ASSOCIATION OF SENATES, SHOORA
AND EQUIVALENT COUNCILS
IN AFRICA AND THE ARAB WORLD

رابطة مجالس الشيوخ والشورى والمجالس
المماثلة في أفريقيا والعالم العربي

ASSOCIATION DES SENATS, SHOORA ET CONSEILS
EQUIVALENTS D'AFRIQUE ET DU MONDE ARABE

EFFECTS AND REPERCUSSIONS OF THE COVID 19 PANDEMIC ON AFRO-ARAB ECONOMIES: WHAT RESPONSES?

By

Pr Léonidas NDAYIZEYE

University Of Burundi

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Introduction

The world has been stricken by a pandemic during the first half of 2022. That pandemic was identified as coronavirus, and later named coronavirus of 19 or Covid-19 (Qiu et al, 2020). While the Covid-19 originated in the town of Wuhan, in China's Hubei province, it then quickly spread across the globe, causing human tragedy and enormous economic damage.

Initially, several studies focused on the mortality that this crisis caused, thus neglecting its economic effects. But very quickly, Covid-19 showed how disrupted economic activities can be: almost all countries have, to varying degrees, suspended international flights, instituted quarantine for people entering the country and closed borders. land or sea. In many countries, measures such as confinements have been taken, which have had the effect of limiting the movement of goods and people.

Covid-19 has also shown how important it is to understand the economic effects of pandemics in order to analyze the policies to be implemented to mitigate their consequences, both health and economic. Recent experience has shown that very few analyzes focus on the economic effects of such shocks, at least initially.

An analysis made by the United Nations Economic Commission for Africa in 2021 shows that until 2020 the limited literature that existed on the economics of pandemics related to the Spanish flu epidemic which occurred between 1918 and 1920, the severe acute respiratory syndrome (SARS) epidemic in Asia and the Ebola epidemic in Africa. Debates often focused on mortality, with few details about the economic consequences of a pandemic.

To stop its spread, many countries have initiated such analyzes and on basis of the results found, measures have been taken, including social distancing. And as part of these distancing, companies, schools, community centres, and non-governmental organizations (NGOs) have been required to close, mass gatherings have been banned, and lockdowns have been imposed in many countries, allowing travel only for essential needs. These measures have effectively reduced the extent of the spread of this pandemic and a ray of hope was on the horizon, when, suddenly, another crisis arose. This is the Russian-Ukrainian war which began on February 24, 2022. This crisis has thus imposed additional challenges on the world economy in general, and on African and Arab economies in particular. The resulting food, energy and financial crises have complicated the daily lives of citizens around the world, particularly in Africa and the Arab world.

Economic perspectives in Africa clearly indicate that the pandemic and the war between Russia and Ukraine could leave scars for several years, even a decade. At the same time, some 30 million people in Africa fell into extreme poverty in 2021 and around 22 million jobs were lost in the same year due to the pandemic. This trend could continue in the second half of 2022 and in 2023.

It is within this framework that the Association of Senates, Shoora and Equivalent Councils of Africa and the Arab World (ASSECAA) in association with the Senate of the Republic of Burundi, organized a consultation meeting which addresses the following two themes:

I. The effects and repercussions of the coronavirus pandemic on Arab-African economies and the response of governments

II. The Russian-Ukrainian war and its effects on supply chains, energy and food prices.

The objectives of this consultation are: (1) To promote Afro-Arab debate, dialogue and consultation on strategic and priority issues in the African and Arab regions, and to better understand the repercussions caused by the Covid-19 pandemic, as well as that the Russian-Ukrainian war and its consequences observed so far on countries' economies, supply chains, energy and food prices, and propose solutions; (2) Establish parliamentary economic diplomacy that will explore ways and means to strengthen Afro-Arab economic cooperation from a strategic, participatory, integrated and development perspective based on strengthening economic, commercial and humanitarian ties between Africa and the Arab World and (3) Contribute to the mutual exchange of knowledge and experiences among parliamentarians through the presentation of good practices and lessons learned in order to address and mitigate the economic impacts of COVID-19 and the repercussions of the Russian-Ukrainian war on the countries' economies.

