



Food and Agriculture
Organization of the
United Nations

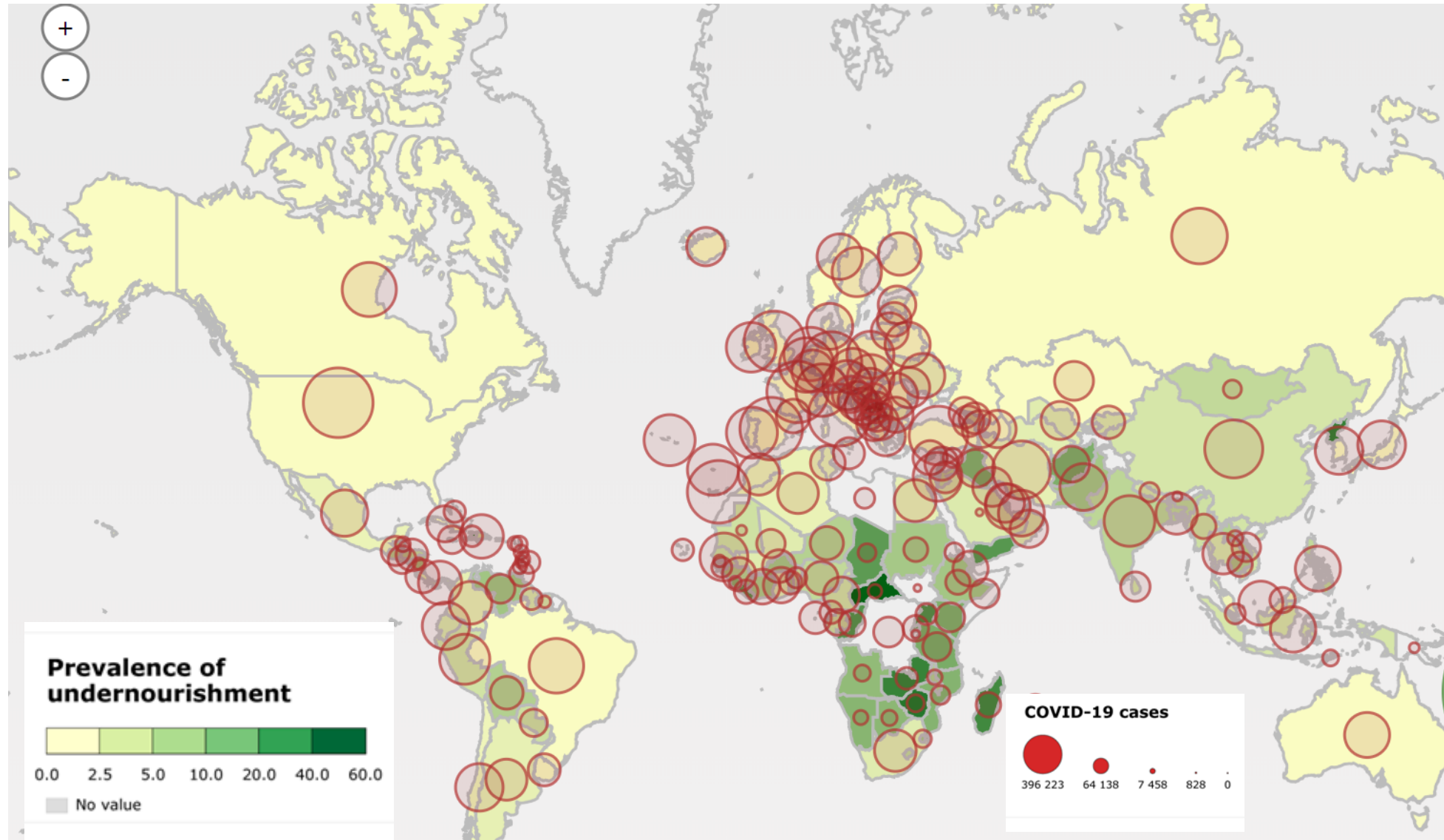


Global Economic Impacts of COVID-19

Maximo Torero

Chief Economist and Assistant Director General
Food and Agriculture Organization of the United Nations
27th of April 2020

Prevalence of undernourishment and confirmed COVID-19 cases

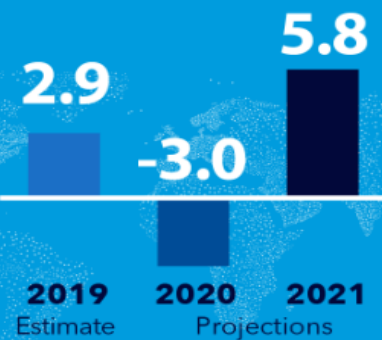




Latest World Economic Outlook growth projections

(percent change)

World

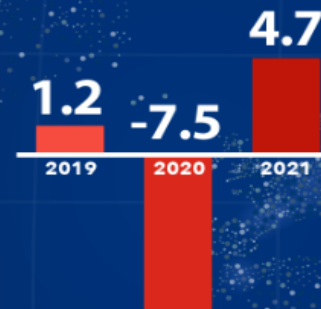


(real GDP growth, percent change)

