property, and investment, officially enter into force for all three Andean countries?

A) November 1, 2024.
B) January 1, 2025.
C) July 1, 2023.
D) December 1, 2026.