



THE RUSSIA-UKRAINE CONFLICT AND ITS ECONOMIC CONSEQUENCES

Grzegorz Sielewicz

Economist Central & Eastern Europe Region

24th March 2022

QUESTIONS?



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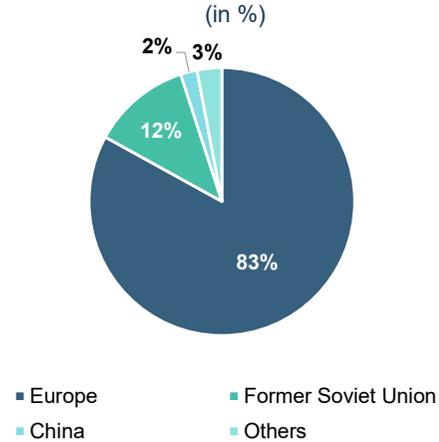


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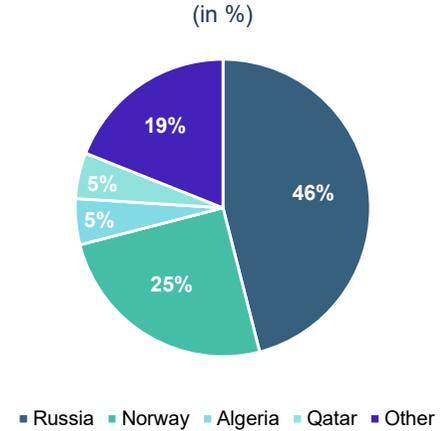
A screenshot of the GoToWebinar interface. The top panel is the 'Audio' control panel, showing 'Computer audio' selected, 'MUTED' status, and a volume slider. Below it is the 'Questions' panel, which is highlighted with a red border. It contains a text input field with the placeholder text '[Enter a question for staff]' and a 'Send' button. At the bottom, the webinar title 'Webinar Housekeeping' and ID 'Webinar ID: 608-865-371' are displayed, along with the GoToWebinar logo.

RUSSIA: OIL AND GAS ARE IMPORTANT FOR EUROPE

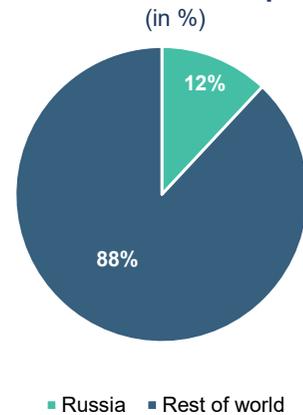
Russian gas exports by destination



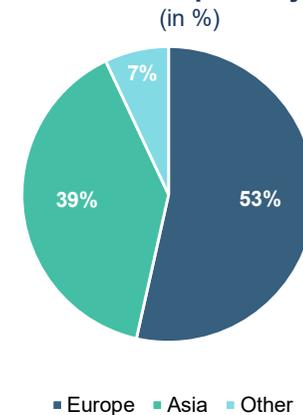
EU gas imports by origin



Global crude oil exports



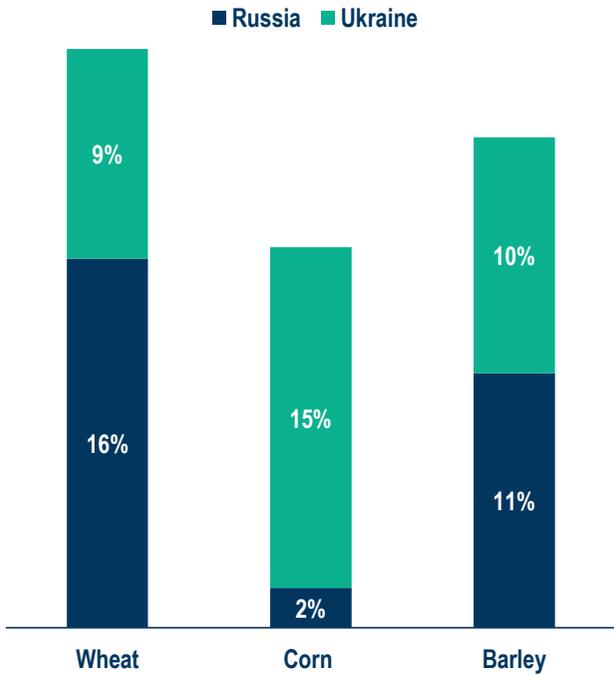
Russia's crude oil exports by destination



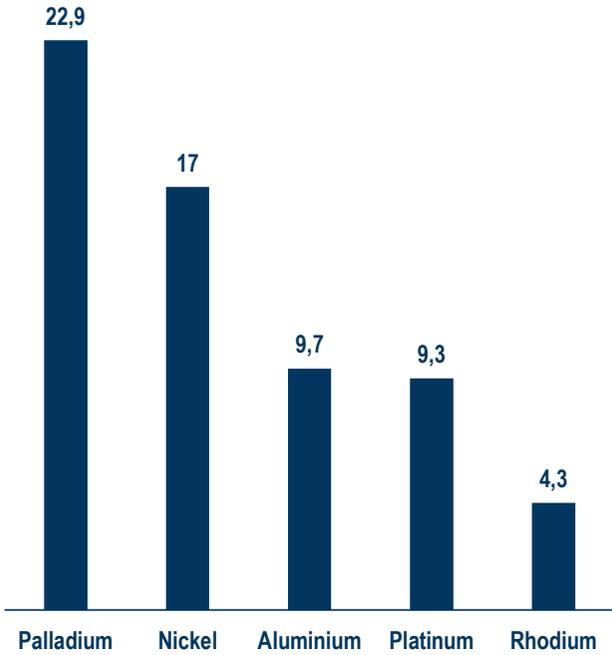
Sources: Gazprom, BP Statistical Review, Coface

RUSSIA AND UKRAINE: IMPORTANT PRODUCERS FOR THE FOOD AND METAL INDUSTRY

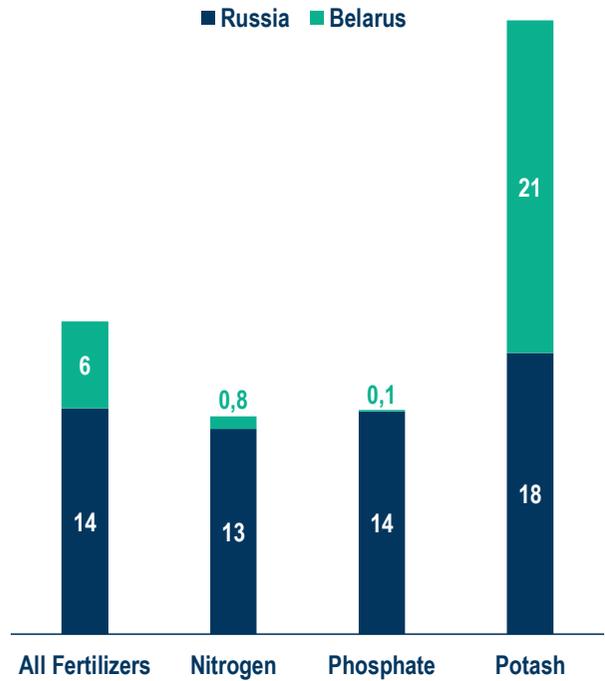
Russia and Ukraine's share in global exports of selected grains (%)



Russia's share in global exports of selected unwrought metals (%)



Russia and Belarus's share in global exports of selected fertilizers (%)

