

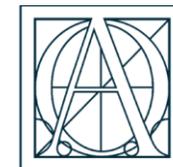


PUBLIC WEBINAR **JUNE 2022**

Middle East and North Africa's looming food crisis

June 21, 2022 | 3pm - 4pm UK (10am – 11am ET)

The pioneer of
geopolitical analysis



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The Oxford Analytica Daily Brief: in-depth analysis published every business day on the most pressing geopolitical trends and topics.

The screenshot shows the Oxford Analytica Daily Brief website. At the top, there is a navigation bar with the Oxford Analytica logo and 'DAILY BRIEF' text, followed by menu items: Latest, International, Regions, Sectors, and Issues. On the right side of the navigation bar are icons for a book, a search magnifying glass, and a user profile. Below the navigation bar, the main content area is titled 'The Oxford Analytica Daily Brief' with the date 'Monday, June 20, 2022'. There are two main featured articles: one about China's Party Congress with a photo of the congress and a 'CHINA' tag, and another about Ukraine's economic situation with a photo of a market and a 'LATIN AMERICA' tag. To the right of these articles is a sidebar with three more article teasers: 'Indian government seeks to 'democratise' e-commerce' (tagged INDIA), 'Ukraine war will boost East European arms business' (tagged UKRAINE), and 'Prospects for Nigeria to end-2022*' (tagged NIGERIA). Below the main content area is a section titled 'Prospects 2022 Update' with six article thumbnails: Nigeria, Russian economy, South-east Asia, Arab-Israeli conflict, US economy, and Eastern Europe. On the far right, there is a 'Conference calls' section listing two upcoming webinars: 'Europe's energy strategy in flux' on Wednesday, June 15, 2022, and 'Middle East and North Africa's looming food crisis' on Tuesday, June 21, 2022. At the bottom of the page, there is a link for 'All conference calls'.

To make you aware

- _ This webinar will be recorded and made available to those who register for two weeks
- _ We encourage you to submit questions during the webinar via the Q&A function at the bottom of the screen. Please tick '**Send anonymously**' if you don't wish to be identified by name.

Your panel today:

- _ **Martin Keulertz**, *Lecturer in Environmental Management at the University of the West of England, Bristol; Adjunct Assistant Professor in Food Security, American University of Beirut; Member of the Oxford Analytica Expert Network*
- _ **David Butter**, *Associate Fellow, Middle East and North Africa Programme; Oxford Analytica Region Head*
- _ **Elizabeth Rust**, *Senior Analyst, Global Economics at FrontierView*
- _ **Chair: Nick Redman**, *Editor in Chief and Director of Analysis, Oxford Analytica*

Elizabeth Rust

*Senior Analyst,
Global Economics
at FrontierView*



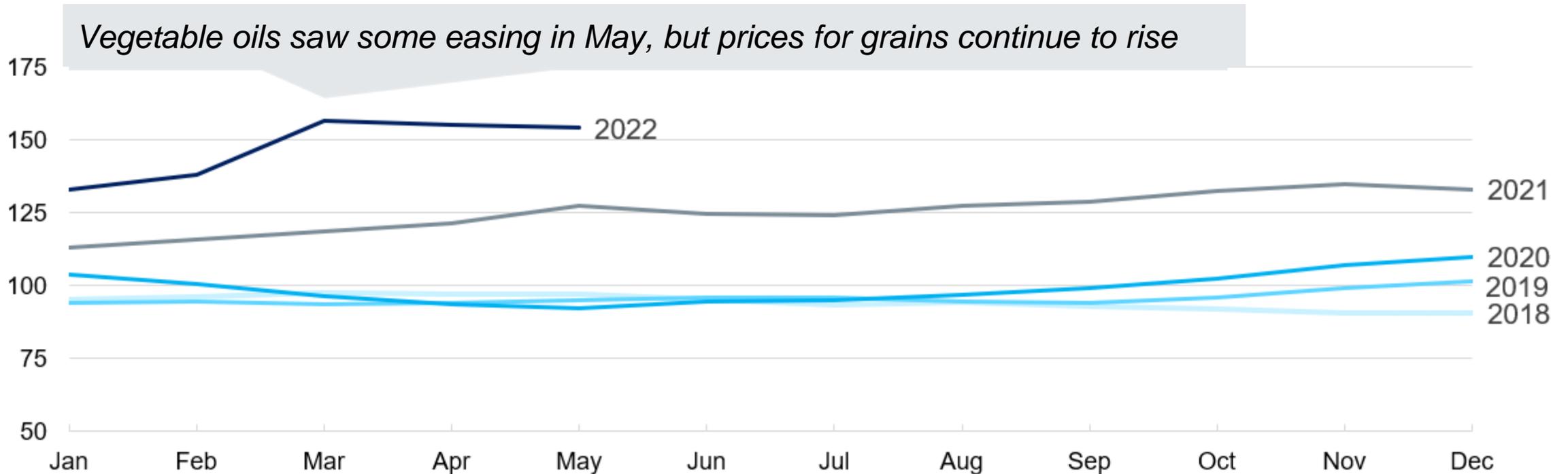
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Food prices are at all-time highs due to war-related supply disruption, export bans, and input cost inflation