UNITED STATES



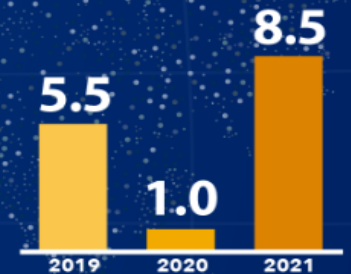
EURO AREA



MIDDLE EAST AND CENTRAL ASIA



EMERGING AND DEVELOPING ASIA



LATIN AMERICA AND THE CARIBBEAN



SUB-SAHARAN AFRICA



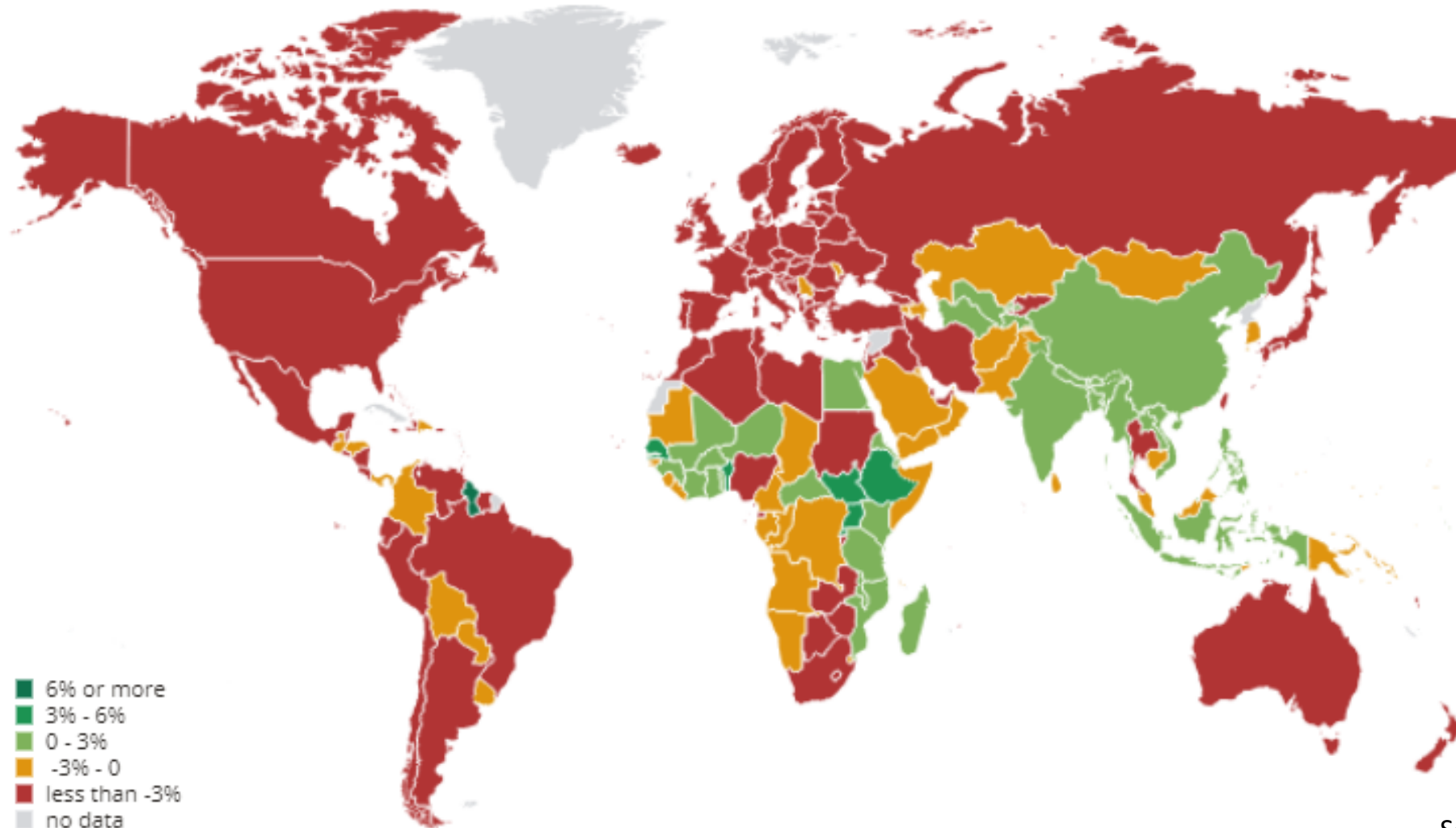
Source: IMF, *World Economic Outlook*, April 2020.

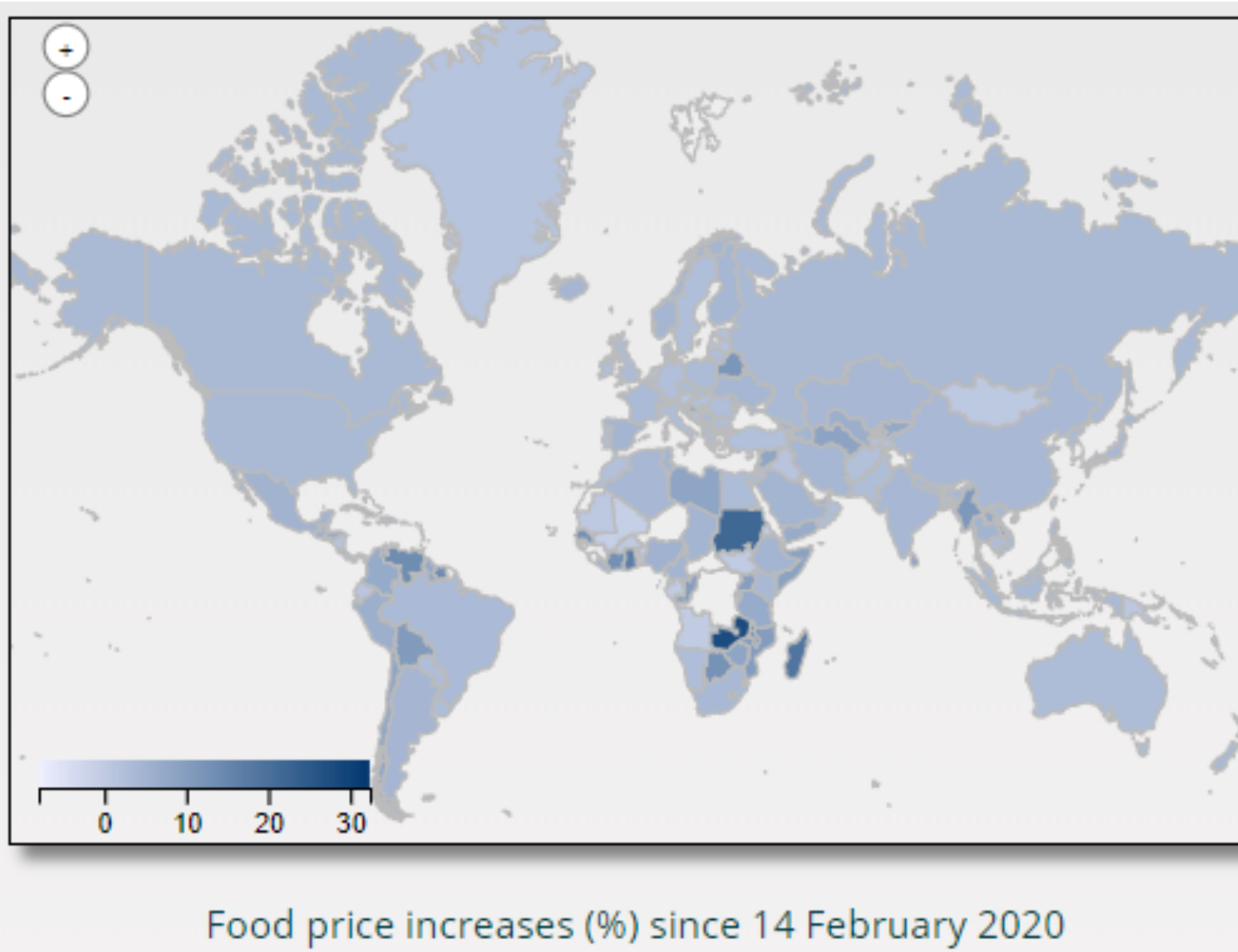
Note: Order of bars for each group indicates (left to right): 2019, 2020 projections, and 2021 projections.