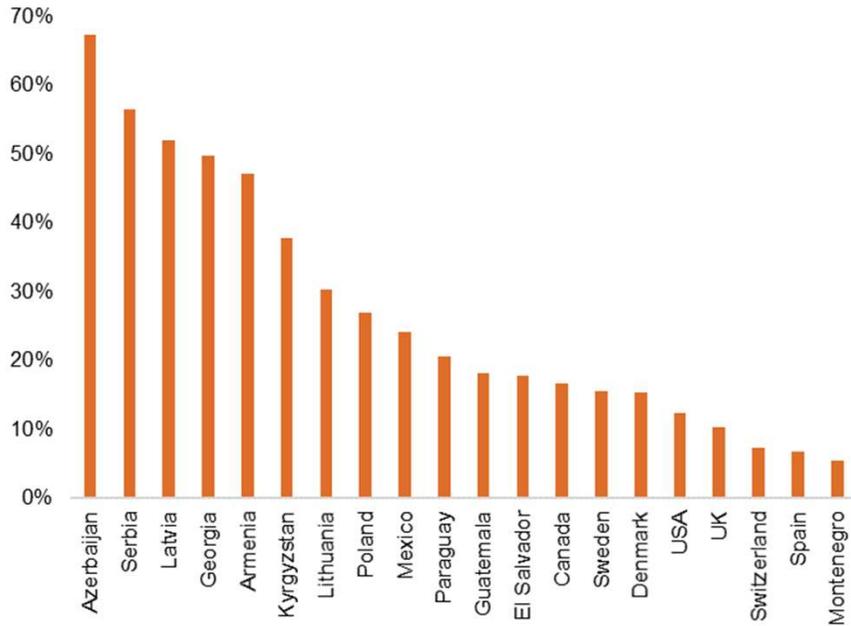


Sources: Trademap, COFACE

BEYOND OIL&GAS, RUSSIA (AND UKRAINE) HAS A PROMINENT PLACE IN GLOBAL COMMODITY SUPPLY

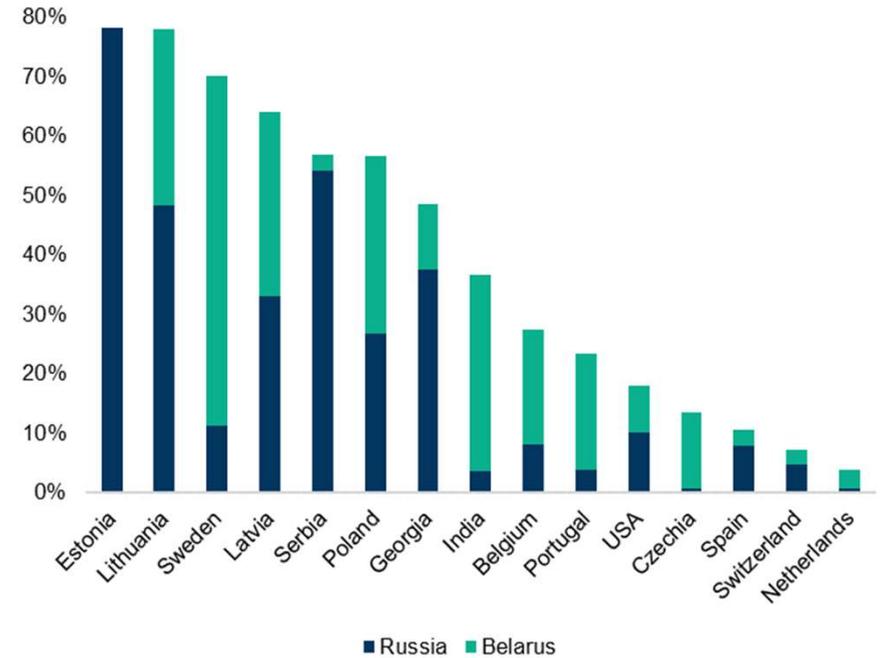
RUSSIA AND BELARUS AS IMPORTANT SOURCE OF FERTILIZERS SUPPLIES

Countries with the largest imports of fertilizers from Russia
(% of total imports of fertilizers)



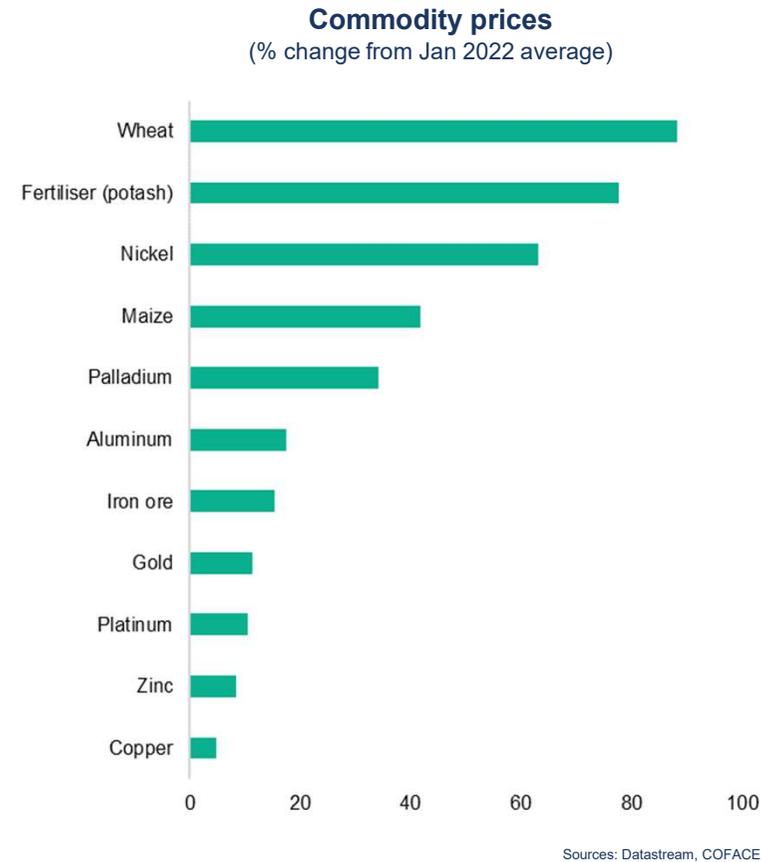
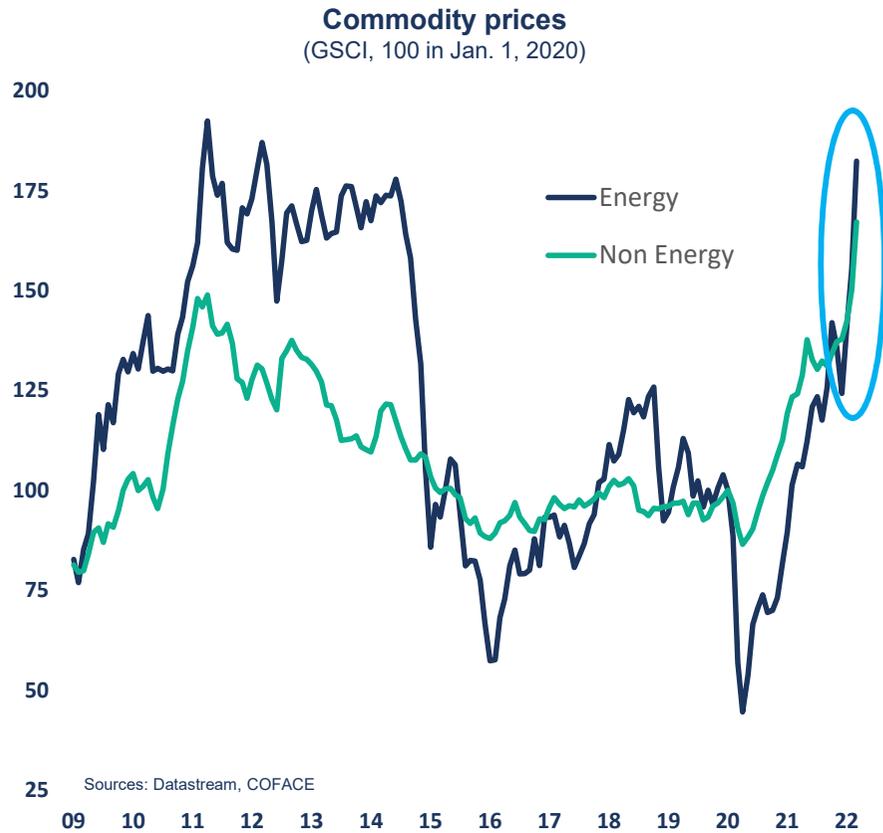
Source: UN COMTRADE, Coface

Imports of potash from Russia and Belarus in selected countries
(% of total potash imports)



Source: UN COMTRADE, Coface

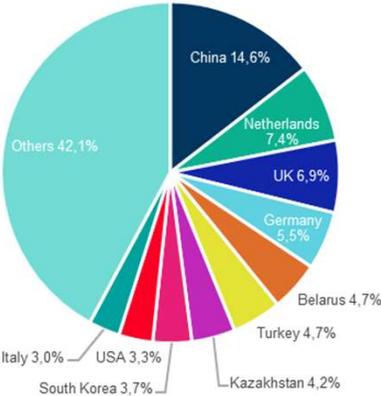
INFLATIONARY PRESSURES TO INTENSIFY IN THE SHORT TERM



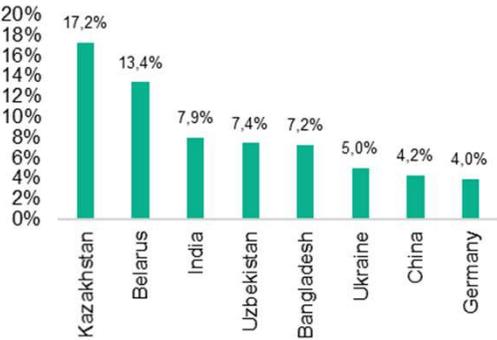
FEARS OF SUPPLY DISRUPTIONS DRIVING UP COMMODITY PRICES

RUSSIA EXPORTS: CHINA AS THE MAIN MARKET HOWEVER MINERAL FUELS GO TO EUROPE AS WELL

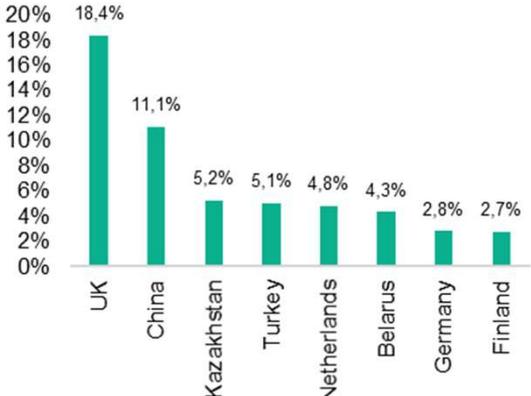
Russia's export markets: All categories



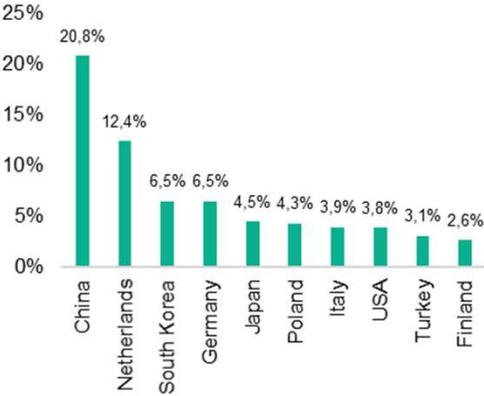
Capital goods (except transport equipment)