Real Global Food Price Index, 2014-16 = 100



Martin Keulertz

- Lecturer in Environmental Management at the University of the West of England, Bristol*
- Adjunct Assistant Professor in Food Security, American University of Beirut*
- Member of the Oxford Analytica Expert Network*

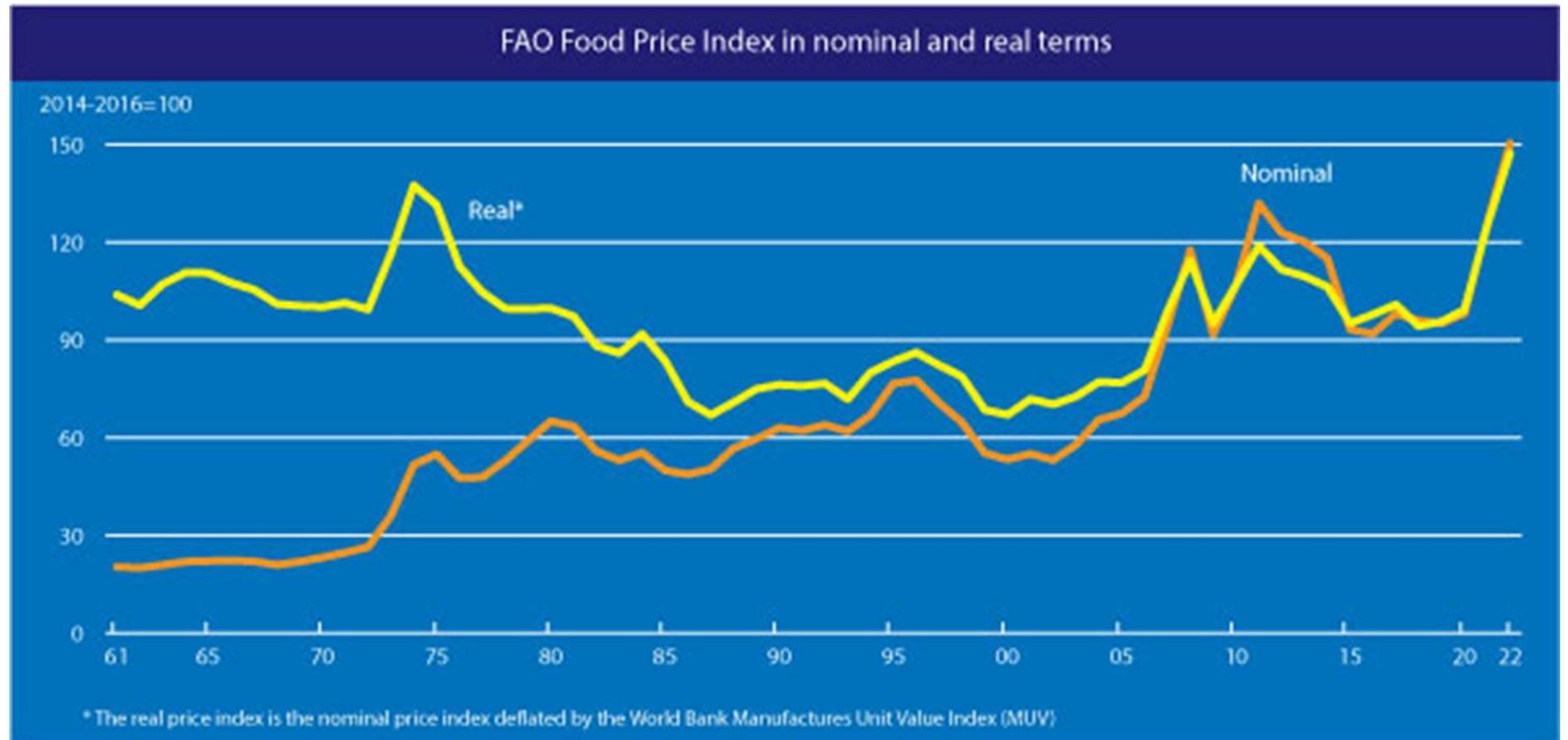


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Food prices are at an all-time high



