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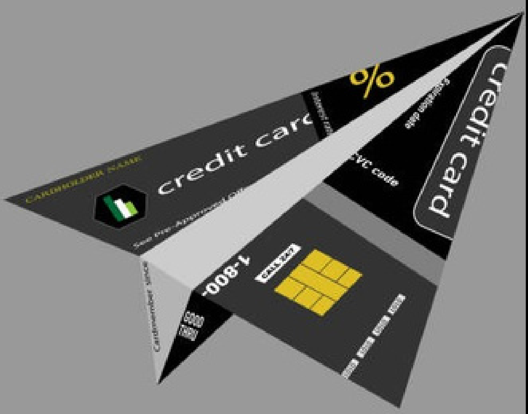
The AI Bubble

The euro versus the dollar: Europe's currency at a turning point

The Hidden Forces Behind Currency Fluctuations in Europe

Table of CONTENTS



NOA? News
English supplement

Editor's Note

Dear readers,

Welcome to the English Supplement of our school magazine, which focuses on current economic events from around the world.

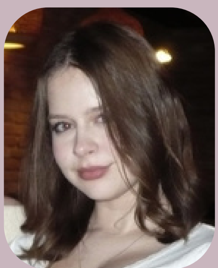
Economics affects nearly every aspect of our daily lives, from the prices we pay for goods and services to the decisions made by governments and businesses around the world. Understanding economic principles helps us make informed choices and better understand the challenges and opportunities facing society today.

In this edition, we explore current economic issues, analyse the euro and how its value compares with other major currencies, and discuss the factors behind exchange rate fluctuations. We also examine the introduction of new shipping fees on Temu and consider how these changes may impact online shoppers.

In addition, we take a closer look at the growing role of artificial intelligence in the economy and the debate surrounding a possible AI bubble.

Our goal is to present these topics in an engaging and accessible way, and we hope this supplement helps you better understand the economic forces influencing today's world.

Happy reading!



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The euro versus the dollar: Europe's currency at a turning point

Author: Diana Gellérová, IV. A
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The exchange rate, the price of one currency expressed in terms of another, is a fundamental part of every open economy. When exchange rates change slowly, they help economies adjust naturally. However, when a currencystrengthens or weakens rapidly, it can significantly affect prices, competitiveness, everyday life and economic stability.The recent changes between the euro and the US dollar show how exchange rates are not just numbers in the news, but an important part of the real economy.

Euro on the rise

In recent months, the exchange rate between the euro and the US dollar has become one of the most discussed topics in international finance. In early 2026, the euro climbed to its strongest level against the dollar in almost five years, trading around 1.19-1.20 dollars per euro. This development may seem like just a number on financial markets, but in reality, it has important consequences for European countries, businesses and households. It also clearly shows how a floating exchange rate system works in practice and how movements in the exchange rate directly influence trade flows and the current account of the balance of payments.

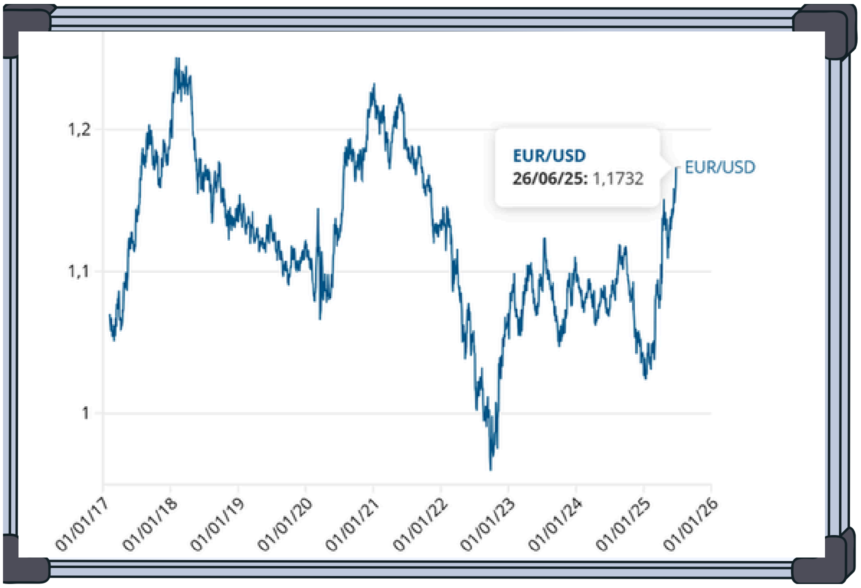
The secrets behind exchange rates

Unlike a fixed exchange rate, the euro operates under a floating system. Its value is determined by supply and demand on currency markets. When global investors demand more euros, the currency appreciates. When demand falls, it depreciates. Over the past year, several economic developments led to stronger demand for the euro.