This work follows this logic. It addresses these aspects from an economic point of view, to understand the economic effects of these two large-scale crises, in order to propose common, collaborative approaches, from Africa and the Arab world to prevent the effects of such crises and especially to make their economies more resilient to such shocks.

I. The economic effects of the coronavirus pandemic on Arab-African economies

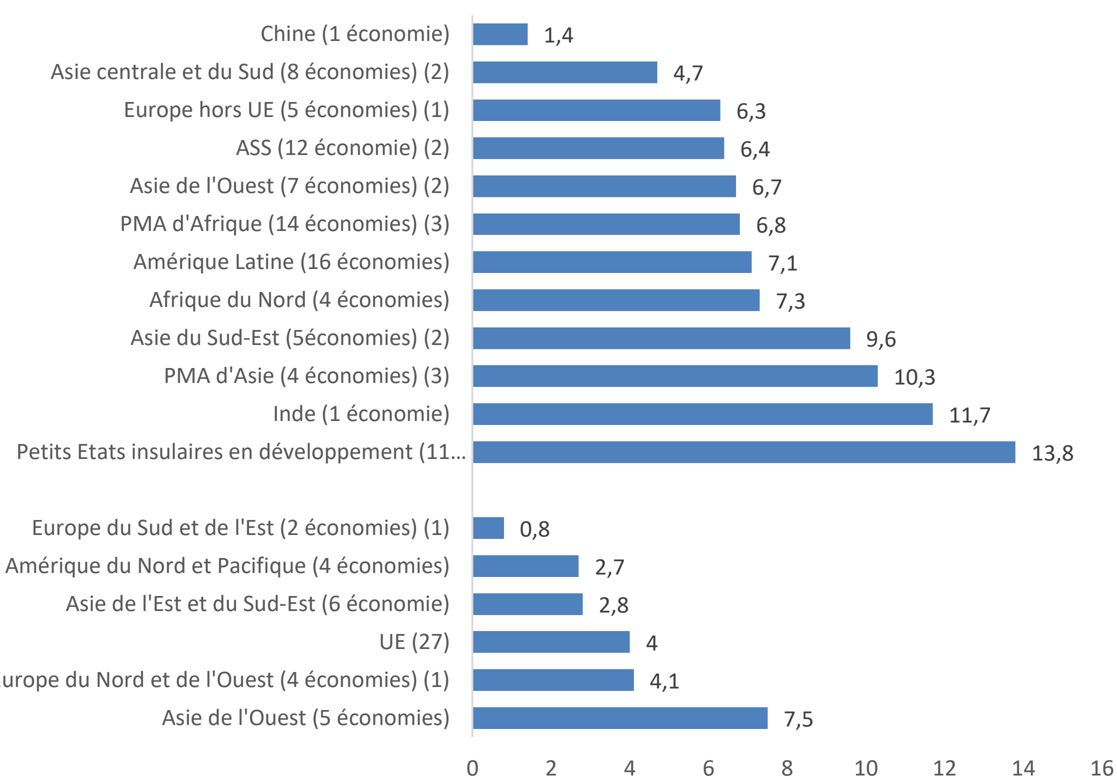
I.1. The economic effects of the coronavirus on African economies

Africa represents 17% of the world's population, but is home to 25% of the patients identified on the planet, with however a predominance of vector-borne or infectious diseases such as yellow fever (95%), malaria (93%), HIV -AIDS (67%), neglected tropical diseases or NTDs (39%), tuberculosis (24%) and viral hemorrhagic fevers (Serge Loungou et al. 2021). According to these authors, African health systems generally have three major weaknesses: the lack of adequate hospital structures, nursing staff and financial support. While the WHO recommends a ratio of 30 hospital beds per 10,000 inhabitants, the African Region has only 10. Thus, when the Covid-19 pandemic was announced, many predicted a carnage in Africa, but the responsiveness of African countries (WHO, 2020a) and their experience of epidemics (Bernault, 2020; Belsoeur, 2020) have helped to avoid it.

