

Russia-Ukraine War: Faraway conflict, local consequences

By [Russel Mbena](#)

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Russia and Ukraine may be tens of thousands of kilometers away from South Africa, but the former's invasion of the latter will have serious ramifications for the citizens of this country.



Source: Supplied. Russel Mbena, chief executive officer of the Southern African Institute of Government Auditors (SAIGA).

When Russia unleashed its military might on Ukraine on February 24, its leader, Vladimir Putin, said the assault was aimed at protecting Ukrainians who, he claimed, had faced humiliation and genocide at the hands of their government. This, he added, would be achieved through the demilitarisation and de-Nazification of Ukraine.

While it is difficult or nearly impossible to predict the future, one scenario being put forward is that the conflict will develop into a protracted war. This will likely happen if it takes longer than anticipated for Russian forces to secure Ukrainian cities, whose defenders fight from street to street. This implies that the impact on both the protagonists and countries that have absolutely nothing to do with the conflict, such as South Africa, will be felt for a long time to come.

As stated, South Africa is not insulated from the ramifications of the Russia-Ukraine conflict. We have already seen the price of crude oil increase to levels about \$100/bl, owing to fears that Western trade and other sanctions on Russia would curb supplies from that country, which is the world's largest oil exporter, according to the International Energy Agency.

Elevated crude oil prices on the world market will translate to higher fuel prices for South African motorists, taxi operators and those in the business of moving goods. The taxi operators will simply pass the additional cost of fuel on to commuters, and so too will retailers, that themselves will be asked to part with more money to have their wares delivered to their outlets.



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Oil prices had been rising for about six months prior to the outbreak of the war. If the recent increases persist, the World Bank estimates that a full percentage point will be shaved off the gross domestic product growth of South Africa and other oil importers. Prior to the conflict, this country's economy was expected to grow by 2% annually in 2022 and 2023.

Russia and Ukraine, which happen to be former members of the now defunct Union of Soviet Socialist Republics, are major producers of wheat and other grains. Combined, the two countries account for 30% of the world's traded wheat. With Ukraine's ports closed and much of Russian grain supply frozen by Western sanctions, there are fears that tightening supplies will lead to shortages in importing countries. This country imports 40% of its wheat requirements and in the past almost a third came from Russia and Ukraine.

While the Agricultural Business Council of South Africa has stated that it does not believe this country will experience shortages of wheat, which is milled into flour, a key ingredient for making bread - one of this country's staple foods - the international wheat price has soared because of limited supplies. In early March, wheat traded in Chicago (the international benchmark), had risen by more than 50% since the Russian invasion. This will ultimately reflect in South African wheat prices and prices South Africans will pay when buying bread.

It is likely that, because of the raging war, the planting of this year's spring wheat, barley, and maize crops in the two countries will be disrupted. This implies that the global shortage of these grains will linger for some time.

The guns may not be ringing out on our shores, but South Africans from all walks of life will feel the impact of the war between Russia and Ukraine.

ABOUT THE AUTHOR

Russel Morena is the chief executive officer of the Southern African Institute of Government Auditors (SAIGA).

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