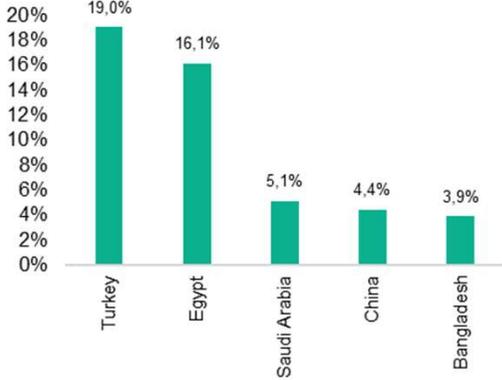
Industrial supplies



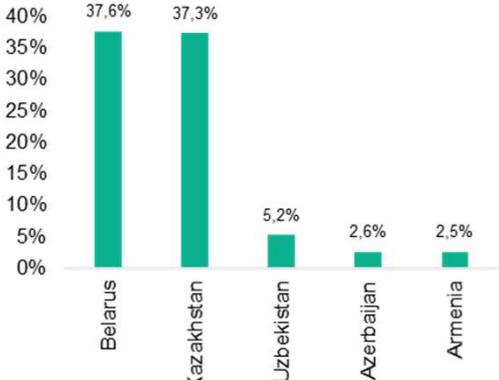
Fuels and lubricants



Food and beverages (primary)



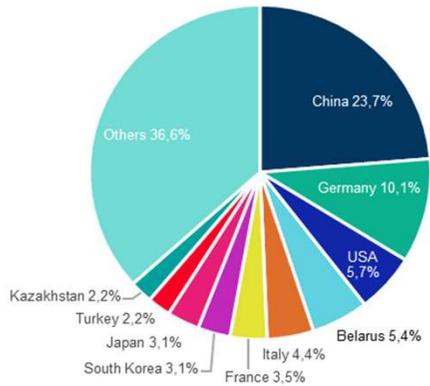
Passenger motor cars



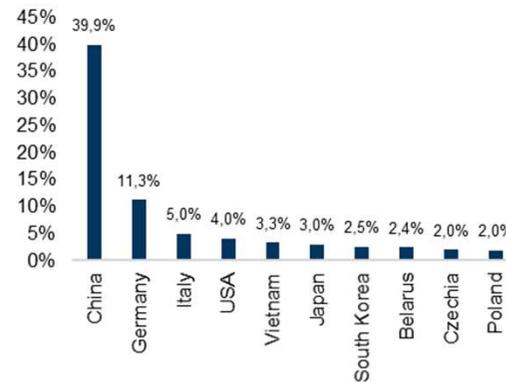
Source: UN COMTRADE, Coface

RUSSIA IMPORTS: A LACK OF EUROPEAN AND US SUPPLIES WOULD BE HARMFUL

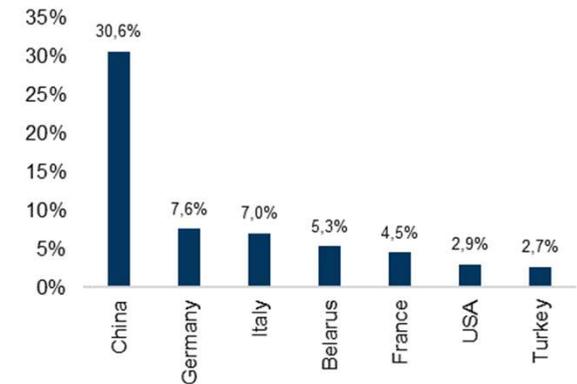
Russia's imports markets: All categories



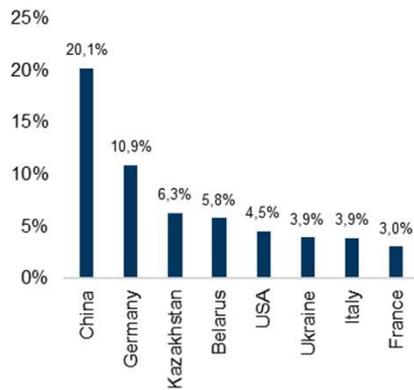
Capital goods (except transport equipment)