However, economically, financially and socially, the continent has experienced negative repercussions of unprecedented magnitude (Le Coguic and Osman, 2021). According to WB (2022), per capita income in most African countries will remain below pre-pandemic levels, at least until 2023. Poverty levels, measured at $1.90 a day, have fallen from 34 % pre-pandemic to 39% (African Economic Outlook 2021).

Very extroverted, the African continent indeed maintains close ties with China where the pandemic originated, but also with emerging and developed economies where this pandemic has rapidly spread. However, most of these countries, led by China, closed their borders from the start of the crisis, thus limiting the movement of people both inside and outside these countries. This led to disruptions in the supply of production and world trade, which, as a corollary, caused demand shocks.

Figure 1. Estimated production losses due to covid-19 until 2021, by country group



Source: Compiled by UNIDO based on IMF World Economic Outlook (October 2019 and October 2021 editions). Note: 1. Outside EU; 2. Excluding LDCs and SIDS; 3. Non-SIDS. The figure shows simple averages. Projected output losses through 2021 are the difference between pre-pandemic GDP projections (October 2019) and the latest available projections (October 2021), and are given as a percentage of pre-pandemic projections. The savings groups are based on Appendix C of the full report. EIED = emerging and developing industrial economies; EU = European Union.

The decline in global economic activity has reduced demand for African goods and services, especially for commodities. For example, in Burundi, exports decreased by 68.9% in the second quarter of 2020, compared to the same period of 2019, falling from BIF 99,114.2 million to BIF 30,827.7 million while the country's imports increased by 13.1% during the same period from BIF 368,495.4 million in 2019 to BIF 416,746.6 million in 2020. As a result, government revenues and international reserves of African countries have both declined, affecting their fiscal performance and potential debt sustainability.

These effects have negatively impacted corporate income, and have considerably restricted the fiscal space of States. The social impact would be directly perceptible on household incomes, with nearly 170 countries which, according to IMF estimates, saw their per capita income fall in 2020. In Africa, the pandemic has caused the main ills: generalized recession (40 countries affected out of 54 in 2020), massive over-indebtedness (more than 60% of GDP in 17 countries in 2020) and worsening poverty (more than 30 million Africans thus fell into extreme poverty in 2020 and 39 millions more are expected to experience it in 2021 (Mbaye et al., 2020; African Development Bank, 2021a). GDP per capita is even more marked (–4.7%), due to the region's demographic dynamism. This recession raises fears of a sharp increase in poverty rates on the continent.

African countries have also faced a falling in investment flows from emerging and developed economies. The global economic slowdown and supply disruptions are also impacting portfolio investment outflows in Africa, causing a decline in foreign exchange reserves that could lead to currency depreciation, which in turn could cause inflationary pressures in African economies. This is likely to further affect consumption patterns due to the loss of household purchasing power.

Concerning the private sector, the Economic Commission for Africa's 2021 analysis shows that the global slowdown is affecting remittances to Africa, which, in turn, is impacting private consumption and investment on the continent. On the government side, public health spending is likely to have increased as a result of efforts to save the lives of those who have contracted the virus and to contain its spread, and much of this spending comes from public investment in some productive sectors of the economy. This reduction in investment will restrain the potential for economic growth. The slowdown in growth will be exacerbated by the epidemic's impact on the labour force, with reduced work attendance and, in some cases, the complete cessation of many economic activities, which will affect production and consumption patterns and significantly affect Africa's already sluggish growth.

I.2. The Arab world and the Covid-19 pandemic

The Arab Human Development Report (UNDP 2022) indicates that in the first year of the pandemic, existing significant budget deficits widened further across the region, due to declining revenues as a result of reduced demand for oil, and increased financing requirements to contain the pandemic and its economic impact on households and businesses. In 2020, the average overall deficit widened by 7 percent to 9.2 percent of GDP, while in 2021, the region's average budget deficit narrowed to 2.3 percent, a deficit that the International Monetary Fund (IMF) expects to turn into a surplus of 4.1 percent of the Gross Domestic Product (GDP) by 2022.