Real GDP Growth

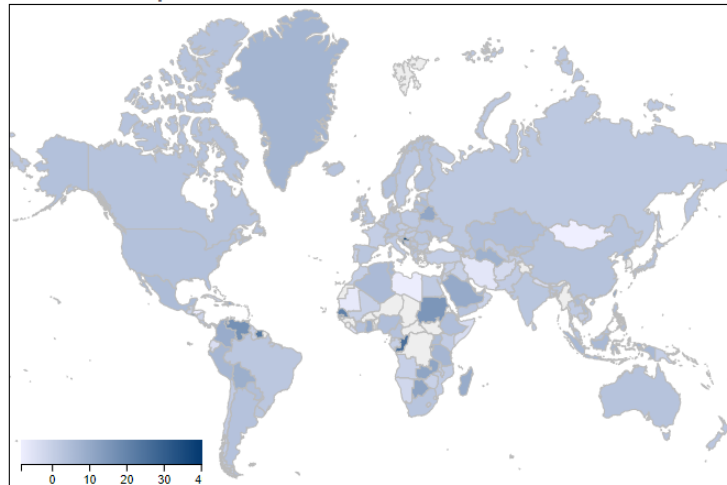
Annual percent change



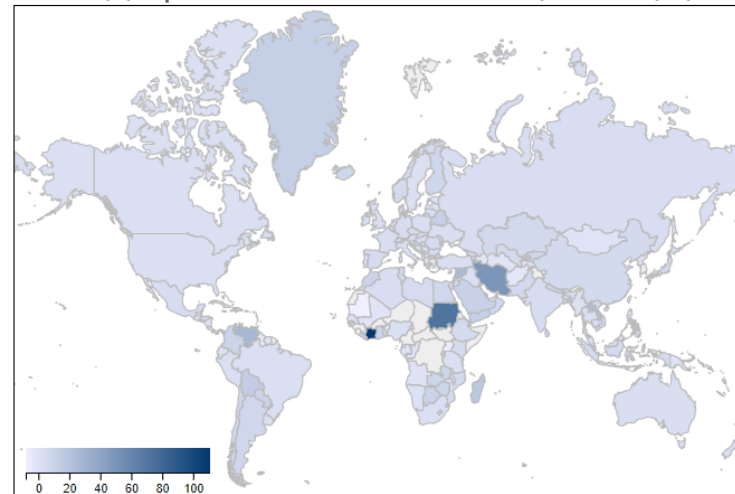




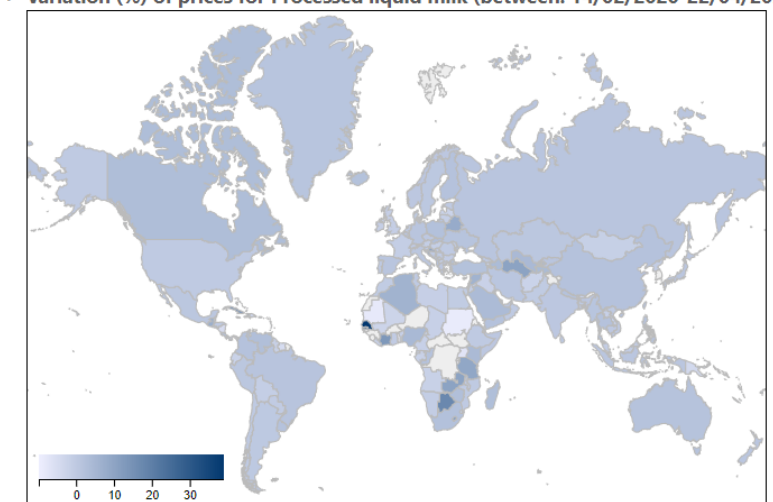
Variation (%) of prices for Meat of chickens, fresh or chilled (between: 14/02/2020-22/04/2020)



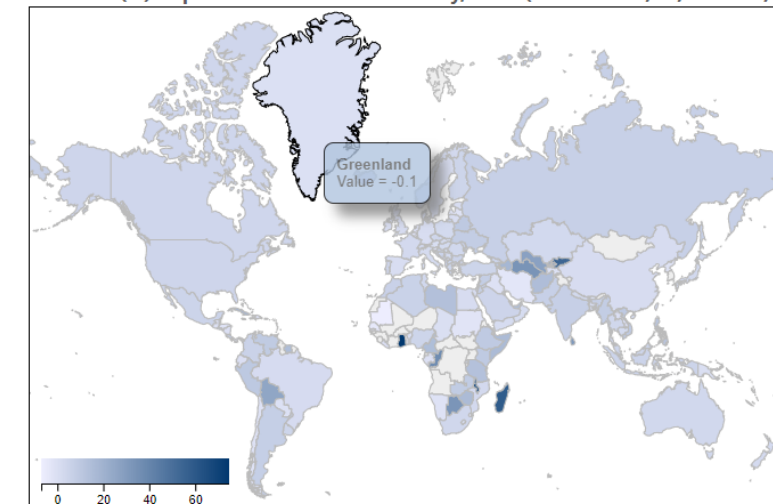
Variation (%) of prices for Bread and other bakers wares (between: 14/02/2020-22/04/2020)



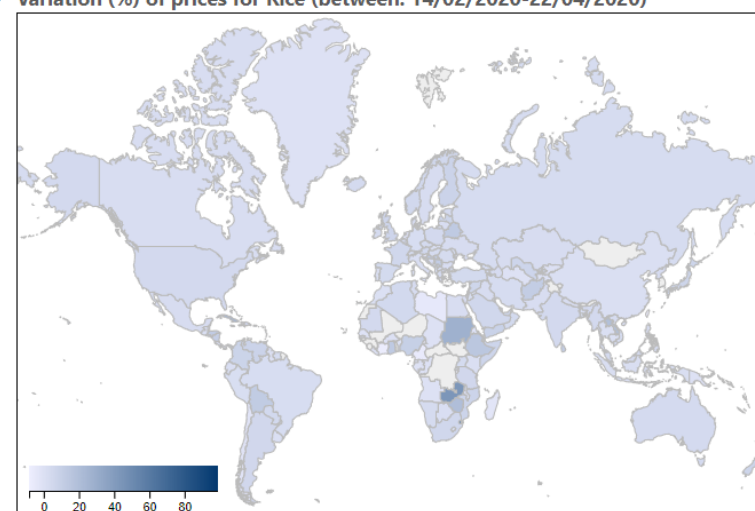
Variation (%) of prices for Processed liquid milk (between: 14/02/2020-22/04/2020)



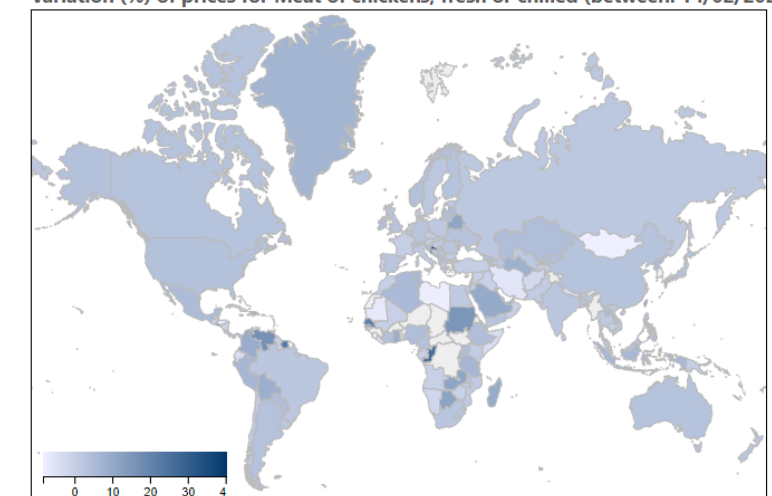
Variation (%) of prices for Lettuce and chicory, fresh (between: 14/02/2020-22/04/2020)



Variation (%) of prices for Rice (between: 14/02/2020-22/04/2020)



Variation (%) of prices for Meat of chickens, fresh or chilled (between: 14/02/2020-22/04/2020)



Source: CIA Factbook
Simran Khosla/ GlobalPost



	Tourism (% GDP)	External Debt (% GDP)	Reserves (no of months of imports)	Estimated Fall in GDP (%)	Financial Assistance Needed (million USD)
Maldives	66	48	2	17%	1,150
Seychelles	66	198	3	16%	153
St. Kitts and Nevis	63	20	6	16%	92
Grenada	56	59	4	14%	137
Vanuatu	48	46	10	12%	81
Cabo Verde	46	89	5	12%	131
St. Vincent and the Grenadines	46	38	4	12%	60
Antigua and Barbuda	45	34	3	11%	243
St. Lucia	43	35	3	11%	250
Palau	43	31	na	11%	31
Bahamas, The	40	194	3	10%	846
Fiji	40	17	3	10%	343
Dominica	38	55	5	10%	28
Barbados	36	29	3	9%	369
Jamaica	35	108	5	9%	775