Source: Food and Agriculture Organisation of the United Nations, 2022



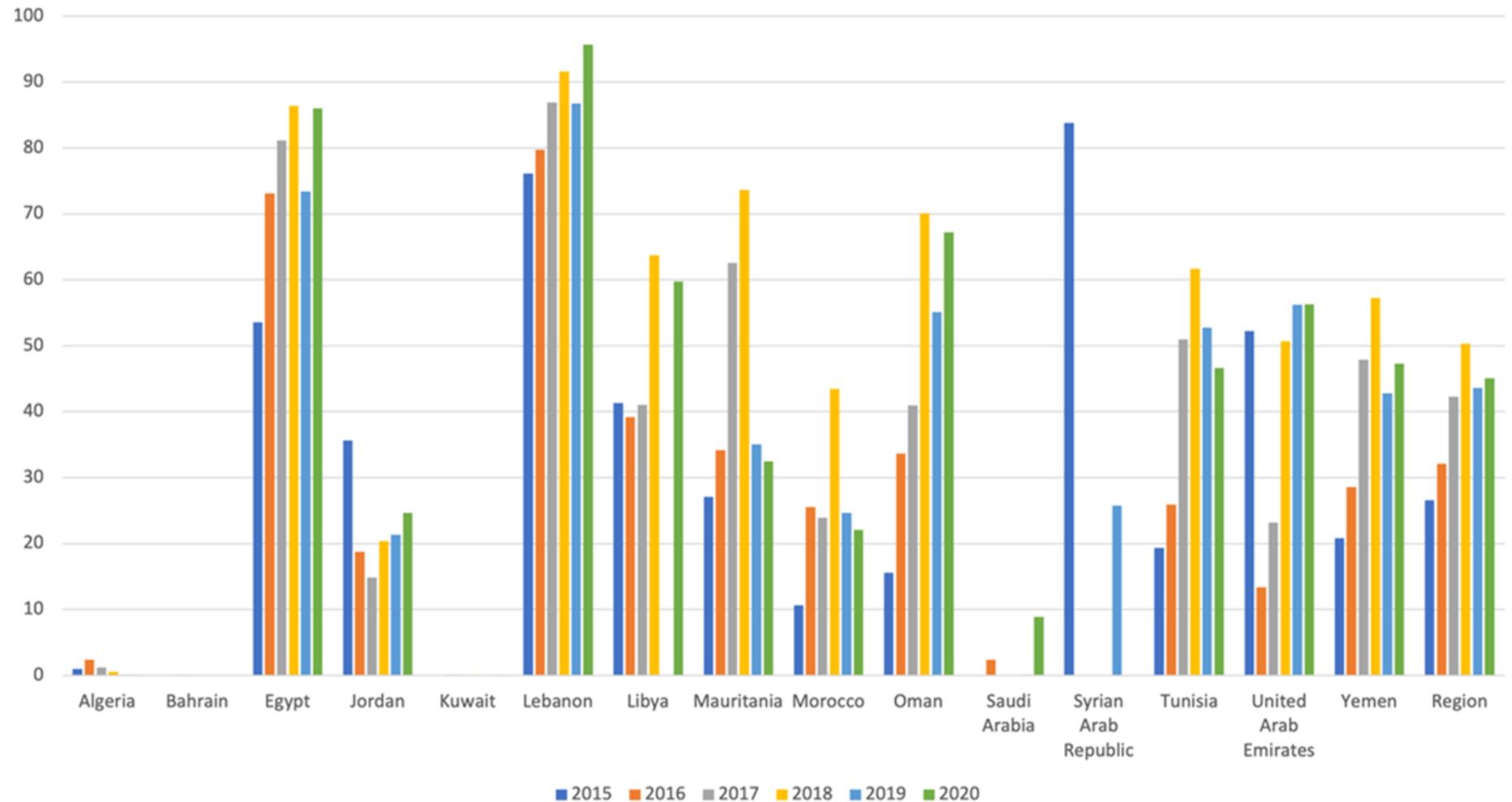