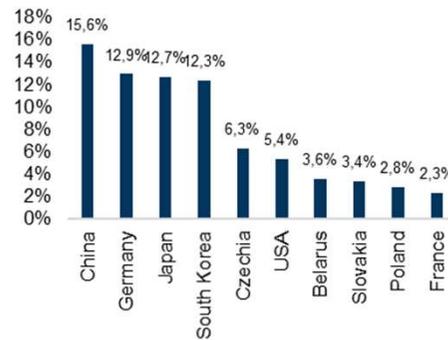
Consumption goods



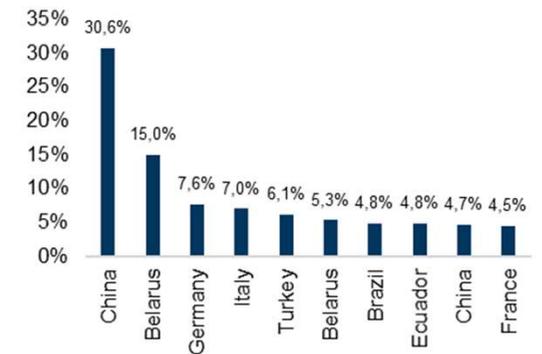
Industrial supplies



Parts and accessories of transport equipment



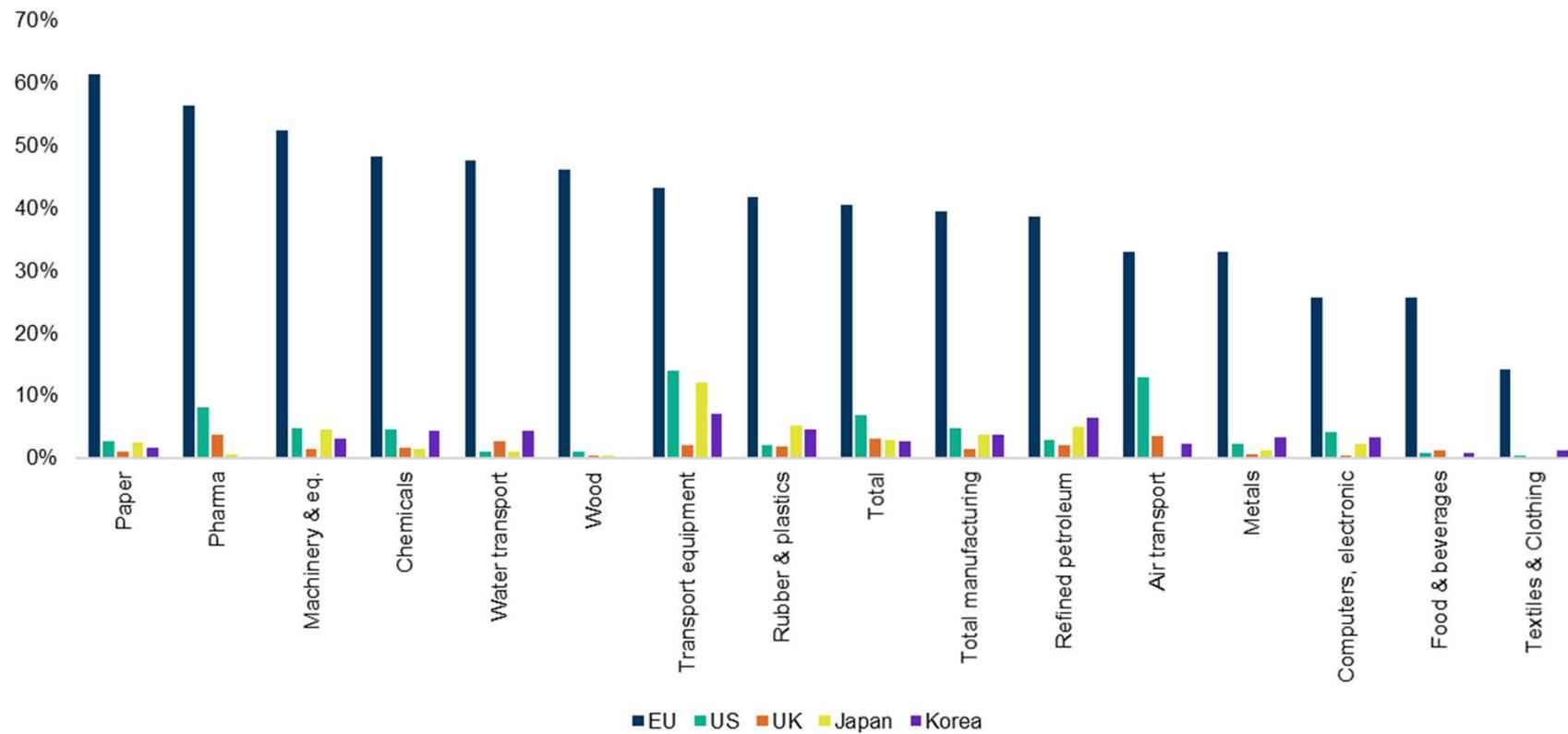
Food and beverages



Source: UN COMTRADE, Coface

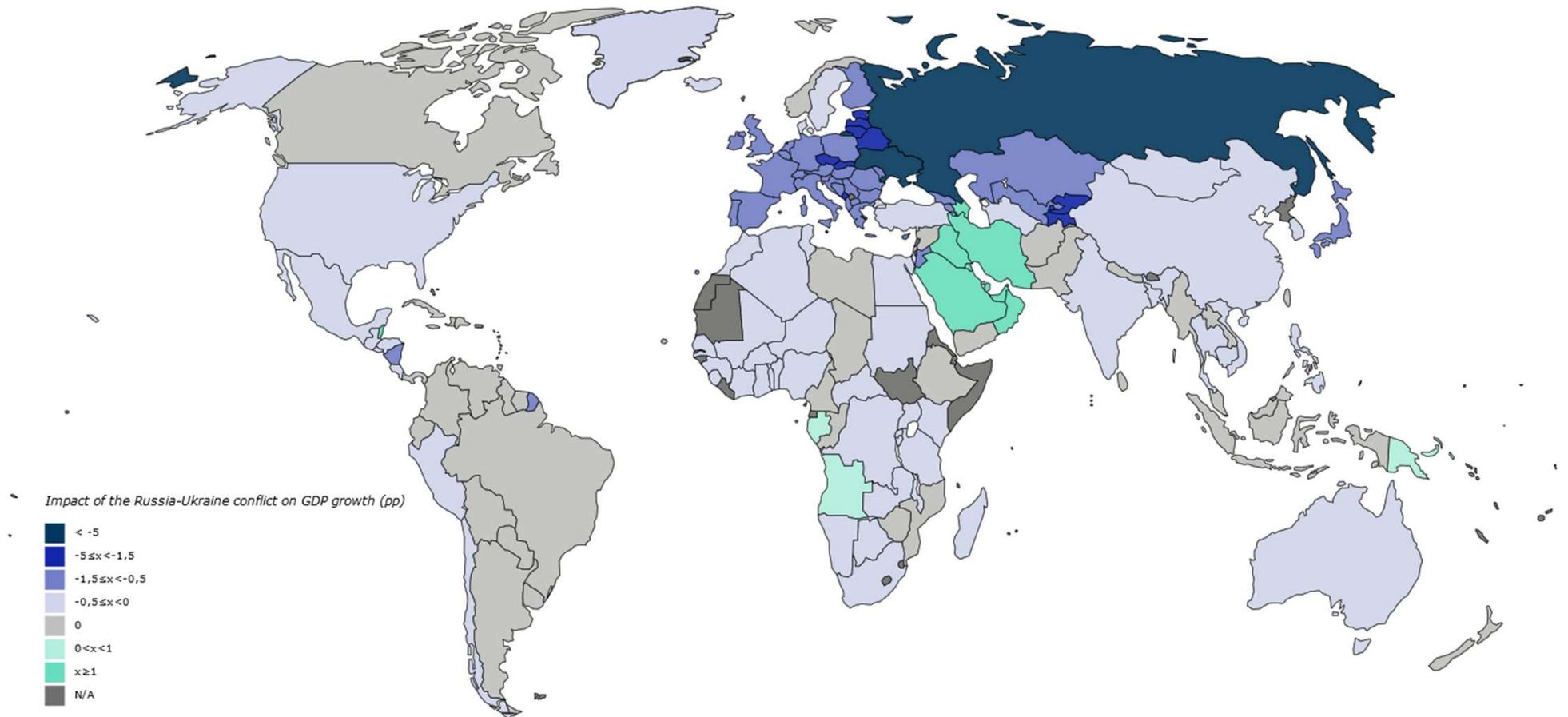
RUSSIA INTERMEDIATE IMPORTS BY SECTORS

Russia's imports of intermediate products:
Share of the EU, US, UK, Japan and Korea



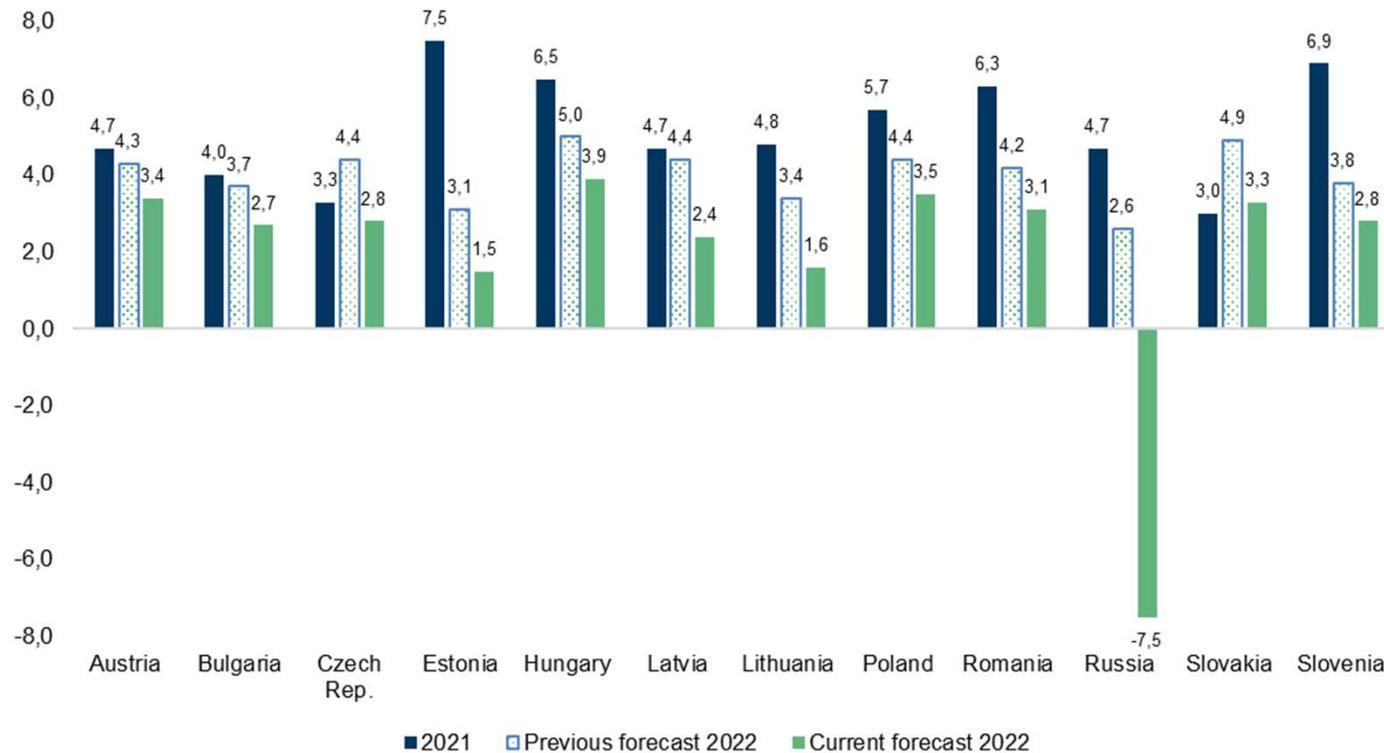
Source: OECD TIVA, Coface

REVISED GDP GROWTH FORECASTS DUE TO THE IMPACT OF WAR



CEE GROWTH FORECAST: DOWNWARD REVISIONS

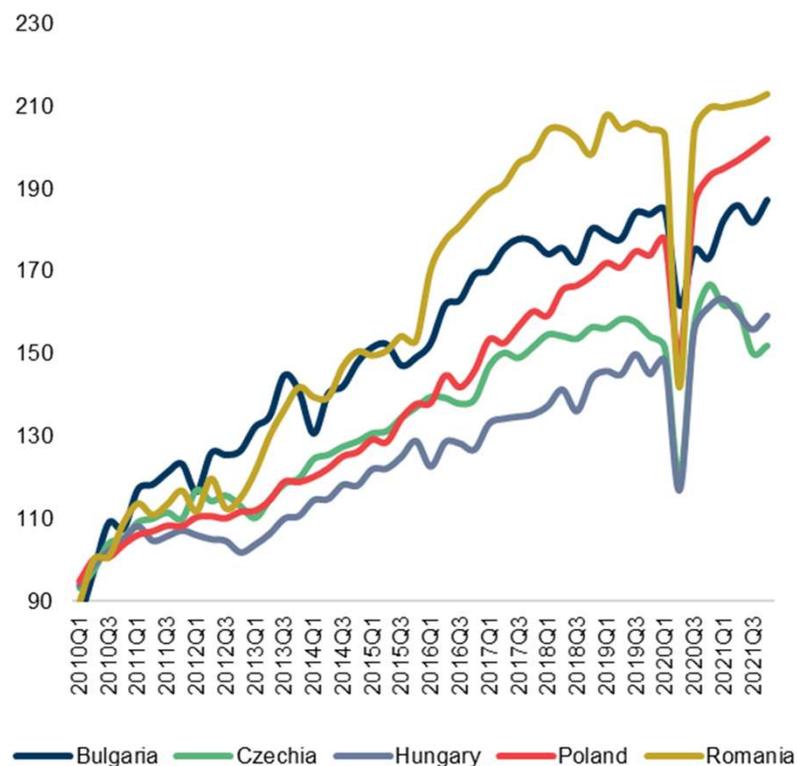
Central and Eastern Europe:
GDP growth forecasts (% , Coface forecasts)