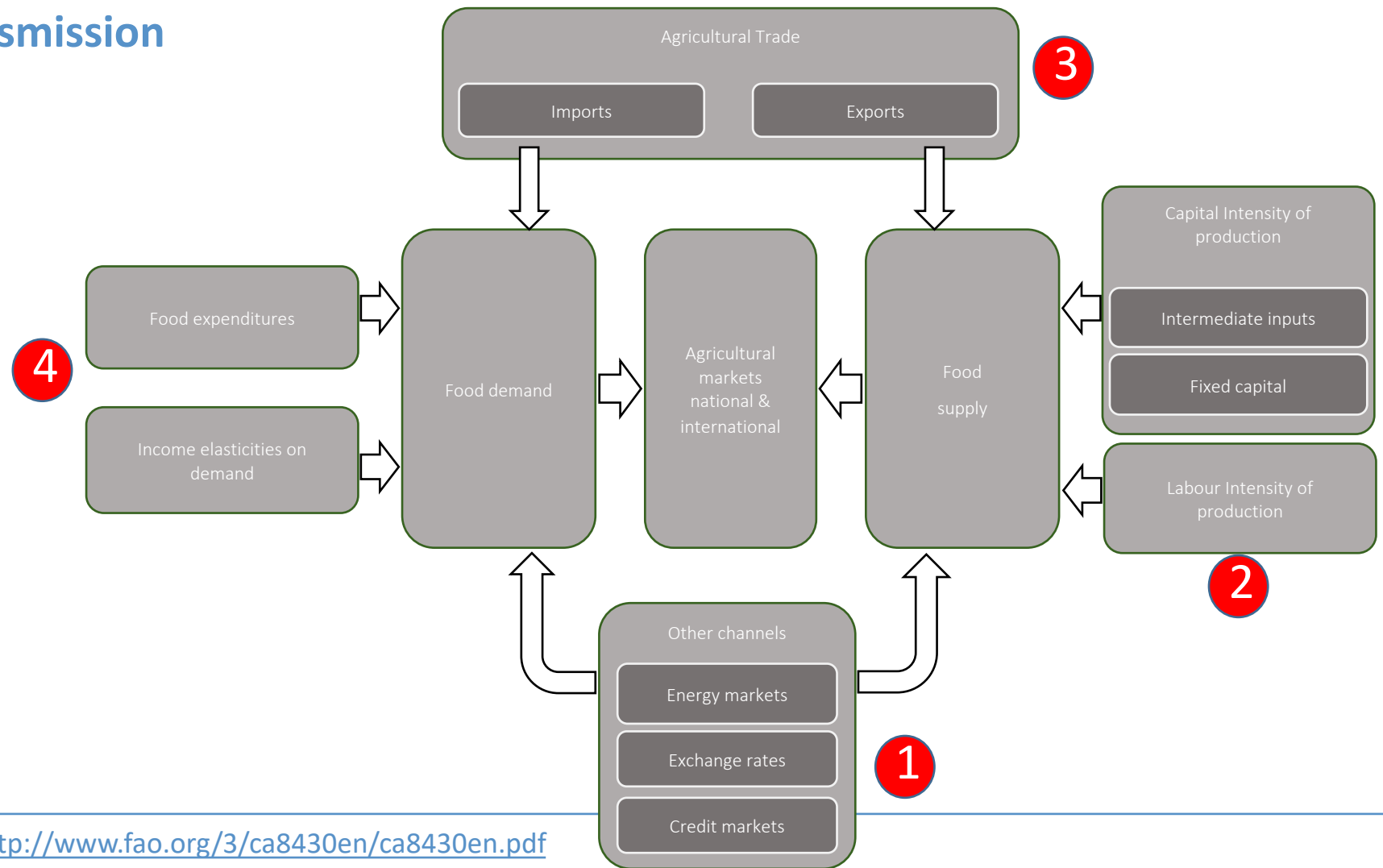
	Tourism (% GDP)	External Debt (% GDP)	Reserves (no of months of imports)	Estimated Fall in GDP (%)	Financial Assistance Needed (million USD)
Sao Tome and Principe	27	59	3	7%	25
Mauritius	24	72	5	6%	540
Samoa	23	51	4	6%	48
Tonga	21	41	8	5%	12
Kiribati	19	8	na	5%	1
Solomon Islands	13	29	9	3%	23
Comoros	10	17	7	3%	19
Marshall Islands	9	52	na	2%	5
Micronesia, Fed. Sts.	8	29	5	2%	6
Trinidad and Tobago	8	30	9	2%	135
Tuvalu	6	45	na	2%	1
Timor-Leste	3	7	7	1%	20
Nauru	1	22	na	0%	0
TOTAL SIDS	29	72	6	7%	5,523

Source: UNCTAD based on data from UNCTADStat, WTTC, World Bank, IMF and national statistics. Aggregates figures are GDP weighted averages. SIDS are defined according to the UNCTAD classification.

