



The conflict in Ukraine in the current global context

An overview

2022 April



World Food Programme

SAVING LIVES
CHANGING LIVES

A CRISIS THAT ISN'T HAPPENING IN A VACUUM

A deep dive into the economic context



Food inflation is now over **15%** in **31** countries



22 currencies now a hotspot or in alert



Full-time job losses:
258M in **2020**
125M in **2021**
52M in **2022**

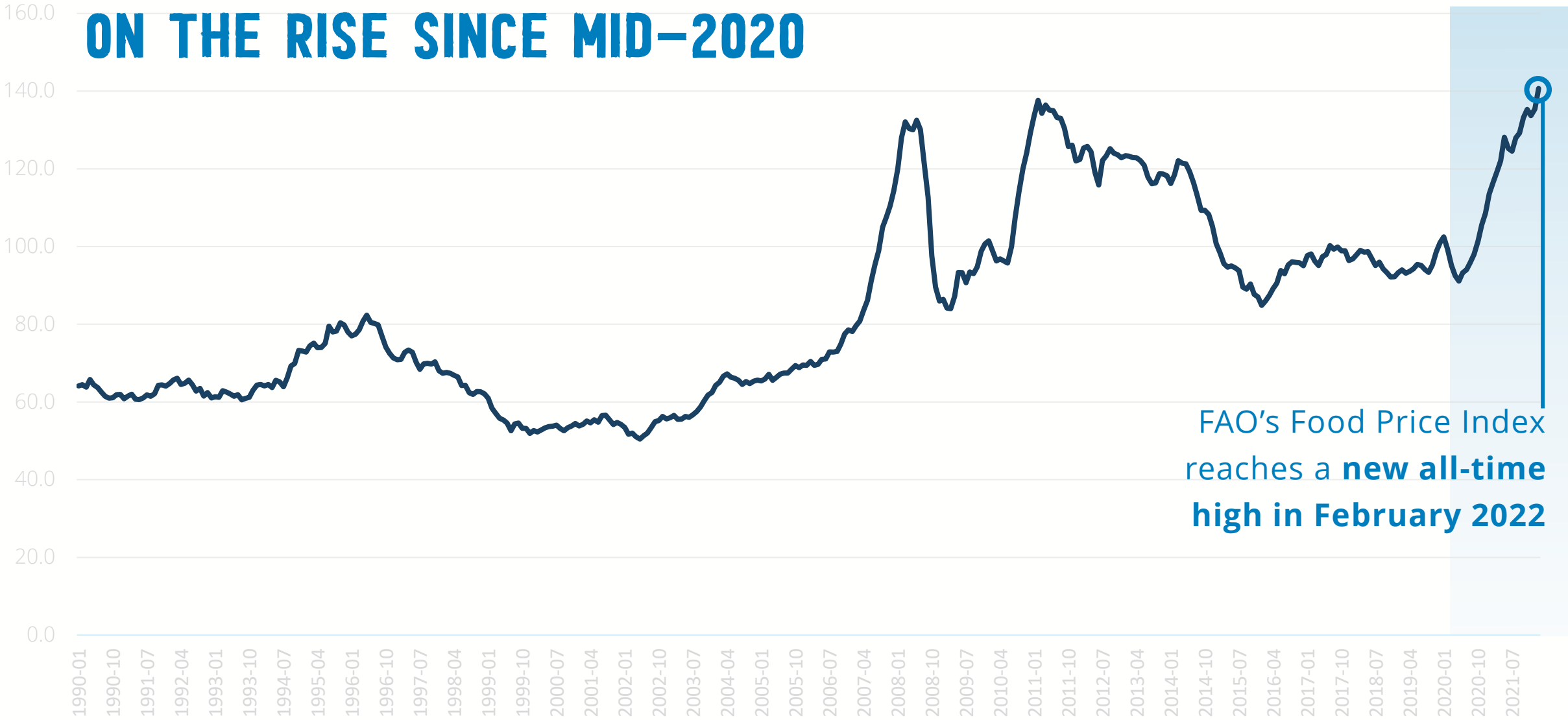


60% of low-income countries at high risk or already in debt distress, up from **30%** in 2015