Source: Eurostat, Coface

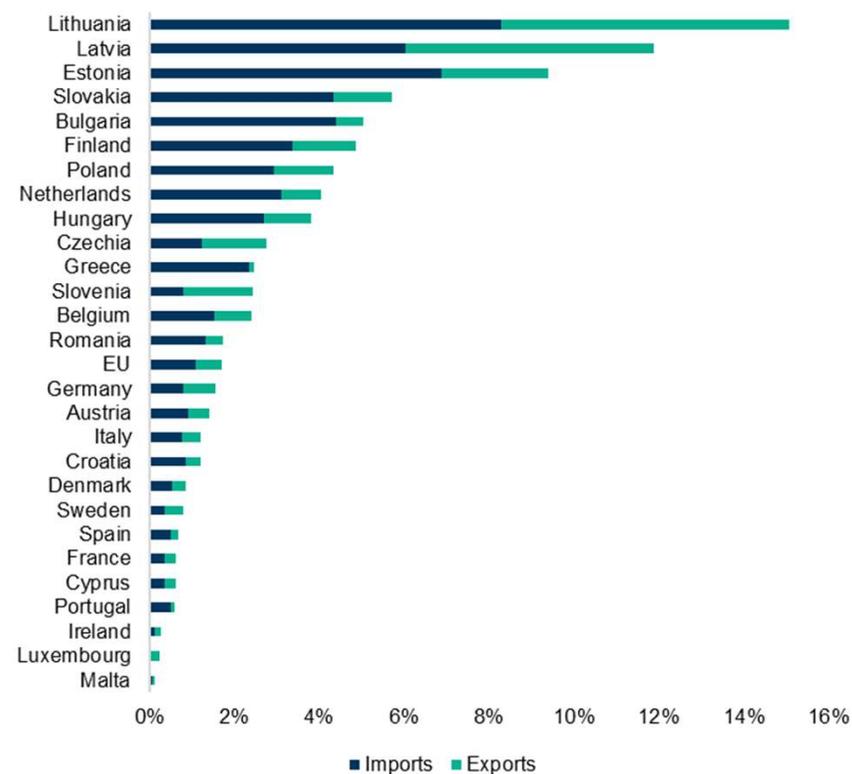
CEE EXPORTS IN AN IMPROVING TREND BUT COULD BE HAMPERED BY THE RUSSIAN DOWNTURN

Exports growth
(2010=100; goods exports)



Source: Eurostat, Coface

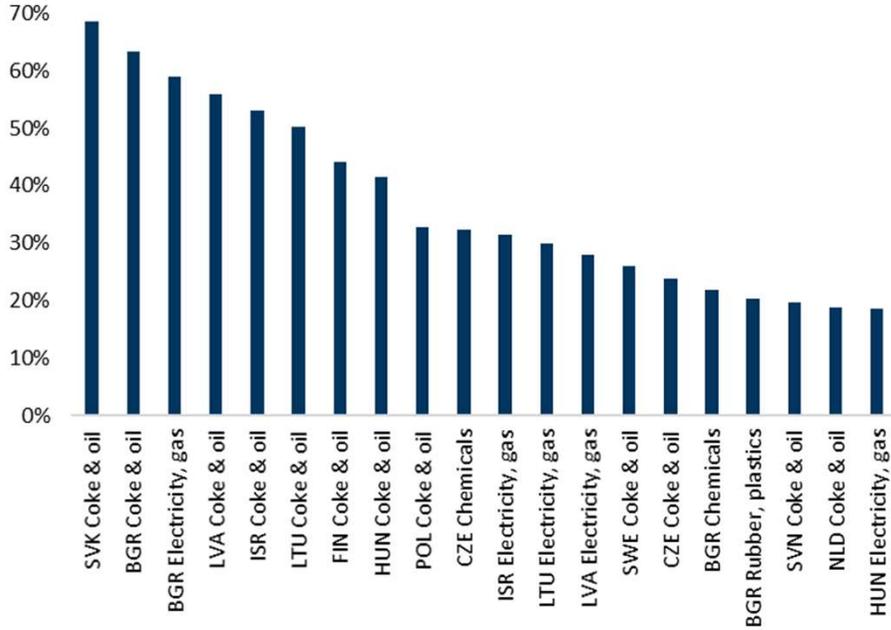
Total trade with Russia
(% of GDP)



Source: Eurostat, Coface

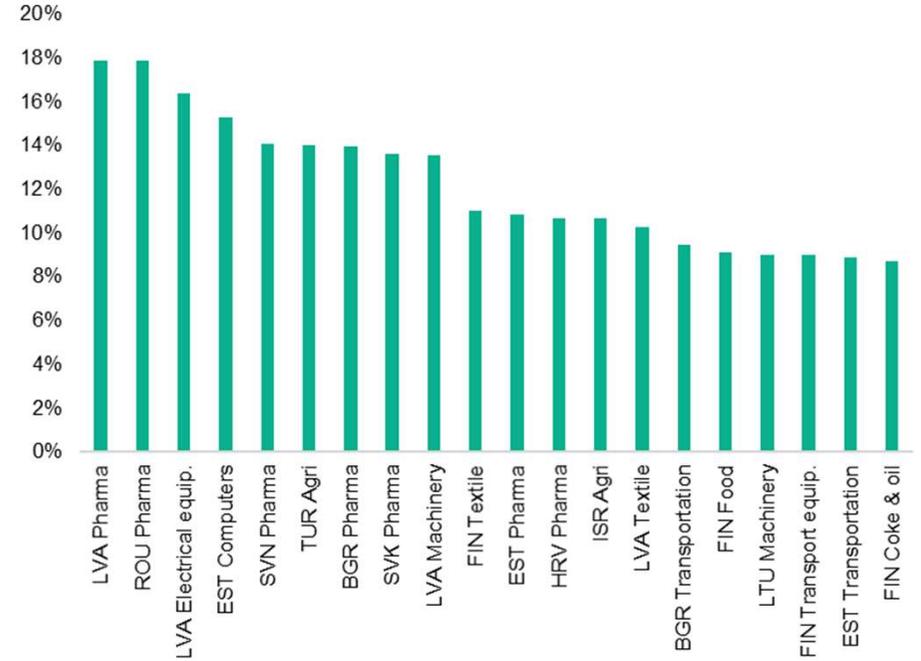
CEE COUNTRIES ARE ESPECIALLY EXPOSED TO TRADING WITH RUSSIA

Countries and sectors with the largest imports dependence on Russia (% of total imports in a particular sector)



Source: OECD, Coface

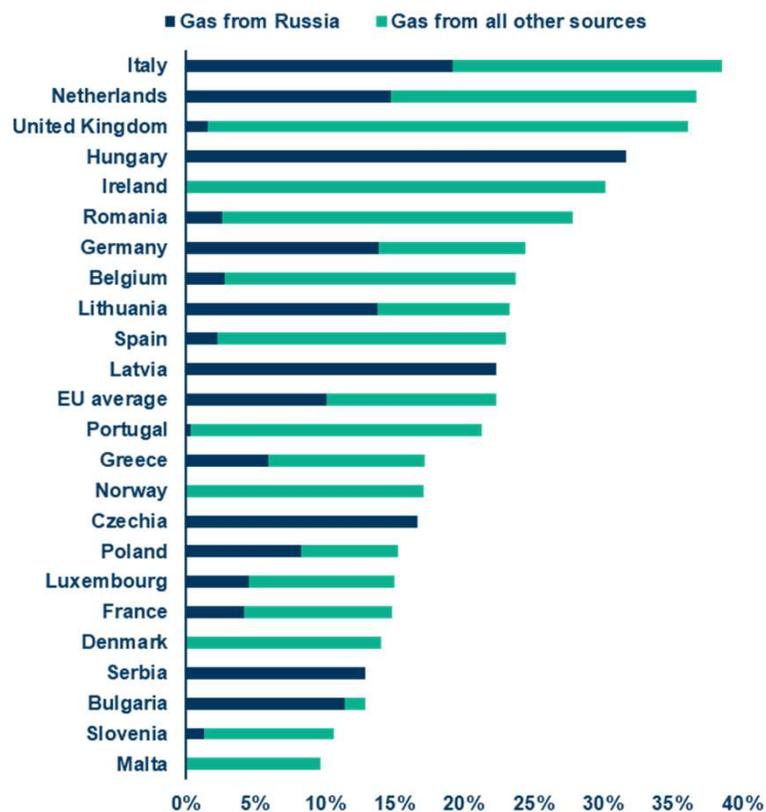
Countries and sectors with the largest exports dependence on Russia (% of total imports in a particular sector)



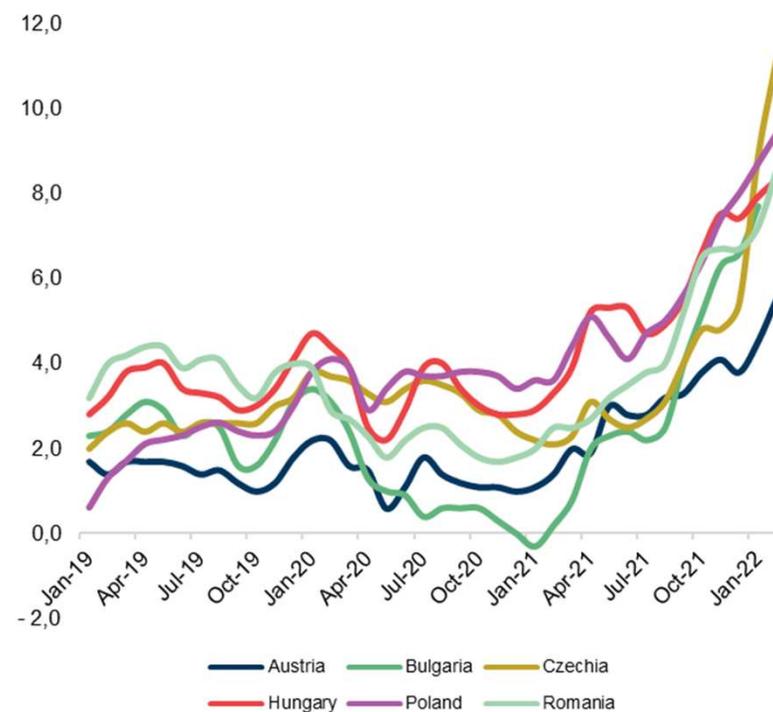
Source: OECD, Coface

CEE: HIGHER ENERGY COSTS WILL DRIVE INFLATION FURTHER

Natural gas as a share of total primary energy consumption (%)