• Created with Datawrapper

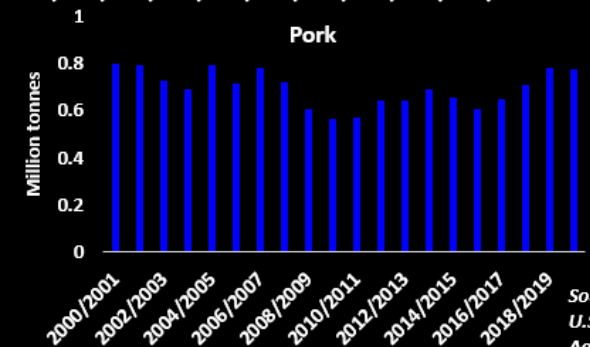
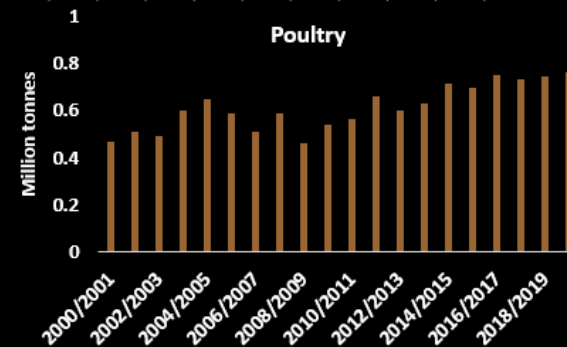
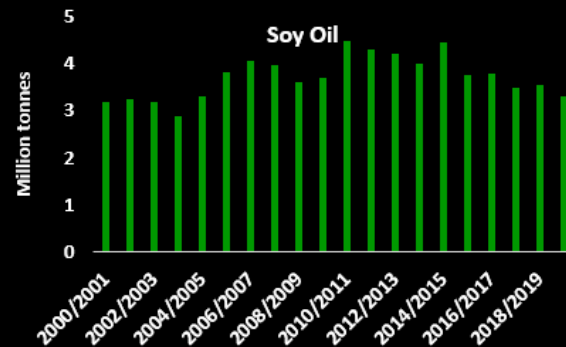
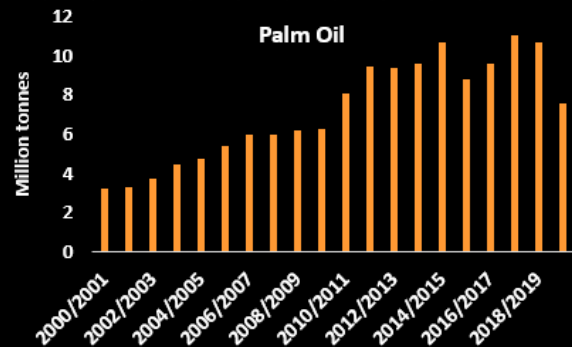
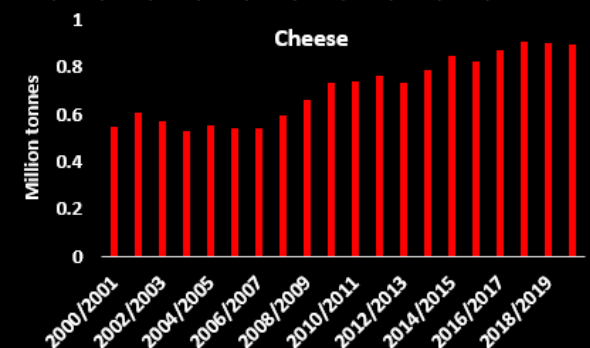
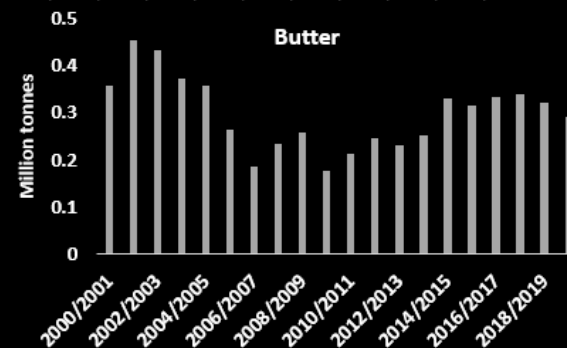
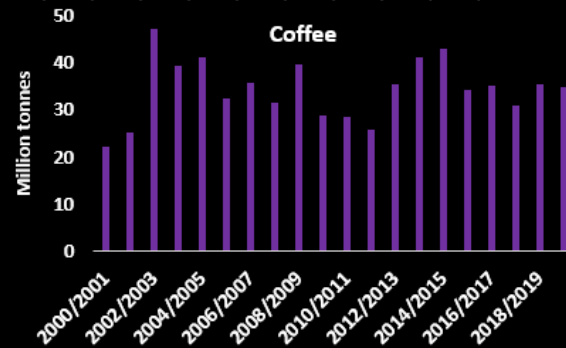
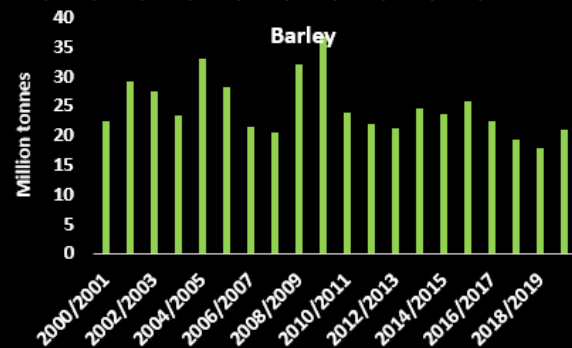
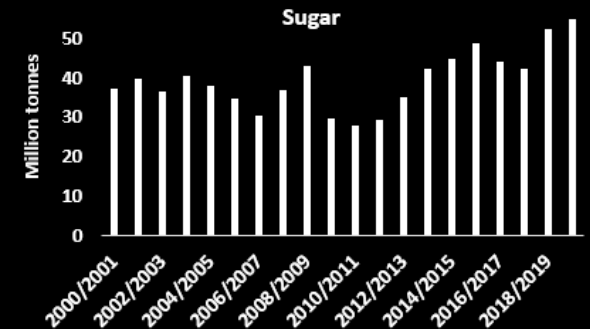
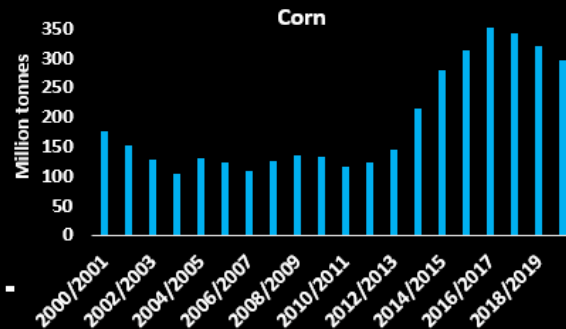
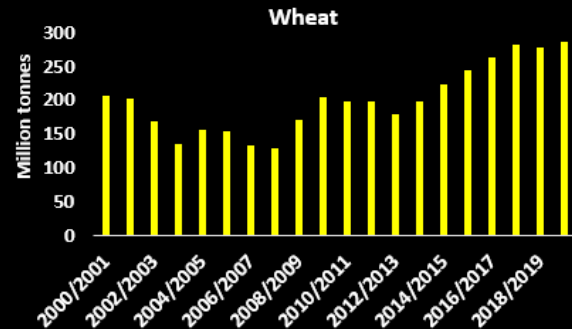
The basic channels of transmission

- Logistics – health and lockdown
- 1 Macro policies
 - 2 Health policies - lockdown
 - 3 Trade policies
 - 4 Economic recession