Significant budget deficits have increased public debt, worsening an already vulnerable debt situation. As a result, in 2020, the region's overall average public debt peaked at 60% of GDP, an increase of about 13% from 2019, and net foreign direct investment (FDI) flows to the region declined by 6% in 2020.

The Report mentions that in 2021, the unemployment rate reached 12.6% in the Arab States region, more than double the world average of 6.2%. The female labour force participation rate was among the lowest in the world, estimated at 20.3% in the Arab States region in 2019. The female unemployment rate remained at 24% in the Arab States region, three to four times higher than the world average.

Also, in 2021, the region had the highest youth (15-24 years) unemployment rate in the world at 28.6%, a sharp increase of 25.3% in 2019. The unemployment rate for young women was also the highest in the world, and more than doubles that of young men, reaching 49.1 in 2021 compared to 44.7 percent in 2019 (compared to 23.8 percent for young men in 2021 and 20.8 percent in 2019).

I.3 Why has the pandemic particularly affected Africa and the Arab world?

Africa and the Arab world have one important point of similarity: both parts of the world are highly dependent on raw materials for export and have a high level of exposure to international shocks. The level of exposure of the economy to international shocks is synonymous with the degree of openness of the national economy to the global economy, to international trade of goods and services, and to the volume of capital flows in or out. However, with confinement, the global activity has fallen sharply, and so has the demand for these commodities. This has had an impact on the growth of these countries, but also on their visions. For example, Burundi, like many other developing countries, has a relatively closed economy. In fact, the sum of imports and exports relative to Gross Domestic Product (GDP) stands at 38% (in 2018), 2% below the minimum threshold of 40%. However, this ratio hides an important reality: if we isolate food imports from other goods and services, we notice that they represent not less than 17% of total imports, i.e. 2% above the 15% threshold. Consequently, any event that disrupts the international market for agricultural commodities will necessarily have repercussions on the

Burundian economy. And this is true for all economies similar to Burundi's.

Conclusion and recommendations

Covid-19 has shown the importance of understanding the economic effects of pandemics in order to analyze policies to mitigate their consequences, both health and economic. This pandemic has affected all parts of the world, but its socioeconomic impact has been very different from one region to another and from one country to another. This provides information on the existence of deep differences between different economies in terms of resilience to extreme events.

Countries should learn from this crisis to highlight which policies, whether industrial, monetary, social, etc., have worked and allowed economies to be resilient and which have failed. This ambitious goal requires re-examining not only the types of responses that were made during the early and middle phases of the pandemic, but also the structural features that shaped those responses and will continue to shape them in the future.

II. War in Ukraine: from one crisis to another

Since February 24, 2022, Russia invaded Ukraine. It is a war involving two great countries. Economically speaking, a "great country" is a country which can influence the prices on the world market of the products it exports and/or imports.

II.1. Characteristics of the two countries in conflict

For the past 20 years, both Russia and Ukraine are among those countries which have invested heavily in agricultural production. They produce so much that they are able to release substantial surpluses for export and thus feed the world markets.