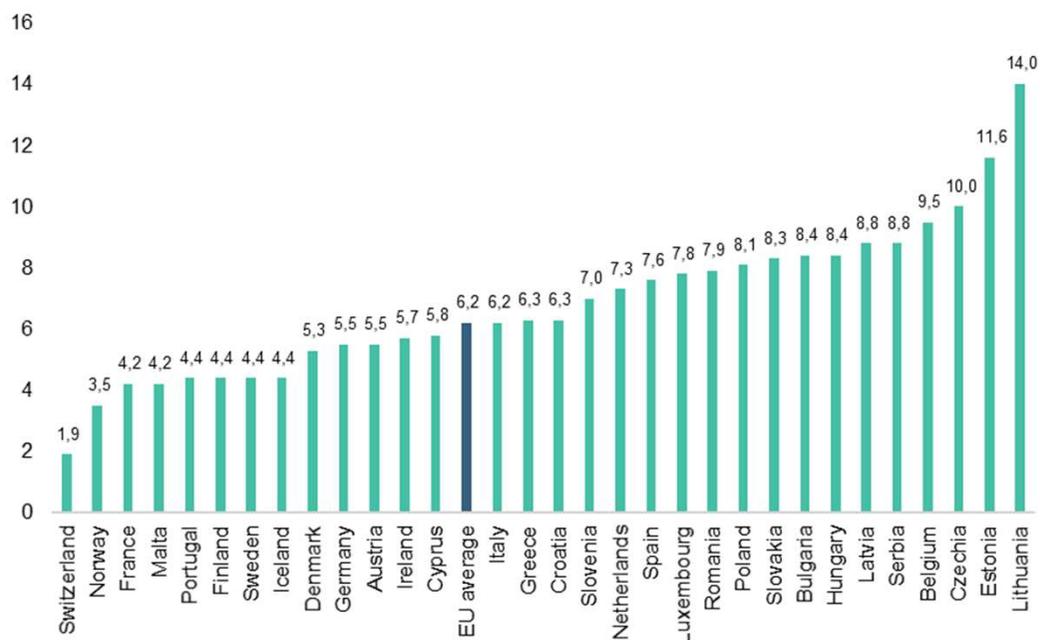
Inflation (% , HICP, YoY growth)



Source: BP, Eurostat, Coface

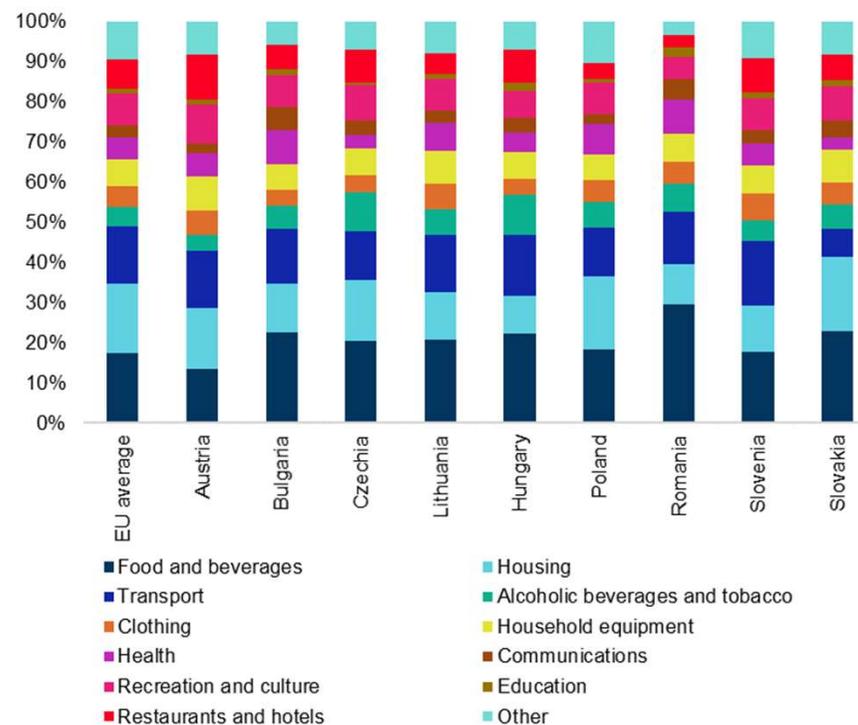
SEVERAL CEE ECONOMIES LEAD IN INFLATION ACCELERATION

Annual HICP inflation rates in February 2022 (%)



Source: Eurostat, Coface

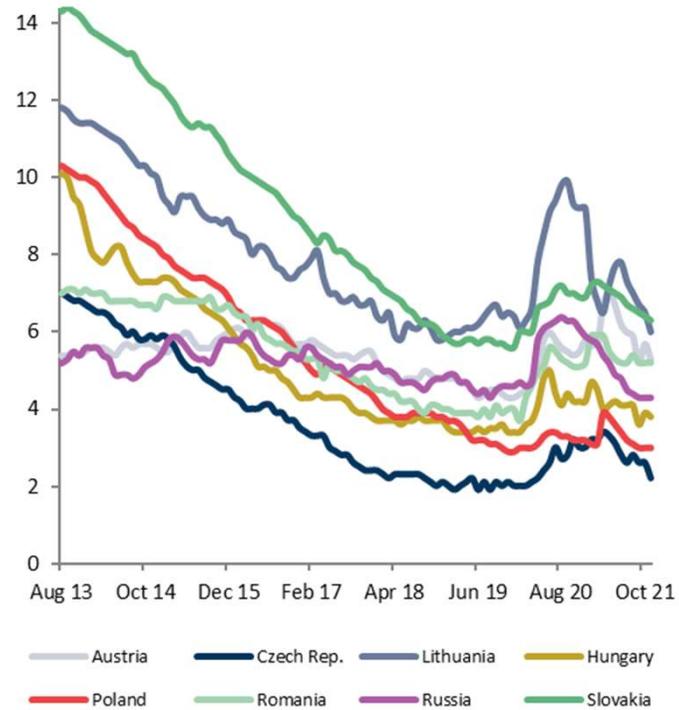
HICP inflation: Item weights (%)



Source: Eurostat, Coface

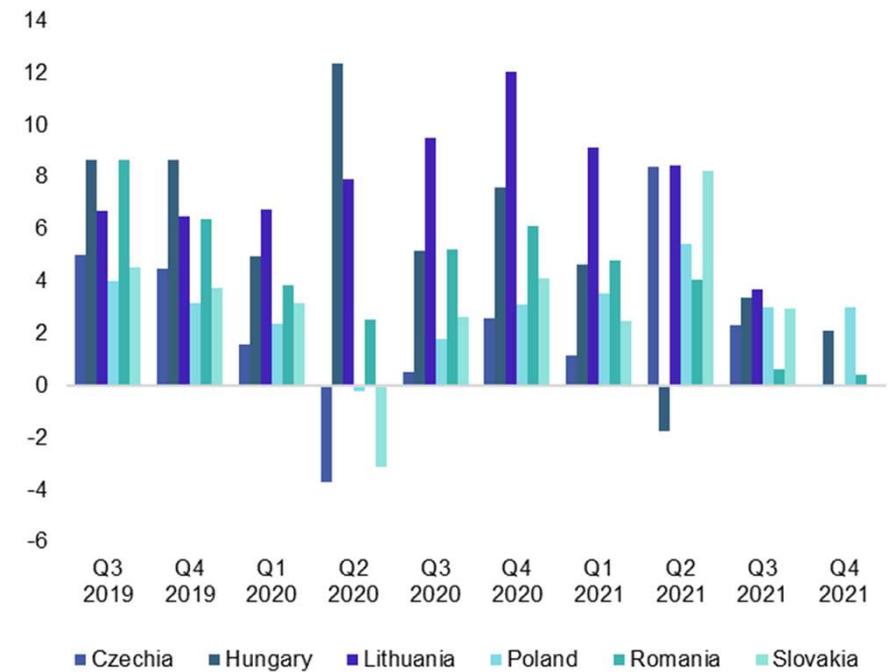
THE RISK OF PRICE-WAGE SPIRAL

Unemployment rates (%)



Source: Eurostat, Coface

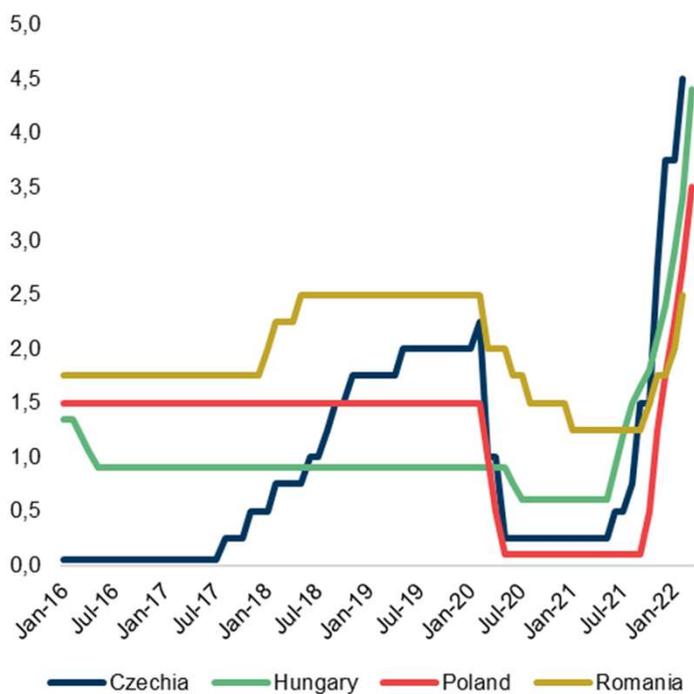
Real wage growth (% YoY changes)