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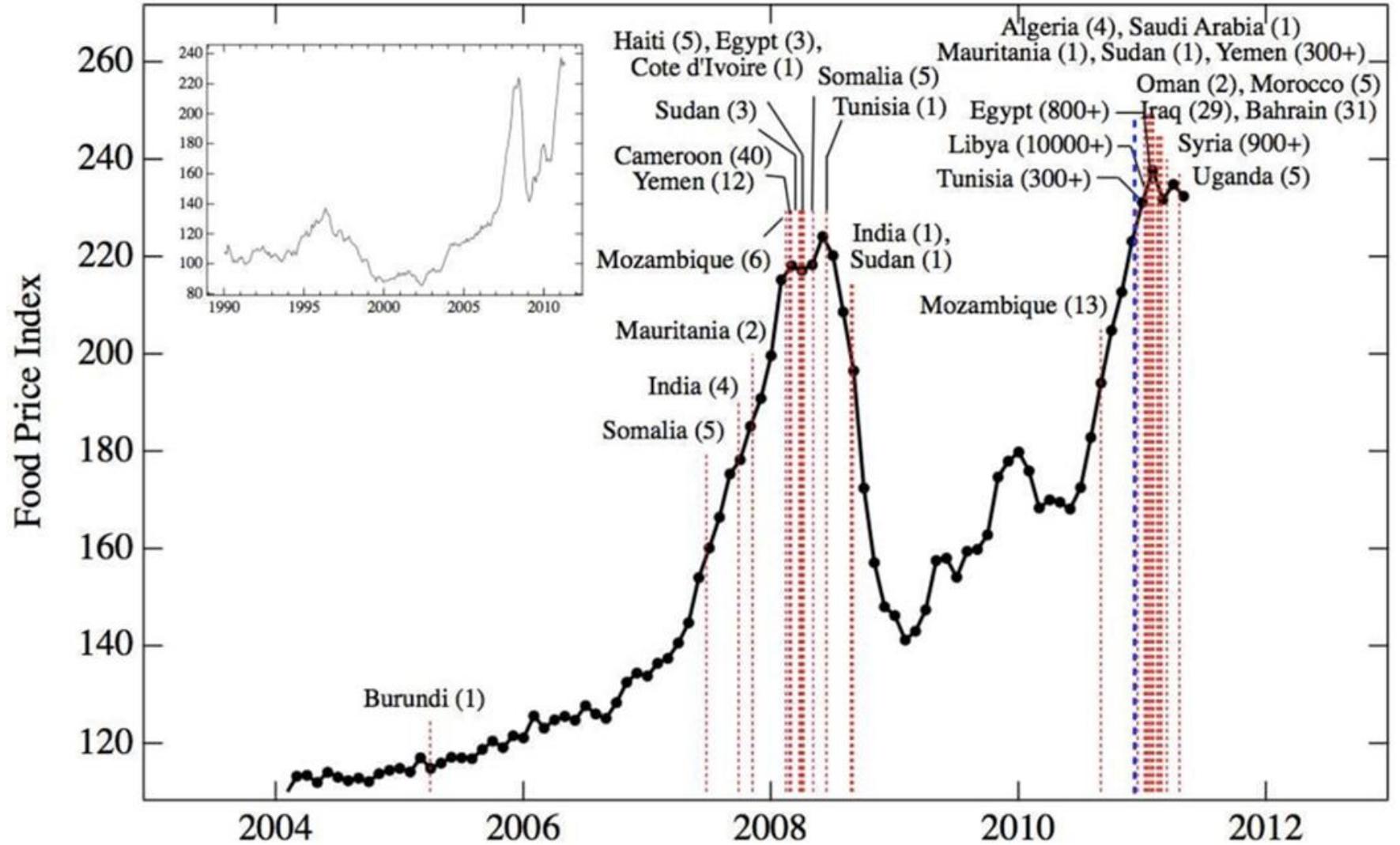
MENA's reliance on Black Sea Wheat