The European Central Bank has been important in this process, as its policies support trust in the eurozone's financial system. At the same time, the euro has benefited from weaker confidence in the US dollar due to uncertainty surrounding global economic and political developments.

Europe is not sitting still

European leaders are not just observing these exchange rate developments, but are actively shaping policies to respond to them. In fact, policymakers across the Eurozone have been working to strengthen the international role of the euro. The ECB has expanded special euro liquidity facilities that allow foreign central banks to access euros more easily.



This encourages the use of the euro in international trade and finance. Finance ministers in the European Union are exploring ways to bring countries' finances closer together.These plans include creating a unified banking system, stronger capital markets and issuing more euro-denominated bonds.

The goal is to make the euro more attractive globallyand reduce Europe's reliance on the dollar in international trade.

Lower prices at the checkout

The appreciation of the euro has clear real-life consequences. For European consumers, a stronger euro has positive effects. Imports priced in dollars become cheaper.

This includes oil, natural gas, electronic devices and many raw materials. Lower import prices are helping to ease inflation in the eurozone, especially after Europe's recent inflation crisis. For example, a European company importing energy from abroad now needs fewer euros to pay the same dollar price. This can bring downproduction costs and help keep consumer prices stable.

Why euro strength can backfire

However, the situation looks very different for exporters. Countries such as France, Germany and Italy rely heavily on exports of cars, machinery, luxury goods and industrial products. When the euro appreciates, European goods become more expensive for customers paying in dollars.

A German car becomes significantly more expensive in dollar terms when the euro strengthens. As a result, foreign demand may fall. Exporters have warned that a strong euro can reduce profit margins and weaken competitiveness, especially in global markets where price differences matter.

Exports vs. imports

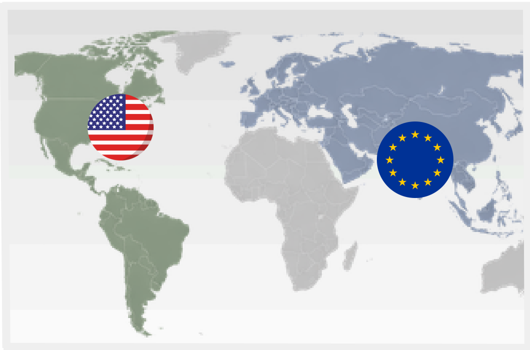
This directly affects the current account of the balance of payments. The current account measures trade in goods and services, income flows and transfers between countries. When exports decrease and imports increase due to a stronger currency, the trade surplus may shrink. Europe normally sells more than it buys, which is why the eurozone has a current account surplus. But if the euro remains very strong for a long time, this surplus could decline because European products become less competitive abroad while imports become more attractive domestically.

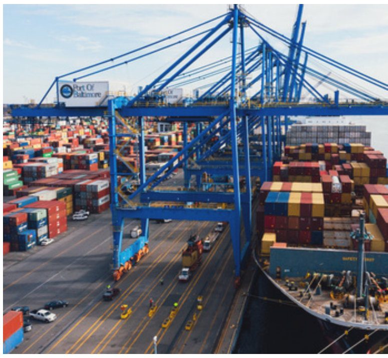
The euro just got bigger

Individual countries are also taking steps that influence the euro's position. On January 1, 2026, Bulgaria officially adopted the euro, becoming the 21st member of the eurozone.This expansion strengthens the euro's economic foundation and increases its use across Europe. A larger eurozone means a larger internal market and greater stability, which can increase global confidence in the currency. More countries using the euro means more transactions, savings and investments in euros, further supporting its international role.

Making Europe stronger

At the same time, European leaders are discussing reforms to improve competitiveness within the EU. These include reducing internal trade barriers, investing in green energy and strengthening industrial policy. Policy makers aim to boost productivity and strengthen economic ties so that Europe stays competitive, even with a strong euro.





