**The Impact of the Ukraine War on the Arab Region:**
Food Insecurity in an Already Vulnerable Context

**An International Wheat Shock**

**Percentage of Worldwide Wheat Exports (in quantity)**
- **Russia**: 21.8%
- **Ukraine**: 10.6%
- **Other Wheat Exporters**: 67.6%

**International Price of Wheat (USD/Bu)**

The world prices of wheat surged in February 2022 and reached all-time high levels not seen since 2008, as the Russian invasion of Ukraine triggered supply disruptions from two of the world's largest wheat producers. Amid heavy sanctions and restrictive measures from western economies, exports from the Black Sea have nearly halted.

Dependence of Arab Countries on Wheat Imported from Russia and Ukraine

Percentage of Wheat Imports from Russia and Ukraine * (in value)

- Lebanon: From Russia 15.5%, From Ukraine 80.4%, From other countries 4.1%
- Sudan: From Russia 90.1%, From Ukraine 1.9%, From other countries 8.0%
- Egypt: From Russia 60.4%, From Ukraine 25.6%, From other countries 14.0%
- Tunisia: From Russia 4.1%, From Ukraine 48.6%, From other countries 47.3%
- Yemen: From Russia 26.7%, From Ukraine 14.5%, From other countries 58.7%
- Jordan: From Russia 7.0%, From Ukraine 17.7%, From other countries 57.3%
- Morocco: From Russia 7.4%, From Ukraine 14.6%, From other countries 78.0%
- Arab World: From Russia 34.4%, From Ukraine 15.9%, From other countries 49.7%


* This selection includes the Arab countries that are the most dependent on wheat imports from Russia and Ukraine, and that are not oil net-exporters or oil exporters. The countries are listed from most dependent to least dependent.
**What Wheat Means for Arab Populations**

**Total Per-Capita Consumption/Intake of Wheat (kg/yr)**

- **World**: 65.4 kg/yr
- **Arab Region**: 128.4 kg/yr

Arab countries are the greatest consumers of wheat, as the bread loaf is the most important element in Arab populations’ daily diets.

“The lower the income is the higher is the consumption of food as a percentage of income”, meaning that the poorest will be affected the most, according to Ernst Engel.

Source: UN-ESCWA’s calculations, based on FAOSTAT data.

- The Ukraine war will cause a change in the Arab region’s supply chain of wheat.
- With the increased global demand on wheat, these alternative exporters might not be able to fully respond to the region’s demand.
- The main alternative exporters of wheat for the region are USA, Canada, India, France, Australia and Romania.
- The farther we go, the higher the transportation cost premium and the higher the final price of wheat.
What to Expect?

The increase in the price of wheat and food essentials, and their shortage will lead to hunger among the poor and will increase food insecurity, which may trigger food riots.

The increase in the international price of oil will lead to a systemic increase in the prices of goods and services, including foods and beverages, and a higher cost of living more generally.

This shock will have a higher magnitude in oil-importing Arab countries.

Arab countries are either fully reliant on the private sector in buying wheat or reliant partly on private mills and partly on large public mills.

Arab governments will feel the need to step in to buy more wheat publically in order to secure national reserves amid the crisis, which is equivalent to further subsidizing wheat.

Arab countries are facing a multitude of concurrent crises, on top of which the Covid-19 pandemic and its lasting repercussions. Examples:
1) the economic and currency crises in Lebanon as well as the loss of the Beirut Port’s wheat silos in the August 4 explosion,
2) the conflict in Yemen,
3) the political crises in Tunisia and Sudan, etc.

These crises will render Arab countries helpless in the face of this food shock, especially in the countries suffering from a budget deficit and depleted foreign reserves.