% of wheat
imports from
Russia and
Ukraine to Arab
countries

Source: Food and Agriculture
Organisation of the United
Nations, 2022



Food price spikes and social unrest



Source: New England Complex Systems Institute, 2012



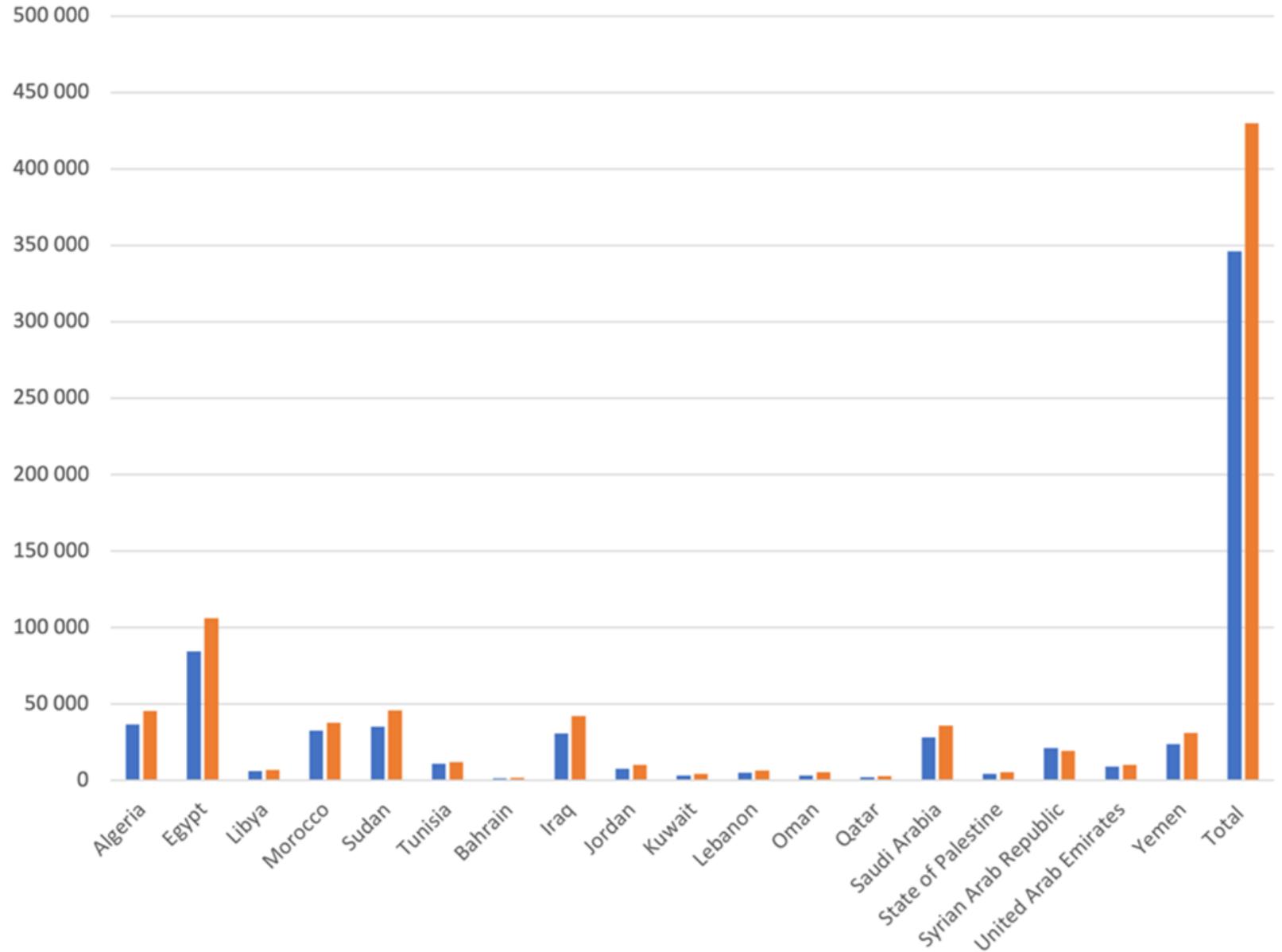
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Population development