US\$ 26 Trillion spent to avoid economic collapse in the **first 18 months of the pandemic**

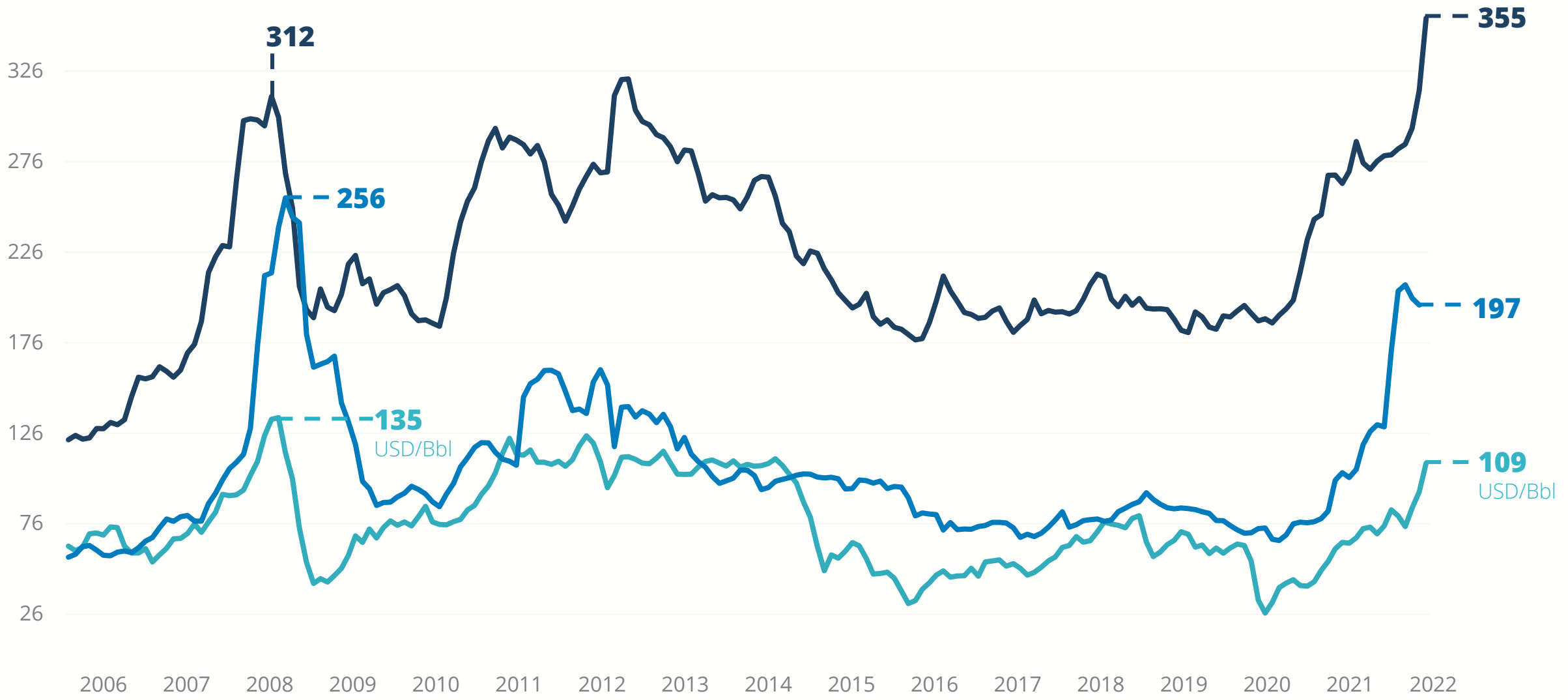
GLOBAL FOOD PRICES HAVE BEEN ON THE RISE SINCE MID-2020