From shops to jobs

The euro-dollar relationship shows that exchange rates are not just theoretical concepts from textbooks. They influence prices in shops, the cost of holidays, job opportunities in export industries and even government economic strategies.

A floating exchange rate system allows currencies to adjust to global economic conditions, but they create winners and losers. Consumers may benefit from cheaper imports, while exporters may struggle with reduced competitiveness.

Why the Euro matters more than ever

In summary, the recent strengthening of the euro against the dollar is more than a financial market trend. It reflects changing global confidence, strategic policy decisions within the European Union and the evolving role of the euro in the world economy. At the same time, it has direct implications for the current account, trade balances, and economic growth in Europe. This clearly shows how exchange rate movements are closely connected to real economic life, making them important to understand.

The Hidden Forces Behind Currency Fluctuations in Europe

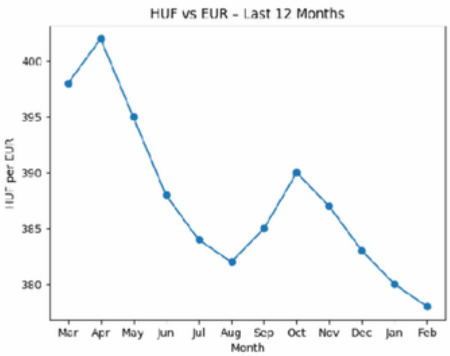
Author: Nikola Gerbelová, IV. A
Design: Ema Lacková, III. A

Exchange rates change every day, but what really makes a currency rise or fall? This article looks at the key economic forces behind currency fluctuations and explains why some currencies are more unstable than others.

Many European countries use the euro, but several still have their own national currencies. Because these currencies are traded freely on foreign exchange markets, their values can change every day. These changes are known as exchange-rate fluctuations, and they affect prices, travel costs, and even entire economies.

Hungarian forint

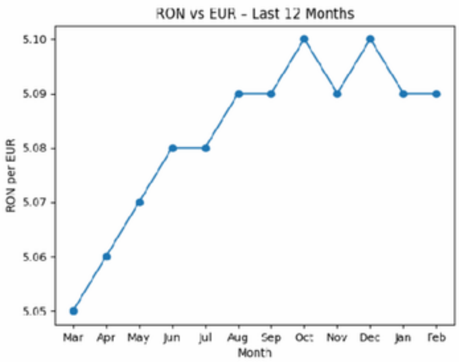
One example is Hungary, where the Hungarian forint has shown noticeable movements. Over the past year, the forint strengthened mainly because Hungary introduced very high interest rates to fight inflation. High interest rates attract foreign investors, increasing demand for the currency. As a result, the forint appreciated against the euro.



comparison of forint and euro

Romanian leu

In Romania, the situation is very different. The Romanian leu remained relatively stable throughout the year. This is because Romania's central bank actively manages the exchange rate and intervenes when necessary to prevent large fluctuations. Even though Romania faces inflation and budget deficits, these pressures are controlled, which explains the smooth trend shown in the graph.



comparison of leu and euro

Hungarian forint

Romanian leu

Swiss franc

Icelandic krona

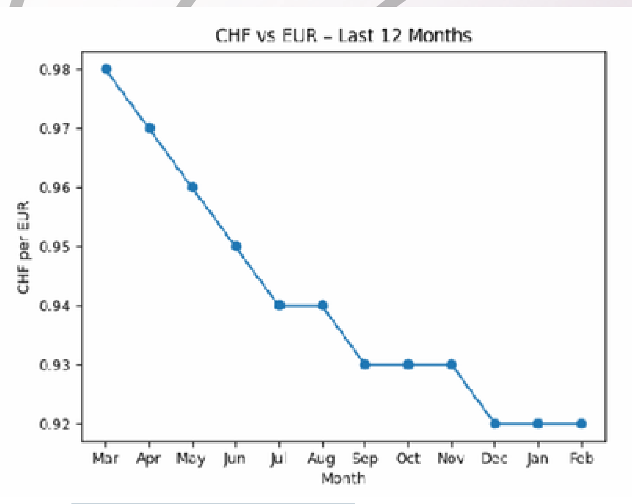
Swiss franc

The Swiss franc behaves differently from most currencies. Switzerland is considered one of the safest and most stable economies in the world. During times of global uncertainty, investors move their money into Swiss francs, causing the currency to appreciate. This safe-haven effect explains why the franc strengthened over the year, even without major domestic economic changes.