Source: Statistical offices, Coface

MONETARY TIGHTENING

Interest rates (%)



Source: Central banks, Coface

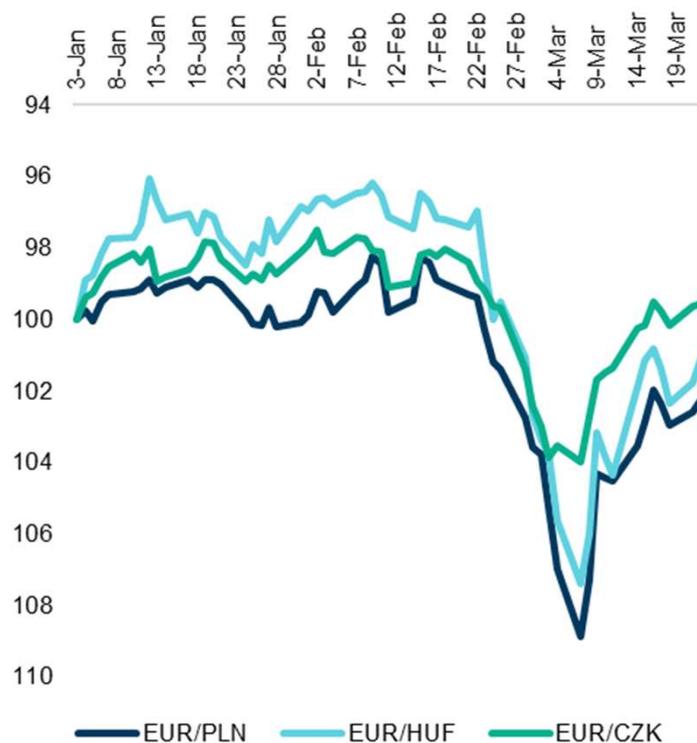
Poland: Core inflation (% YoY changes)



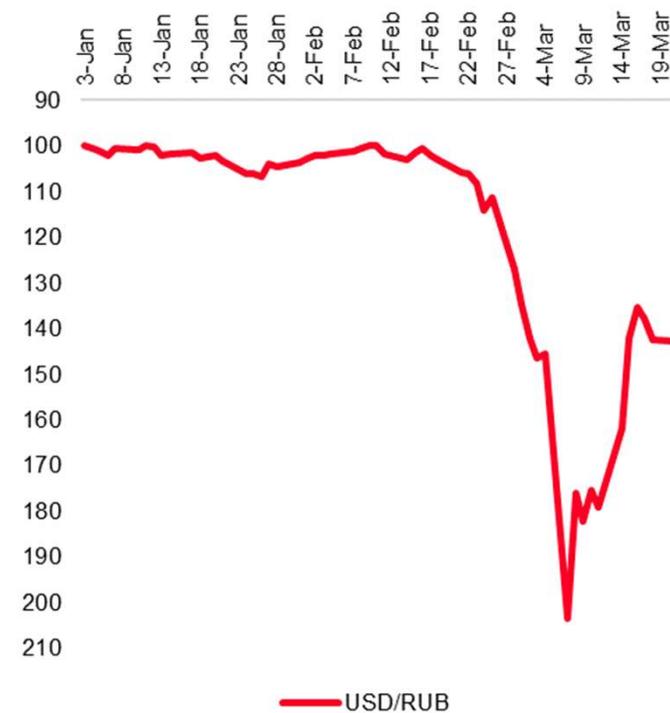
Source: NBP, Coface

THE UNCERTAINTY HAS AFFECTED CEE CURRENCIES

Currency exchange rates of selected CEE currencies (3 Jan 2022=100; inverted scale)

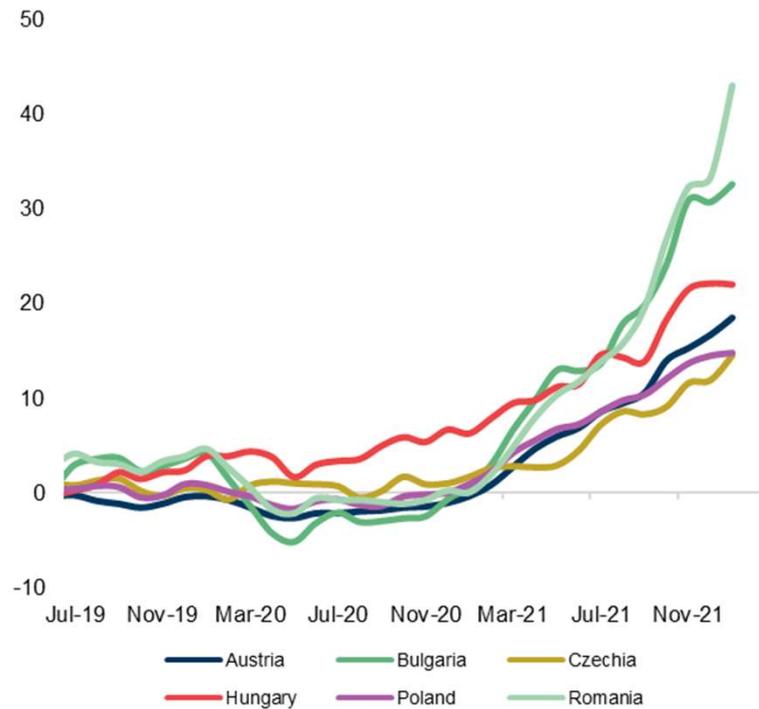


Currency exchange rate of Russian rouble (3 Jan 2022=100; inverted scale)



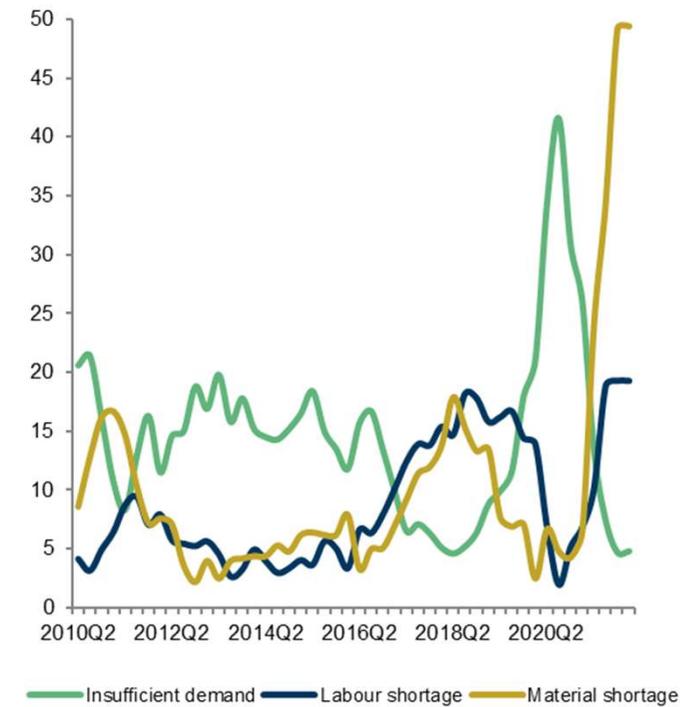
HIGH INPUT PRICES AND MATERIAL SHORTAGES

Producer prices in industry PPI
(%, YoY changes)



Source: Eurostat, Coface

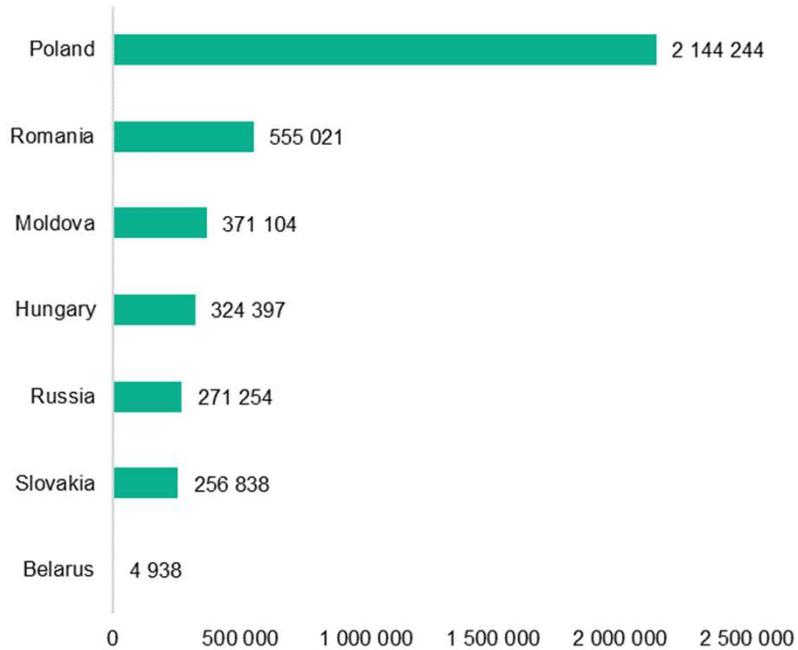
Austria: Factors limiting production
(industry, survey)