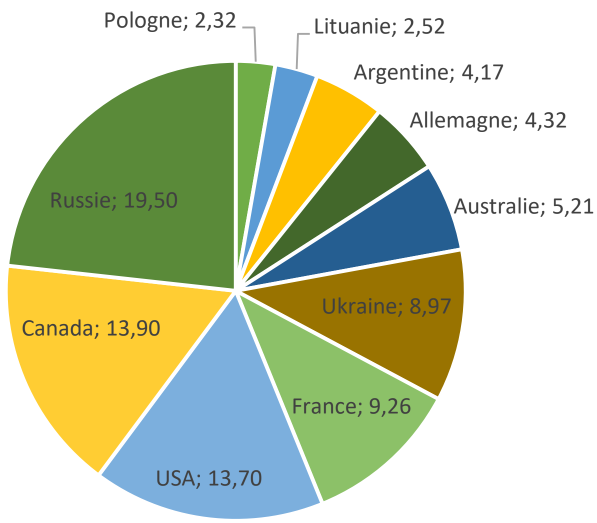
Russia is the 13th economic power in the world in terms of GDP. It benefits from the presence of numerous natural resources on its territory, notably gas and oil, of which it holds 17 and 7% of the world's reserves respectively. The export of these resources is therefore a major challenge. Depending on the year, Russia is always the world's 1st or 2nd largest exporter of hydrocarbons. It is the world's largest exporter of natural gas (20% of the total in 2019), the second largest exporter of oil (11%) and the third largest exporter of coal (15%) (IEA, 2022). It is also the world's largest exporter of nitrogen fertilizers, the second largest exporter of potassium fertilizers, and the third largest exporter of phosphorus fertilizers (FAO, 2022), and accounted for more than 15% of world fertilizer exports in 2020 (UNCTAD, 2022). It is a leading supplier of metals, including palladium, nickel and aluminum. It supplies about 40% of European gas. It is also the world's largest wheat producer as of 2018 (Ukraine is fifth).

As far as Ukraine is concerned, the 61st largest economy in the world in terms of GDP, is a State with a surface area of 603,550 km^2 (including Crimea), which makes it the second largest country in Europe after Russia, with which it shares its largest border (2000 km). Since 1954, when the then Russian president, Nikita Khrushchev, offered Crimea to Ukraine to celebrate the 300th anniversary of the union between the two countries, Ukraine became the most populous Soviet republic after Russia and it occupies a central place in the economy of the USSR thanks to its agricultural production and its steel and iron mines. With a relatively flat topography, Ukraine has a lot of pastures and flat lands which have always been dedicated to intensive agricultural production: more than 70% of the country's surface is agricultural land. These arable lands are very fertile thanks to a "black earth belt" very rich in humus which covers a large part of the territory. Ukraine is thus among the largest producers of cereals in the world (wheat, barley, rye, and oats). It accounts for 10 to 12% of the international market share of wheat, 15 to 20% of corn (it is the world's largest producer), 20 to 25% of barley and rapeseed, as well as 50% to 60% of the world's exports of oil and sunflower cake.

Ukraine is also rich in mineral (iron, magnesium, manganese, etc.) and energy (coal, natural gas, oil) resources. The most of important deposits are located in the east of the country, in a region called the Donbass, as well as in Crimea.

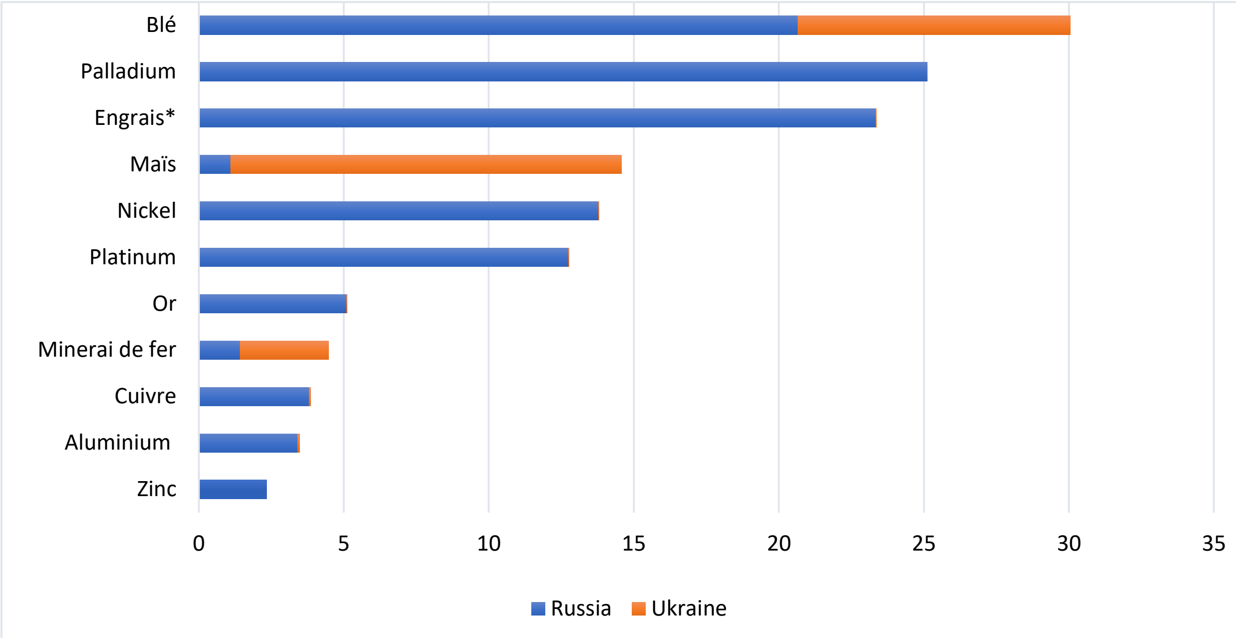
Together, Russia and Ukraine are major actors in the energy, food and fertilizer sectors. For corn, while the combined corn production of the two countries is 4%, in terms of exports, the contribution of Ukraine and Russia is much larger, with 20% of global corn exports in 2021. They are also among the leading producers and exporters of sunflower oil. In 2020, Ukraine's sunflower oil exports accounted for 40% of global exports, compared to 18% for Russia.