FAO's Food Price Index reaches a **new all-time high** in **February 2022**

Sources: FAO Food Price Index

COMMODITY PRICES



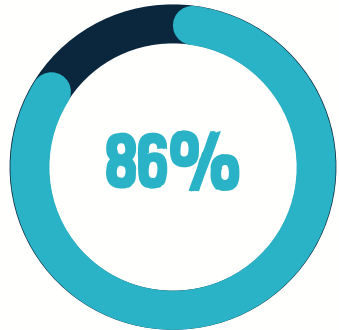
■ IGC Grains and Oilseeds Index (Jan 2000 = 100) ■ Fertilizer Index (Jan 2000 = 100) ■ Crude Oil (Brent) USD/Bbl

Note: This chart represents monthly averages

Sources: IGC, World Bank, Trading Economics

GLOBAL SUPPLIES & RESERVES: A CONCENTRATED MARKET

7 countries*
make up



of global **wheat** exports

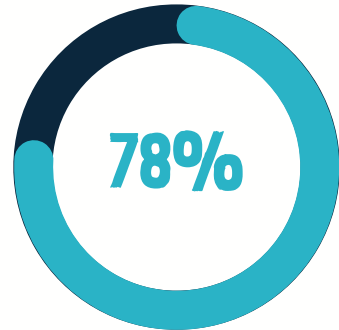


while **3**
countries hold



of the world's
wheat reserves

5 countries*
make up



of global **coarse grain** exports

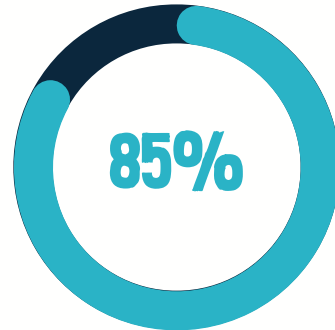


while **2**
countries hold



of the world's
coarse grain reserves

4 countries
make up



of global **corn** exports

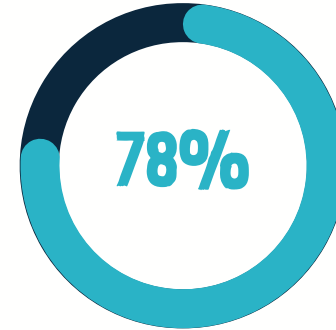


while **2**
countries hold



of the world's
corn reserves

5 countries
make up



of global **rice** exports

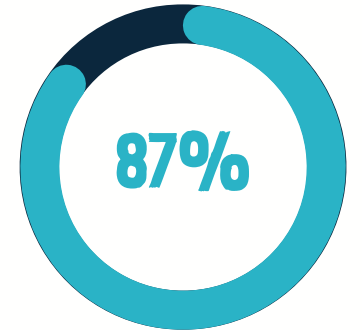


while **2**
countries hold



of the world's
rice reserves

2 countries
make up



of global **soybean** exports



while **4**
countries hold



of the world's
soybean reserves

Source: USDA: World Agricultural Supply and Demand Estimates March 2022

*Please note that this includes the European Union, which is classified as one entity in line with the USDA WASDE Report

AN UNPRECEDENTED WORLD



Source: [Trading Economics](#)

This chart represents monthly averages, except for April 2022, where the most recent daily data is reported

2008

No wars
No economic or national security threats in Europe

No frequent, volatile climate shocks

No global pandemic

TODAY

CONFLICT

- Syria
- Yemen
- Ethiopia
- Northeast Nigeria

CLIMATE

- Back-to-back, major droughts
- Multi-year, landscape changing floods
- Climate variability and volatility