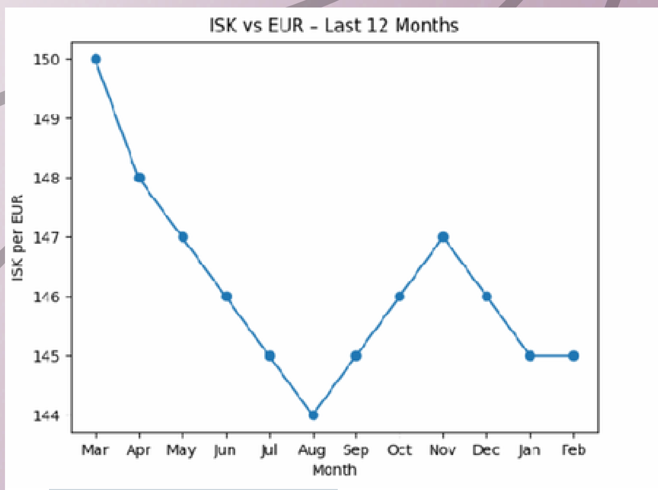
Icelandic krona

Finally, Iceland shows why small economies are more sensitive to external factors. The Icelandic krona fluctuated during the year due to changes in tourism, interest-rate expectations, and capital flows. Because Iceland's economy and financial market are small, even minor changes in demand can cause visible movements in the exchange rate.

In conclusion, exchange-rate fluctuations depend on many factors, such as interest rates, central bank policies, global uncertainty, and the size of an economy. Understanding these movements helps us better understand how international finance affects everyday life.



comparison of franc and euro



comparison of krona and euro

The AI Bubble

Author: Maxim Maťovčík II.A
Design: Ema Lacková, III.A

Artificial intelligence has become one of the most talked-about technologies of the modern era. Companies, investors, and governments are pouring billions of dollars into AI development, hoping to shape the future of business and society. While AI has already shown impressive potential, some believe that expectations and investments may be growing faster than real-world results.

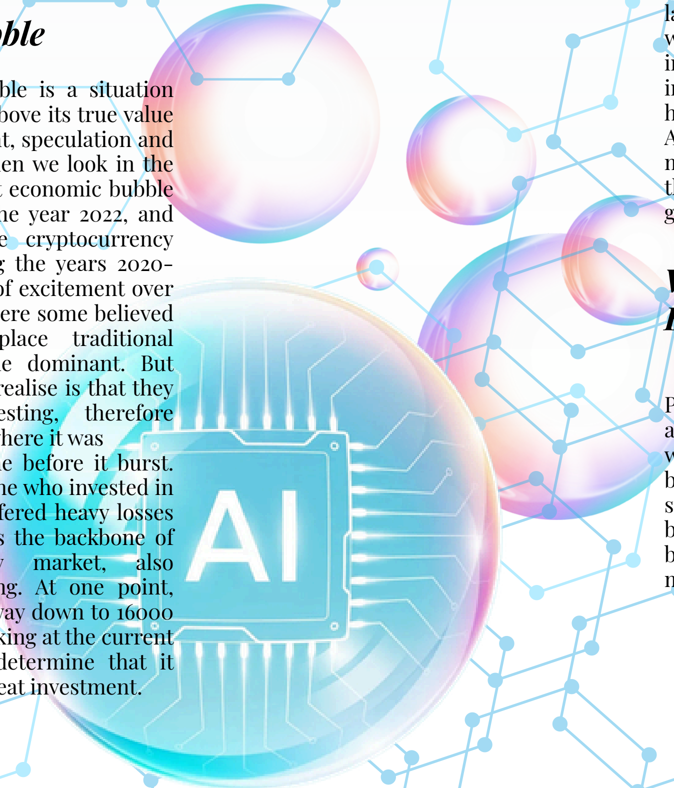
Why is AI everywhere

Artificial Intelligence is everywhere, mainly due to it being a very profitable industry to get into because of the many business models that rose up with it, and it being accessible to millions, effectively simplifying the searching mechanism on the internet. In the past, if a person wanted to know something, they would have to search and browse through many links that Google provided, which was very time-consuming. With AI, if you want to know something, you simply ask it your question and without any unnecessary, time-consuming browsing, it will answer your question in seconds.