Graphic 2: Top 10 global wheat exporters in 2020 (%)



Even if it is not the first wheat producer, Russia represents almost 20% of the exports of this commodity and is thus the first exporter at the world level in 2020. Russia and Ukraine represent 28.47% of world wheat exports in 2020.

Graphic 3: Shares of some exports from Russia and Ukraine, in 2020 (in %)



Source: Comtrade data, 2021

This means that the two countries are in fact the world's granary for wheat and corn, but also many other agricultural and non-agricultural products. It is therefore not surprising that international markets have overreacted to this war, given that these products have been leaving Ukraine with difficulty since the beginning of the crisis and that Russia is under various sanctions.

II.2. Economic consequences of the war in Ukraine

II.2.1. Consequences on the world economy

According to the OECD (2022), even if the direct weight of Russia and Ukraine in the world economy and finance is modest, the two countries are essential suppliers of certain products on the raw materials markets (cereals, fertilizers, oil, gas, metals, rare gases, uranium…) as we have just pointed out above.

As a reminder, they account for themselves about 30% of global wheat exports, 15% for corn, 20% for mineral fertilizers and natural gas, and 11% for oil. In addition, global supply chains are dependent on Russian and Ukrainian exports of rare metals and gases. The prices of many of these commodities rose sharply after the outbreak of the war, even in the absence of an immediate significant drop in production or export volumes. With globalization and the growing interdependence of economies, the entire planet suffers from the effects of a conflict affecting a particular region. Thus, the most immediate economic impact of the Ukrainian crisis has been a sharp rise in commodity prices. For example, grain shipments through Black Sea ports have already been stopped, which could have disastrous consequences for food security in poor countries. Also, negative growth rates and high inflation rates are expected.

On the basis of estimates based on the WTO World Trade Model and which take into account 1) the direct impact of the war in Ukraine, including the destruction of infrastructure and the increased trade costs; 2) the impact of sanctions targeting Russia, including the exclusion of Russian banks from the SWIFT settlement system; and 3) declining aggregate demand in the rest of the world due to loss of business/consumer confidence and growing uncertainty, the following results are obtained: (1) World GDP at market exchange rates is expected to increase by 2.8% in 2022, i.e. a decrease of 1.3 percentage points compared to the previous forecast of 4.1%; (2) growth should reach 3.2% in 2023, i.e. a level close to the average rate of 3.0% between 2010 and 2019.