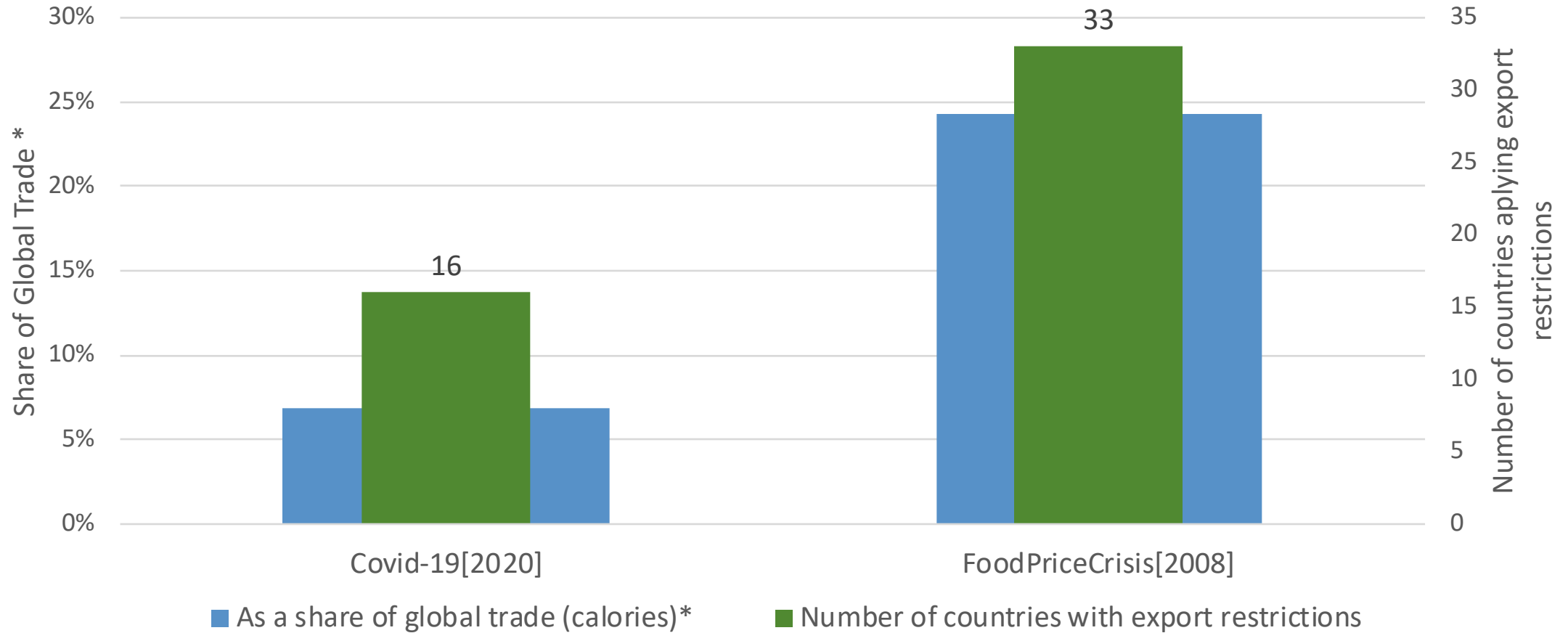


Global stocks of food staples





Then and now: food export restrictions during two crisis

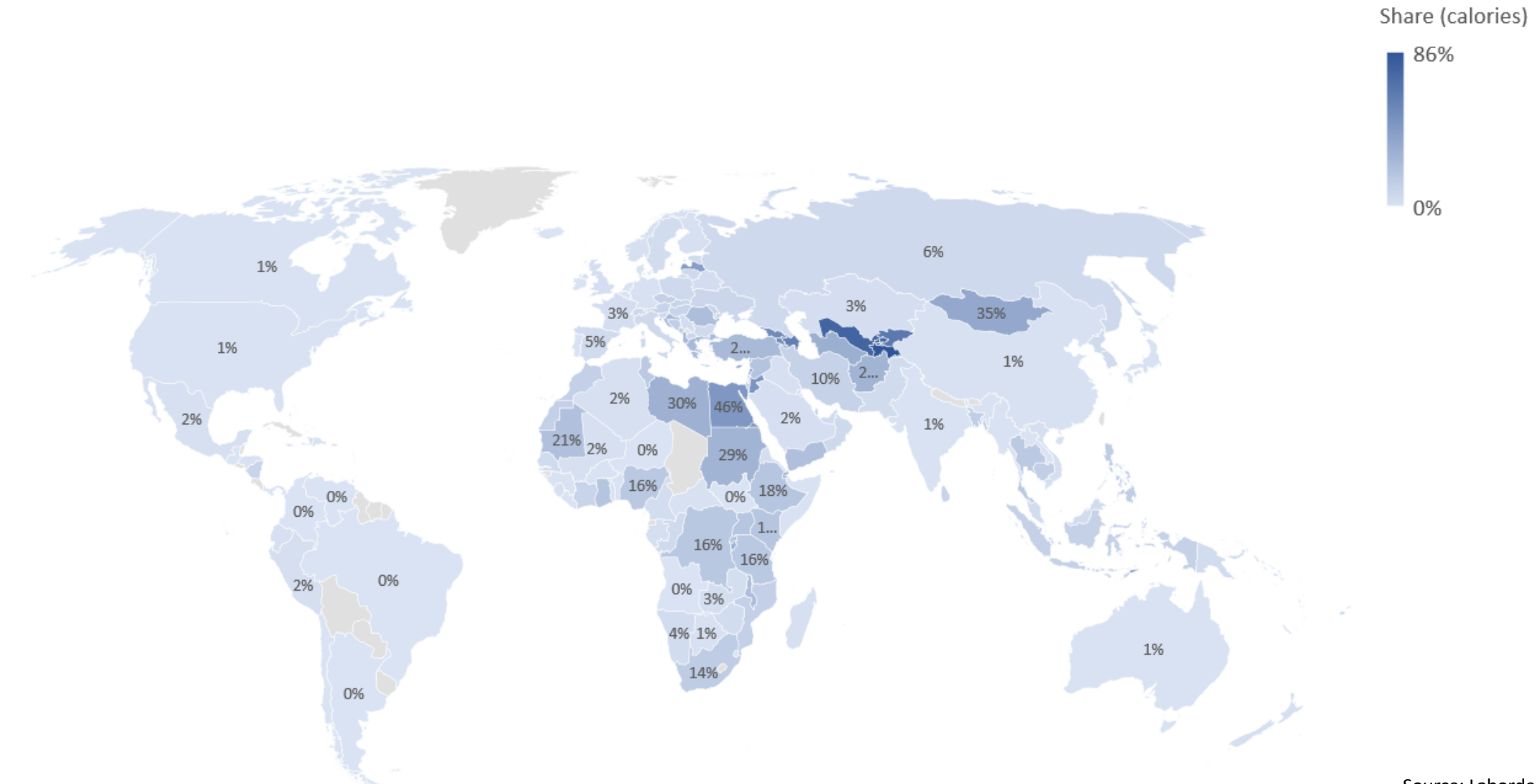


Note: * global trade is defined on non-intra EU trade flows, and for unprocessed food products and excluding sugar.

Source: Laborde (2020), IFPRI



2020 Export Restrictions as percentage of national imports (calories)





Weak demand sends oil tumbling

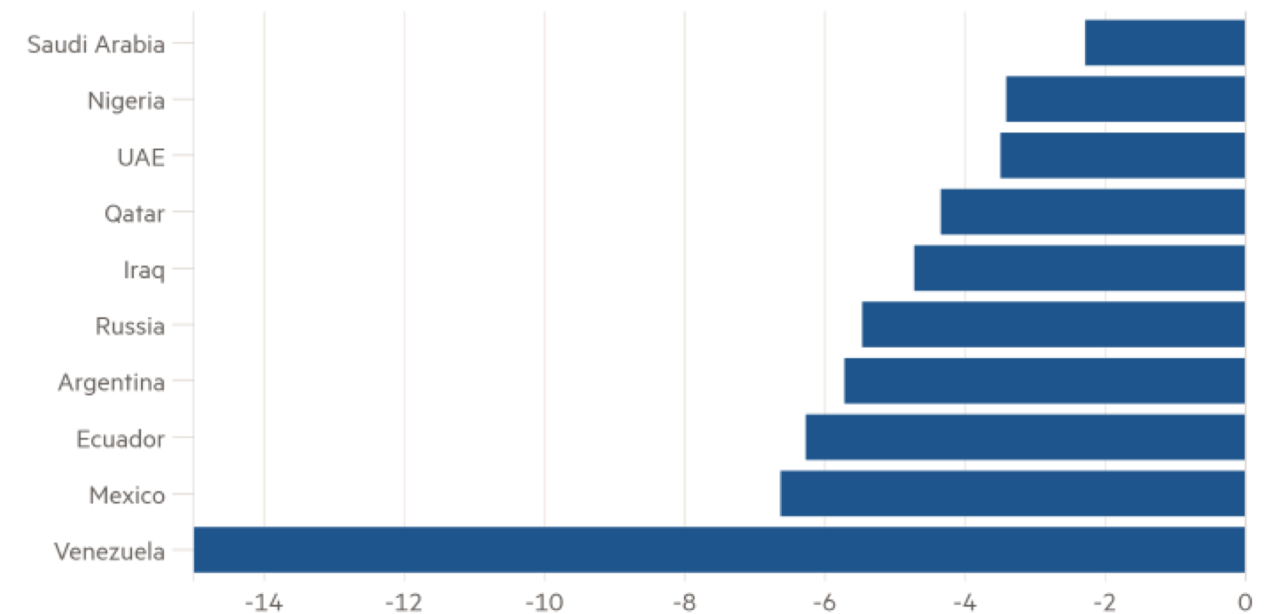
Brent crude (\$ per barrel)



Source: Refinitiv
© FT

Oil-dependent economies face sharp GDP contraction

2020 forecast (GDP change, %)