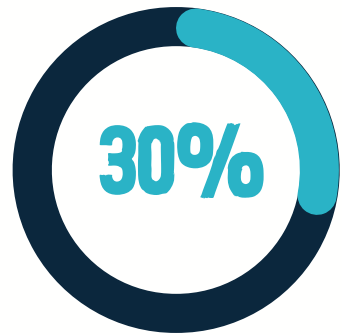
COVID-19

- Massive income losses
- Record inflation
- Supply chain disruptions
- Record debt burdens

CONFLICT IN ONE OF THE WORLD'S BREADBASKETS

Tracing Ukraine and Russia's share of the world's main commodities

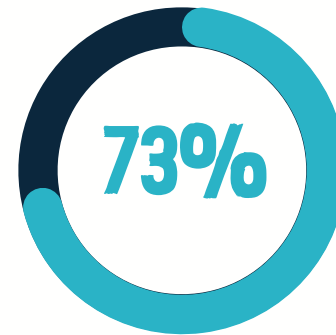
Russia and Ukraine provide



of global
wheat
exports



of global
maize
exports



of global
sunflower oil
exports



of global
crude oil
exports

LOGISTICAL CHALLENGES OF THE CONFLICT



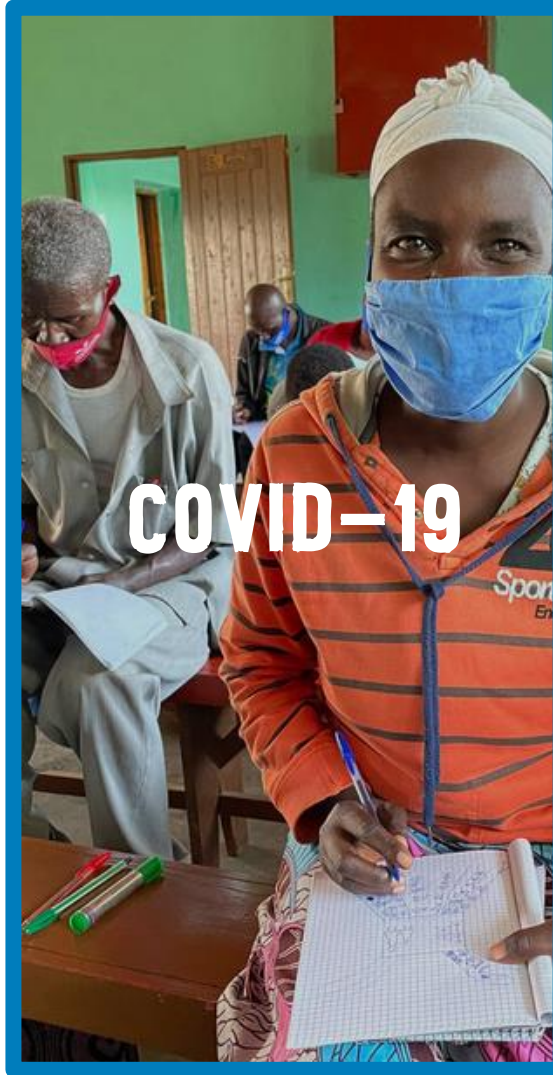
Rising costs of insurance premia

War risk premiums have hit **\$300,000** for some tankers operating in the Black Sea