The IMF, in its April 2022 update of the World Economic Outlook, lowered its forecast for global growth, which was expected to fall 0.8 percentage points compared to the January forecast for set at 3.6% in 2022, as the economic impact of the war in Ukraine reverberates globally in the commodity market, trade and trade links. The same IMF (March 15, 2022) identified three main channels through which the war in Ukraine and the international sanctions against Russia will affect the world economy and, to varying degrees depending on the main geographical areas: (1) first, rising prices of raw materials, such as food and energy, will drive up inflation further, which will erode the value of incomes and weigh on demand; (2) second, neighbouring countries, in particular, will face disruption in trade, supply chains and remittances, as well as a historic increase in refugee flows; and (3) finally, the loss of business confidence and heightened investor uncertainty will weigh on asset prices, which will tighten financial conditions and possibly trigger capital outflows from emerging markets. It shows that since the beginning of this conflict, the prices of energy, cereals and metals have risen, which announces an imminent increase in inflation rates, affecting, in particular, agricultural products.

Graph 4: Rise in prices of certain products following the war in Ukraine (analysis from 2013 to 2022)

II.2.2. Impact of the Russio-Ukrainian war on African economies

Out of the 54 countries in Africa, 11 are major energy exporters and the others are net energy importers, or near self-sufficient. Thus, we can consider that, in general, the continent is a net importer of agricultural and energy raw materials. It could thus be strongly impacted economically by the crisis in Ukraine, especially if it persists. As far as African agriculture is concerned, the impact of the war will have a short-term impact on the global agricultural raw materials price chain: "Inflation is the main risk of the war in Ukraine. (…) For African countries that are net importers of food, there will be a direct consequence on food security and consumer prices", warns Aroni Chaudhuri, economist at Coface. Thus, the war in Ukraine has highlighted Africa's chronic dependence on food imports. For Kristalina Georgieva, Managing Director of the IMF, "*The war in Ukraine means hunger in Africa.*"

In its Report, the United Nations revealed the "high" degree of dependence of African countries in terms of importing wheat from the Russian Federation and Ukraine. According to this Report, between 2018 and 2020, Africa imported USD 3.7 billion worth of wheat (32% of total African wheat imports) from the Russian Federation and USD 1.4 billion from Ukraine

(12% of total African wheat imports). According to UNCTAD (United Nations Conference on Trade and Development) data based on the period 2018-2020, no less than 25 African countries import more than a third of their wheat from the two countries and 15 of them import more than half. Among the main importing countries are Egypt, which alone accounts for almost half of these imports, followed by Sudan, Nigeria, Morocco, Tunisia, Algeria, Libya, Kenya, South Africa and Ethiopia. Benin imports 100% Russian wheat, and Somalia gets 70% from Ukraine and 30% from Russia. Others like Sudan (75%), DR Congo (68%) and Senegal (65%) also rely heavily on these two sources of supply. If the majority of countries are turned towards Russia, which supplies the continent up to 32% (compared to 12% for Ukraine), Tunisia, Libya and Mauritania depend largely on Ukrainian wheat (30 to 50 % of their imports).

The same report indicates that opportunities to substitute imports from the Russian Federation and Ukraine with intra-African trade are limited, as the regional supply of wheat is relatively low and many parts of the continent lack transport infrastructure and efficient storage capacities.

This rapidly changing situation is alarming for developing countries, and in particular for African and least developed countries, some of which are particularly exposed to the war in Ukraine and its effects on trade costs, commodity prices and financial markets.

LDCs (Least Developed Countries) are particularly exposed to a food and energy crisis. Since 38 of the 45 countries in sub-Saharan Africa are net importers of oil, a rise in world prices translates for these countries into higher import bills, transport costs and the prices of most goods. For people in LDCs, this can lead to lower purchasing power, lower growth and, ultimately, increased poverty.

In addition, Russia and Ukraine together produce more than half of the sunflower oil, around 30% of the wheat and barley and 17% of the corn at global level. Much of this food ends up on the plates of poor countries after passing through complex global supply chains. According to UNCTAD, between 2018 and 2020, Africa imported 45% of its wheat from these two countries. One out of two African countries imports more than a third of its wheat from Russia, and LDCs such as Lao PDR, Benin and Somalia buy more than 90% of their wheat from these two countries.