Economic Bubble

An economic bubble is a situation where a price rises above its true value because of excitement, speculation and investment hype. When we look in the past, the most recent economic bubble burst happened in the year 2022, and it's named the cryptocurrency bubble burst. During the years 2020-2021 there was a lot of excitement over cryptocurrencies, where some believed that it would replace traditional finance, and become dominant. But what many failed to realise is that they were actively investing, therefore fuelling the bubble, where it was only a matter of time before it burst. After it burst, everyone who invested in cryptocurrencies suffered heavy losses and bitcoin, which is the backbone of the cryptocurrency market, also suffered heavy selling. At one point, bitcoin went all the way down to 16000 dollars, but when looking at the current situation, you can determine that it would have been a great investment.

One of the most well-known and extreme cases of economic bubble burst was the 2008 recession. Banks were lending out mortgages to risky borrowers in order to meet their quotas and keep profits high. But in 2008, when Lehman Brothers collapsed along with the rising interest rates, it triggered massive panic, along with mortgage defaults, meaning that people stopped paying their mortgages because the interest was very high. The burst was so extreme that the Federal Reserve Chairman famously said to the Congressional leaders, “If we don’t do this, we won’t have an economy by Monday”, regarding the financial bailouts of big institutions. It affected the whole globe, and during all of these millions of citizens of the world lost trust in the banking system, which was like adding fuel to an already raging fire. The most similar bubble burst to the AI bubble is the Dot.com crash at the beginning of the 21st century. It revolved around massive enthusiasm for the new internet, and companies became overvalued. When it burst, many companies went bankrupt, but companies such as Google, Amazon and Apple managed to stay afloat.



Why People Believe in AI

People believe in AI because it already works in real life. People use it daily when interacting with AI chatbots such as ChatGPT, Grok, Gemini, and many more. Furthermore, businesses use it for optimisation, seeing that it can write texts and perform difficult activities extremely fast, saving the companies time and money. Although the most important factor, when it comes to investing in AI, is Fear Of Missing Out, which is the backbone of every economic bubble. Investors fear that if they don’t invest in AI now, they will have missed out on big profits in the future.

Signs of an AI Bubble

The signs that there is an AI bubble are very visible. For example, many AI companies are given extremely high evaluations without any strong profits. The investors are betting on the future, which is exactly the Fear Of Missing Out mechanism that drives every economic bubble. Furthermore, the label AI is being put on everything, and we saw the same thing happen with the internet or more specifically, Dot.com in the early 2000s. Last but not least, heavy investment is being poured into AI infrastructure such as training models, data centres, and chips, but the AI products are struggling to generate a stable income.

When will the AI bubble Burst

No one, even if you’re Warren Buffett, Peter Lynch, or George Soros, can accurately predict when the bubble will actually burst or even if it will burst. Therefore, active investing in the stock market is still recommended because even after the Dot.com bubble burst and the 2008 recession, the stock market always rebounded.

The End of Cheap Borderless Shopping: How New EU Rules Impact Your Online Orders

Author: Timea Kotlebová, III. A
Design: Ema Lacková, III. A

Many people like to buy cheap clothes, gadgets, and accessories from online shops outside the European Union. Popular websites like TEMU, SHEIN, AliExpress, Amazon, and eBay are successful because their prices are very low. However, international online shopping is going to change. From July 1, 2026, the European Union will start using new rules. These rules will change how much you pay for packages from these shops.

Why the Rules Are Changing?

The EU wants to make competition fair for European companies. Local shops must follow strict rules and pay higher taxes, while non-EU shops often do not. The new rules also want to improve product safety. The EU wants to be sure that all products you buy are safe for you and your family. These changes will affect all online shops outside the EU.

Big Changes from July 2026

The biggest change is about customs fees. Today, if your package costs less than 150 €, you do not have to pay any tax or customs duties. From July 1, 2026, this tax-free limit will finish.
Every single package will have customs fees. You will have to pay a small fixed fee, which will be about 3 € for each item or category.

Breaking Down the New Costs

What exactly will you pay when you buy something in the future? First, you must pay VAT which is usually about 23%. This tax stays the same. Second, you must pay the new customs fee of 3€ per item or category. Finally, sometimes you will also have to pay an extra handling fee to the post office or the courier company for processing your package.