Population growth from 2011 to 2022

- 2011
- 2022



David Butter

*Associate Fellow, Middle East
and North Africa Programme;
Oxford Analytica Region Head*



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Egypt's food subsidy budget (2022/23)

- £E90bn (\$4.8bn), accounting 4.3% of total expenditure of £E2trn
- Bread subsidy allocation is £E48.9bn (\$2.6bn)
- Most of remainder, £E36bn, is for other items on the ration card: 63.3m people; £E50/month for families of up to four; £E25 for each additional member; covers rice, tea, pasta, cooking oil

Breaking down Egypt's bread subsidy

- 8.5m tonnes of wheat needed, of which 7.878m to make 90bn loaves of bread + 622k for flour storage
- Extra budgetary costs for measures to procure more wheat from local farmers put at £E5bn, including price rise to equivalent of \$375/tonne, and transportation allowance.
- Extra budgetary cost for higher wheat import prices put at £E3bn
- Costs covered partly by streamlining ration card system and internal efficiencies
- Policy decision on increasing price from 5p/loaf and moving to cash subsidies likely to be deferred. But IMF?
- Bread production cost estimated at 65p/loaf in 21/22, now much higher



Knock-on budgetary costs

- Interest payments budgeted at £E690bn (90% domestic), accounting for one-third of total expenditure, 45% of revenue
- Interest costs will rise because of rate hikes and increased borrowing
- Fuel subsidies budgeted at £E28bn, but will come in much higher if current policy of limiting price increases continues
- Diesel price unchanged since July 2019, now equivalent to 37cents per litre – positive for farmers and distribution
- Natural gas price for industry and electricity unchanged since early 2020; \$5.75/mmBtu for fertilizer producers



Fiscal scenarios

- Actual food subsidy cost could reach £E150bn
- Actual fuel subsidy cost could reach £E100bn
- Actual interest payment cost could reach £E800bn
- Assuming revenue hits target and unchanged nominal GDP assumption, deficit will be 8-9% of GDP rather than 6.1% target

Question and answer

- _ Please submit questions via the Q&A function at the bottom of the screen.
- _ Please tick '**Send anonymously**' if you don't wish to be identified by name.



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The main content area is titled 'The Oxford Analytica Daily Brief' with the date 'Monday, June 20, 2022'. It features two primary article cards:

- China:** 'China's Party Congress will lay ground for next decade'. The sub-headline reads: 'The Party Congress this autumn will almost certainly give Xi another term, but there will be other important changes too'. The image shows a formal meeting with a large red flag.
- Latin America:** 'Ukraine will worsen existing Latin American weaknesses'. The sub-headline reads: 'Regional growth and poverty forecasts have worsened since Russia's invasion of Ukraine in February'. The image shows a person in a market stall.

To the right of these cards is a sidebar with three additional article teasers:

- India:** 'Indian government seeks to 'democratise' e-commerce'.
- Ukraine:** 'Ukraine war will boost East European arms business'.
- Nigeria:** 'Prospects for Nigeria to end-2022*'.

Below the main content area is a section titled 'Prospects 2022 Update' with six sub-cards:

- Nigeria:** Image of a market stall.
- Russian economy:** Image of an industrial facility.
- South-east Asia:** Image of a large conference room with multiple screens.
- Arab-Israeli conflict:** Image of a group of men in suits.
- US economy:** Image of two men in suits sitting at a table.
- Eastern Europe:** Image of two men in suits standing together.

On the far right, there is a 'Conference calls' section with two upcoming events:

- Europe's energy strategy in flux:** 'Our next Deep Dive webinar, exclusive to clients'. Scheduled for Wednesday, June 15, 2022, from 3pm - 4pm UK (10am - 11am EDT).
- Middle East and North Africa's looming food crisis:** 'Our next public webinar'. Scheduled for Tuesday, June 21, 2022, from 3:00 pm - 4:00 pm UK | 10:00 am - 11:00 am ET.

At the bottom of the page, there are links for 'All latest analysis' and 'All conference calls'.

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