Following Covid 19, food prices increased by 9% between 2019 and 2020 in sub-Saharan Africa, and by an additional 2% last October. The Food and Agriculture Organization (FAO) warns that prices are likely to rise even faster if imports from Russia and Ukraine continue to be disrupted or if the prices of imported products increase due to the rise in oil prices. In March 2022, the FAO Food Price Index, which tracks the monthly change in international prices of the world's most commonly traded food products, reached its highest level since its inception in 1990, at 159.3 points, i.e. more than 34% in addition to its value a year earlier. This increase was mainly attributable to the explosion in the prices of cereals (+37%) and vegetable oils (+56%), in particular sunflower oil. In the days preceding Russia's decision to invade Ukraine, the prices of many food products skyrocketed internationally: +54% for wheat, +31% for corn, +20% for soy and they are accentuated between February and March 2022 (+20% for wheat and +19% for corn in one month).

The World Food Program (WFP) reports that it is already purchasing its supplies 30% more expensive than in 2019. It indicates that the number of hungry people has increased from 27 to 44 million since 2019 and that 232 million of other people remain at risk.

II.2.3. Impact of the Russo-Ukrainian war on the economies of the Arab world

For many Egyptians, Lebanese, Yemenis or other Arabs, the Ukrainian war means that there will be less bread on the family table, since these countries mainly import Russian and Ukrainian wheat. However, warns the Middle East Institute, “if the war disrupts the supply of wheat” to the Arab world, which is highly dependent on food imports, “the crisis could trigger new demonstrations and instability in several countries”. The possibility of an uprising is frightening in the Arab world where the so-called “Arab Spring” movements have swept away regimes. For example, in Sudan, Omar al-Bashir was overthrown under the pressure of a popular revolt resulted from the tripling of the bread.

In the Maghreb, wheat is the basis of couscous like bread. For example, Morocco increased flour subsidies to €350 million and suspended wheat customs duties. Algeria, Africa's second-largest wheat consumer and fifth-largest cereal importer, has announced that it has only six months of reserves. Egypt is the world's largest wheat importer and Russia's second-largest customer with 3.5 million tons purchased through mid-January 2022, according to S&P Global. And even if in recent years Cairo has started to buy elsewhere, notably in Romania, in 2021, 50% of its wheat imports still came from Russia and 30% from Ukraine. Tunisia is highly dependent on cereals, importing 84% of its soft wheat needs, around 40% for durum wheat and 50% for barley. Ukraine was until then a privileged supplier of Tunisia with Canada and the European Union. The country suffers from a chronic lack of storage capacity, limited to 3 months, and therefore must have a reliable and regular source of supply.

This shows how much these two countries, Russia and Ukraine, constitute a very important wheat import market for the countries of the Arab world. The disruption of these two markets therefore does not fail to cause a stir in the Arab world.

Conclusion

The crisis caused by the Russian-Ukrainian conflict has had a severe and negative impact on the world wheat market given the importance of exports from both countries. Also, even if these countries do not have a heavy weight in world production, few countries will escape the effects of this war, in particular on the raw materials market, insofar as this war opposes two countries which are among the main suppliers to many countries, in terms of petroleum products, aluminum, steel and other metals, cereals, fertilizers and processed products from these sectors. Uncertainties are so great today, especially since no one can say when the war will end and how it will end. However, we know that many countries, especially in Africa and the Arab world depend heavily on imports from Russia and Ukraine for wheat, but also for corn and other products such as hydrocarbons.

Obviously, this crisis highlights the need to always diversify its supply chains and to preserve, if possible, national sovereignty in domains as sensitive as food domain, in particular by favouring subsistence agriculture to reduce the degree of dependence on the outside.
Also, the negative impact to the global economy and other economies from this crisis shows how intertwined the world has become through trade and global supply chains. Although the conflict is local and its immediate effects are regional, its impact is global and the responses to deal with it must be intertwined as well. Thus, in today's interconnected world, developing countries need support to make their economies more resilient to future crises, especially those related to food security. With Ukraine missing the corn and sunflower planting season, this will have further implications for global food supply.