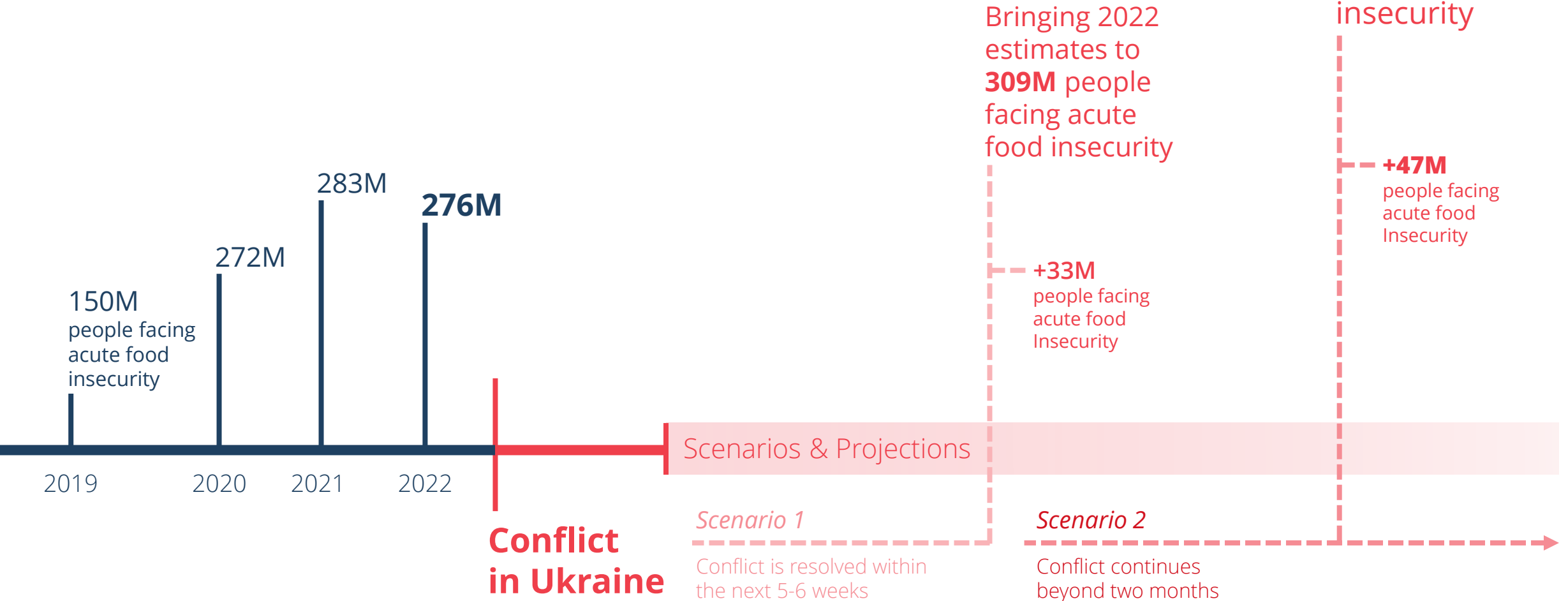
Vessels stuck in the Black Sea

86 reported merchant ships currently stranded in Ukrainian ports and waters

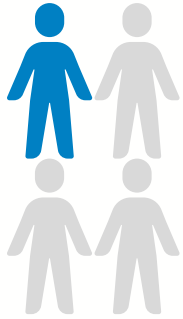
ROOT CAUSES



GLOBAL ACUTE FOOD INSECURITY NUMBERS



NEEDS ASSESSMENT IN UKRAINE



1 in 4

One in four IDPs planning to migrate to European countries as soon as possible



Two thirds

of respondents reported feeling unsafe or very unsafe

(70% women, 61% men)



35% food insecure

46% worried about having enough food






23% ate less than two meals per day



One third

of respondents reported that stores were no longer operating regularly, **36%** stated prices increased significantly