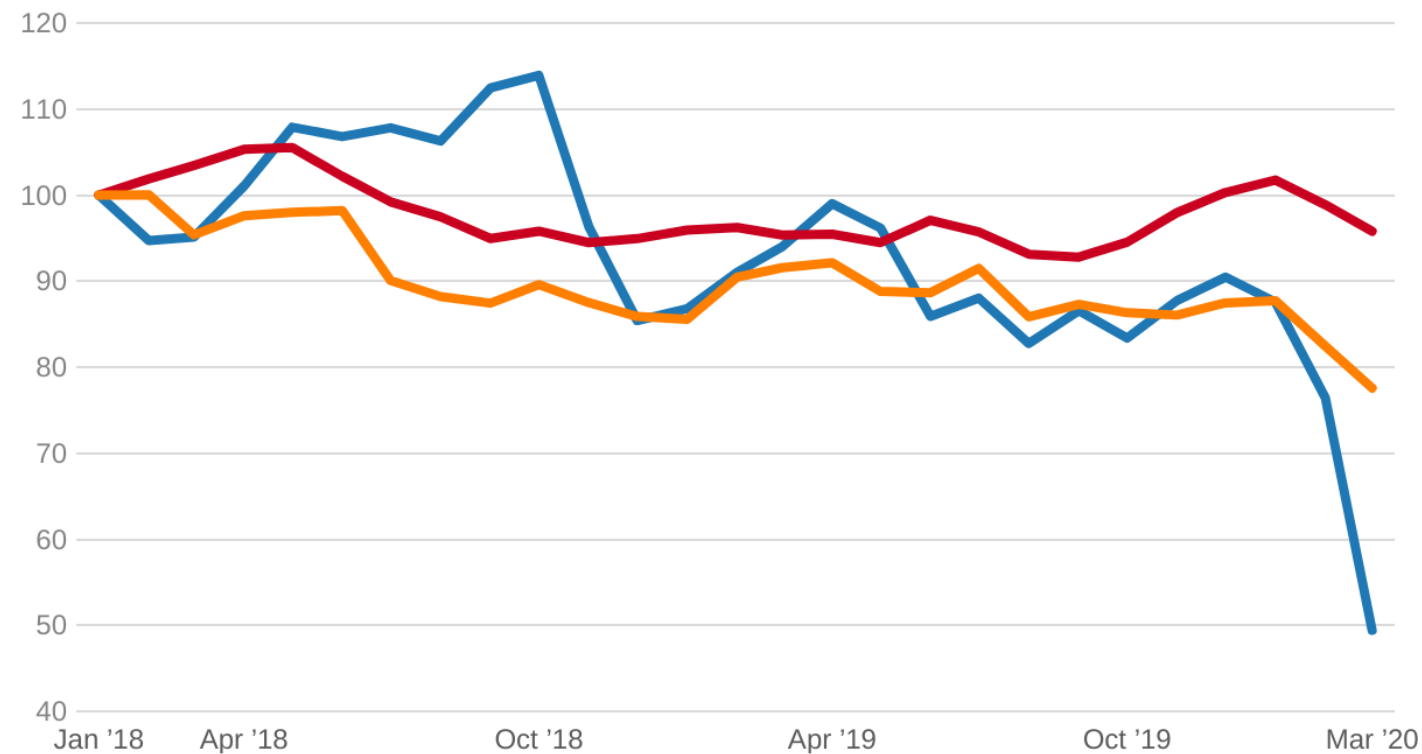
Source: IMF
© FT



As the coronavirus pandemic worsened, commodity prices fell

Index US\$ (Jan 2018 = 100)

Energy Agriculture Metals



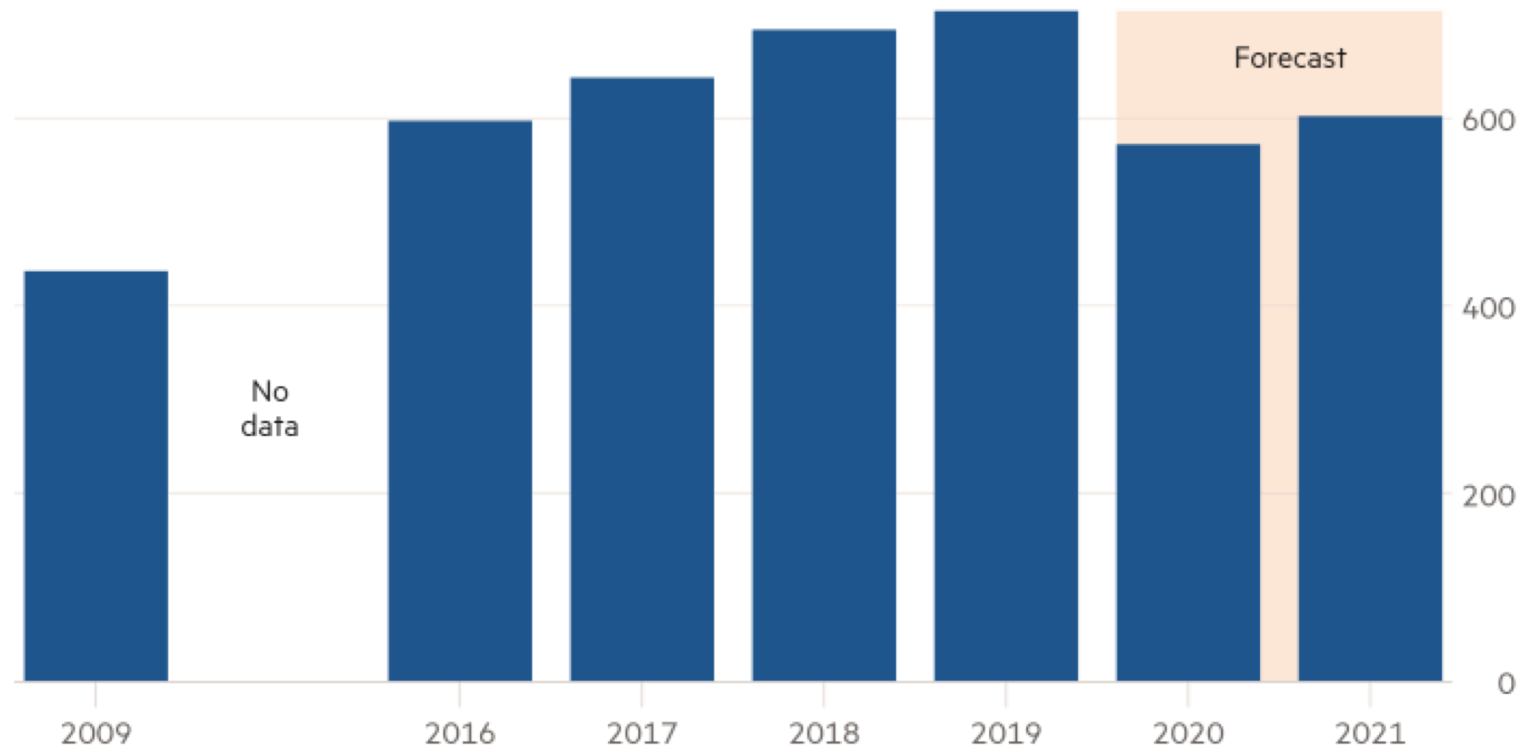
Last observation is March 2020

Source: World Bank • [Embed this chart](#)