The Multi-Item Penalty Effect

Let's look at a simple example. Imagine you order three small things from Shein: one T-shirt, one phone case, and one ring. Now, each item can count as a separate category. This means you will not pay just one fee, but you might pay 3 × 3 € = 9 € for the customs fee. On top of that, you will also pay the 23% VAT on the total price.

What This Means for Your Wallet

In short, very cheap items will become a bit more expensive, and small orders will cost a few euros more. The biggest change will be for people who buy many small items at the same time. For example, before the new rules, a 10 € order had no extra fees. After July 2026, a 10€ order will cost more because you must pay the price, the VAT, and the 3 € fee. Shopping from Temu or SHEIN will still be possible, but it will cost a bit more.

Restart of the Druzhba Pipeline and Its Impact on Slovakia's GDP

Author: Aneta Šnoblová, III. A
Design: Ema Lacková, III. A

After nearly three months of disruption, oil deliveries through the Druzhba pipeline to Slovakia resumed in April 2026, highlighting the country's strong dependence on energy and its impact on GDP growth.

Damaged pipeline

In January 2026, oil supplies through the Druzhba pipeline were stopped due to damage linked to the war in Ukraine. Slovakia suddenly had to deal with a lack of its main source of oil. The Druzhba pipeline is one of the main routes bringing oil from Russia to Central Europe. For Slovakia, it is especially important because it provides most of the oil used in industry. A key company connected to this is Slovnaft, the largest oil refinery in the country. It produces fuels like petrol and diesel, which are essential for transport and manufacturing. Because of this, any problem with oil supply quickly affects the whole economy.

Looking for alternatives

To manage the situation, the country started using oil reserves and alternative routes, mainly the Adria pipeline through Croatia. However, this solution was not ideal. The transport was longer, more complicated, and significantly more expensive. The disruption had the biggest impact on Slovnaft. The company had to replace cheaper oil with more expensive imports, which increased its costs. This affected not only the company itself but also the wider economy. Higher costs meant lower profits and more uncertainty. Since Slovnaft also exports fuel, the situation influenced markets in nearby countries as well. The Ministry of Economy of the Slovak Republic later described the restart of supplies as "an important step towards stabilisation of the oil market," showing how serious the situation had been.

Changes in GDP

GDP, or Gross Domestic Product, measures how much a country produces. In Slovakia, industry is a large part of GDP, and industry depends on energy. When oil became more expensive and harder to obtain, production costs increased across key sectors of the Slovak economy, particularly in industries heavily reliant on energy inputs. This rise in costs led to decreased output and a contraction in industrial activity, ultimately contributing to an overall slowdown in economic growth. According to the Slovak Academy of Sciences, GDP growth in 2026 is expected to be only about 0.5%, a marked decrease compared to previous years, when it was around 1.5–2%. This demonstrates how disruptions in energy supply can significantly suppress industrial production and thereby reduce GDP growth. This shows that even a temporary disruption can have a visible impact on economic performance.

The Druzhba pipeline


Damage to the Druzhba pipeline

Back to normal

Oil deliveries through the Druzhba pipeline were restored on 23 April 2026 in the early morning. This was an important moment for the Slovak economy. With the return of cheaper and more stable oil supplies, companies could reduce their costs and return to more normal production. The situation also became more predictable, which is important for planning and investment. The restoration of deliveries also helped improve confidence among businesses and consumers. Energy-intensive industries benefited from the renewed access to a reliable source of crude oil .

Looking for solutions

This event clearly shows how dependent Slovakia is on energy imports. When supply is interrupted, the effects are immediate — costs increase, production slows down, and GDP growth weakens. At the same time, the quick improvement following the restart underlines the critical importance of a stable energy supply for economic recovery and growth. This situation highlights the need for Slovakia to consider adopting a more diversified energy portfolio, which could involve investing in alternative energy sources such as renewables, enhancing energy storage capabilities, and establishing stronger connections to broader regional energy markets. By pursuing diversification, Slovakia could reduce its vulnerability to future supply disruptions and enhance its long-term economic resilience. However, once the supply was restored, the situation improved relatively quickly. This shows that stable access to energy is one of the key conditions for economic growth. In the end, this event reminds us that energy is not just a technical issue — it is closely connected to the overall performance of the economy.