Source: Eurostat, Coface

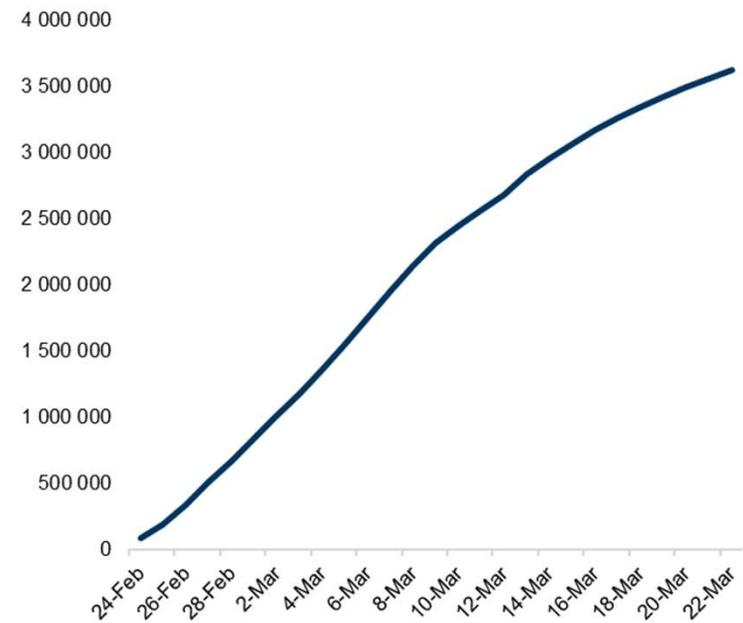
INFLOW OF UKRAINIAN REFUGEES

Total refugee influx from Ukraine in neighbouring countries since 24th Feb 2022
(as of 22nd Mar 2022)



Source: UNHCR, Coface

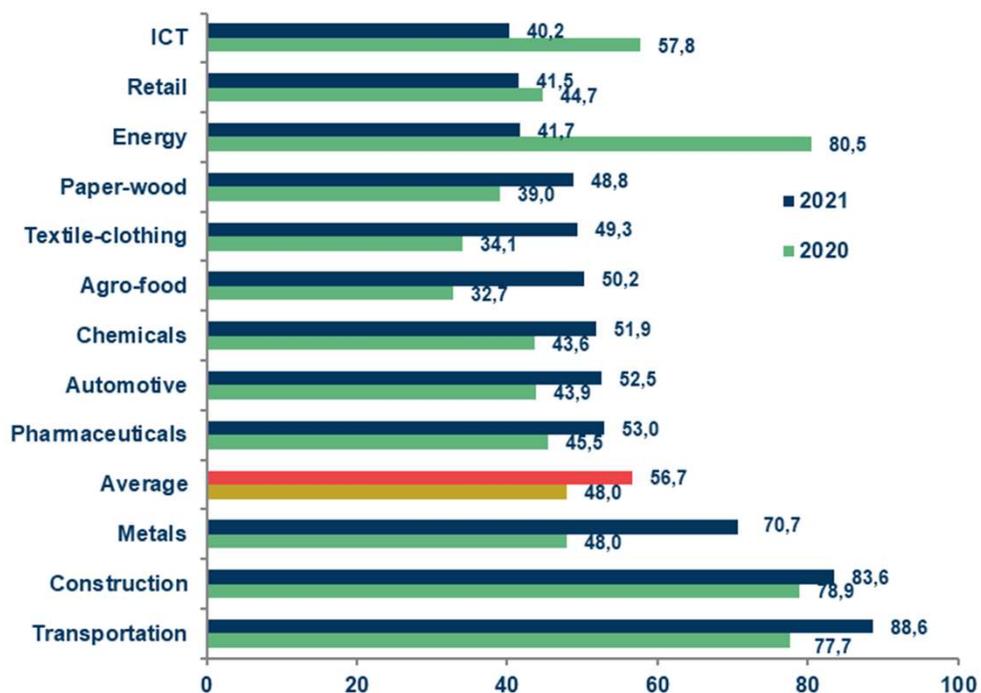
Total refugee influx from Ukraine by date (cumulative)



Source: UNHCR, Coface

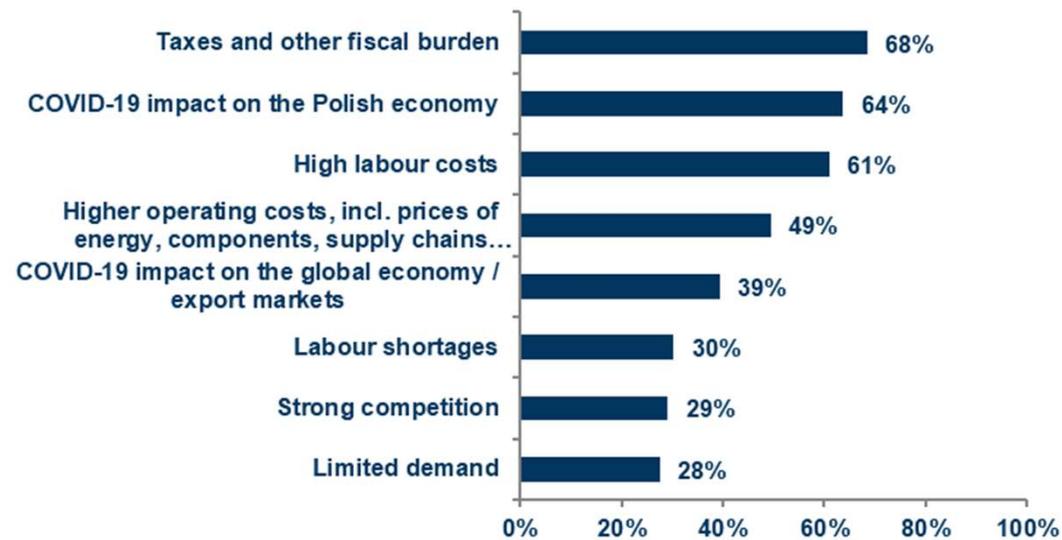
POLAND: PAYMENT DELAYS STARTED TO LENGTHEN; INSOLVENCIES WILL RISE AS WELL?

Poland: Average payment delays
(days)



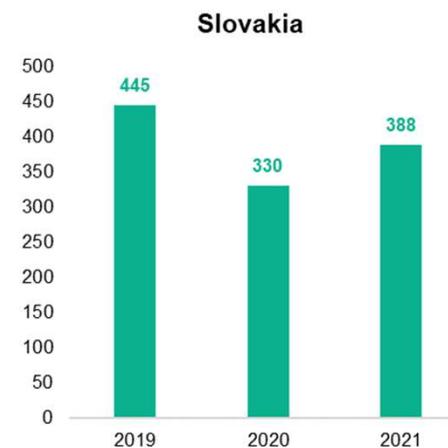
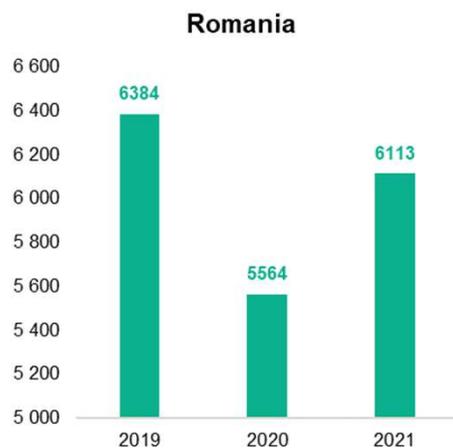
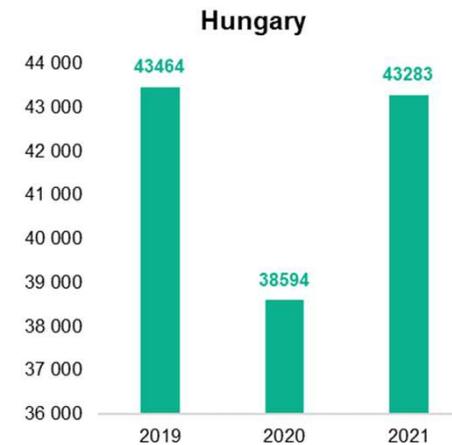
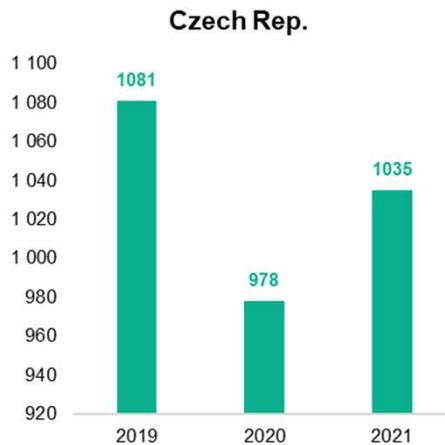
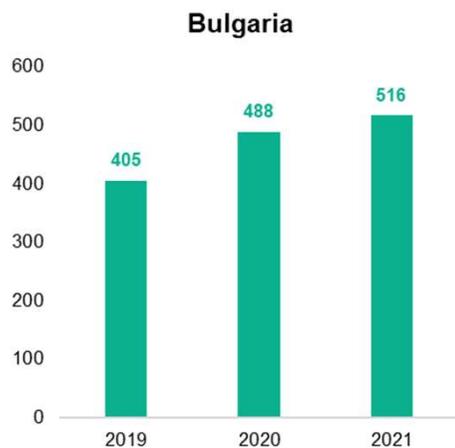
Source: Coface Poland Payment Survey 2022

Poland: Obstacles for the business activity
(several answers possible)



Source: Coface Poland Payment Survey 2022

CEE INSOLVENCIES



Source: Coface

QUESTIONS?



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The banner image shows two women in a meeting. On the left, a woman is looking towards the right. On the right, another woman is pointing at a whiteboard with colorful sticky notes. The background is a blurred city street at night with bokeh lights.



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