World remittance flows

\$bn



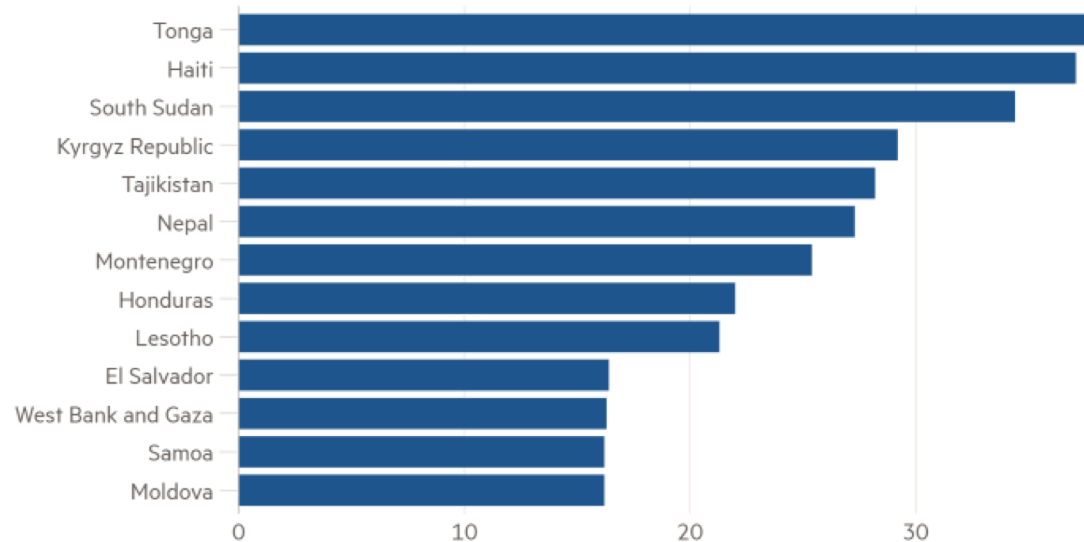
Source: World Bank

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Biggest recipients of remittances

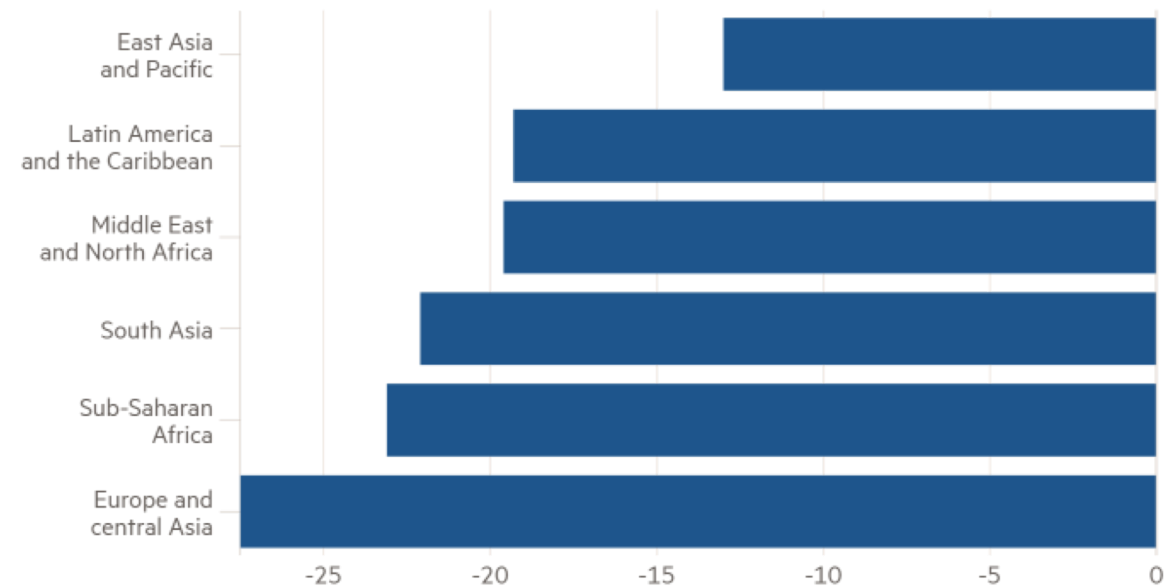
% of GDP, 2019



Source: World Bank
© FT

Change in remittances flows by recipient region

2020, year-on-year projection (%)



Source: World Bank
© FT



STEP 3: UNDERSTANDING VULNERABILITIES

Sub-Saharan Africa, developing								
Country/Region	Exposure - Share of II	Exposure - CFC per employee	Exposure – GO per ag worker	Exposure - Share of ag export	Overall supply exposure	Exposure - Share of food expend	Exposure - Share of ag import	Overall demand exposure
Botswana	Int. Low	High	High	Low	Int. High	Int. Low	Int. Low	Int. Low
Mauritius	Int. High	Int. High	Int. High	High	Int. High	Int. High	High	High
South Africa	High	Int. High	Int. High	Int. Low	Int. High	Int. Low	Low	Low
Benin	Int. Low	Low	Low	High	Int. Low	High	High	High
Burundi	Int. High	Low	Low	High	Int. Low	High	Int. High	High
Cabo Verde	Int. Low	Int. Low	Int. Low	High	Int. Low		High	
Côte d'Ivoire	Low	Int. Low	Int. Low	High	Int. Low	High	Int. High	High
Equatorial Guinea	Int. High	Int. Low	Int. Low	Low	Int. Low	Int. High	High	High
Gabon	Int. High	Int. High	Int. Low	Low	Int. Low	Int. Low	High	Int. High
Guinea-Bissau	Int. Low	Low	Low	High	Int. Low	High	High	High
Malawi	Int. Low	Low	Low	High	Int. Low	High	Int. High	High
Namibia	Int. Low	Int. High	Int. Low	Int. Low	Int. Low	Int. Low	Int. Low	Int. Low
Seychelles	Int. High	Int. Low	Low	High	Int. Low	High	Int. Low	Int. High
Swaziland	Low	Int. Low	Int. Low	High	Int. Low	High	High	High
Uganda	Int. Low	Low	Low	High	Int. Low	Int. High	Int. High	Int. High
Zimbabwe	Int. High	Int. Low	Low	High	Int. Low	High	Int. High	High
Angola	Int. Low	Int. Low	Low	Low	Low	High	Int. High	High
Burkina Faso	Low	Low	Low	High	Low	High	Int. Low	Int. High



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SUSTAINABLE
DEVELOPMENT
GOALS

What to do?



*Food Systems
Transformation*



Meet immediate needs of vulnerable populations: Urgent increases in food availability from smallholder farmer food production



Provide productivity-enhancing
safety nets



Reduce post-harvest
crop losses and improve
food stocks along
the value chain



Remove artificial constraints
to domestic trade throughout
the food chain in order to link
smallholder farmers to markets

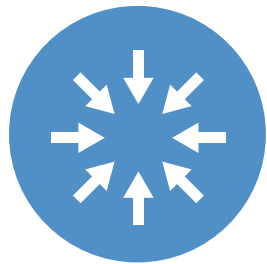


Address basic energy needs of
smallholders and rural households



Meet immediate needs of vulnerable populations: Issues on trade and tax policies

Adjustments to trade and tax policies



Encourage better functioning food markets through improved regional political and economic integration and better functioning for trade in food



Immediately review trade and taxation policy options and their likely impacts



Avoid generalized subsidies for food consumers



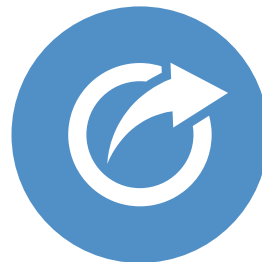
Reduce restrictions on use of stocks



Improve efficiency of trade facilitation



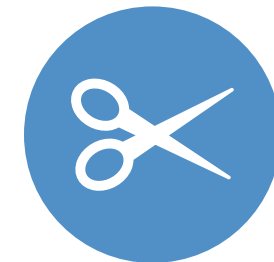
Use limited strategic grain reserves



Minimize use of export restrictions



Reduce import tariffs and other restrictions



Temporarily reduce VAT and other taxes



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SUSTAINABLE
DEVELOPMENT
GOALS

THANK YOU



Food Systems Transformation