Essential Needs Priorities

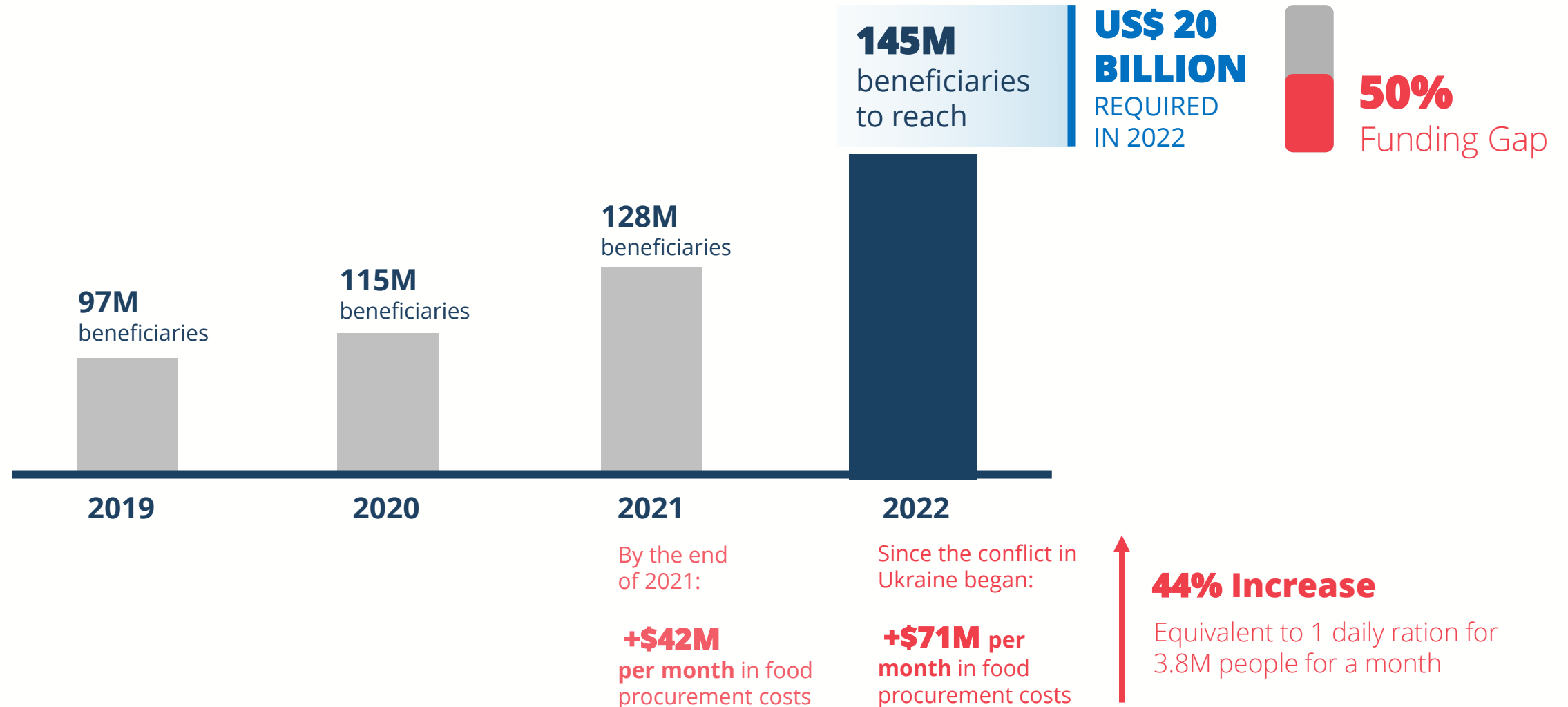
-  **31%** Safety
-  **24%** Food
-  **22%** Fuel for transportation
-  **15%** Healthcare
-  **24%** Communications



Around 17% reported receiving assistance:

- **9%** food
- **6%** cash
- **4%** non-food

INCREASING NEEDS & EVER MORE CONSTRAINED FUNDS



POLICY RECOMMENDATIONS

- Provide adequate humanitarian assistance to vulnerable groups
- Keep trade flowing and minimize disruptions to supply chains
- Avoid ad hoc policy reactions, export restrictions and import subsidies
- Exempt humanitarian assistance from export bans, extra ordinary taxes and duties
- Strengthen market transparency to provide timely information
- Rethink energy and agricultural polices to diversify import sources for food and fuel
- Consider a food, fuel and fertilizer import facility for the poorest and most affected countries

THANK YOU