



# The Global Food Crisis: Impact on the Asia Pacific Region

Key Issues for WFP Country Offices

January 2023

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# Key Messages



7 million more people in the Asia Pacific region<sup>1</sup> have become acutely food-insecure in 2022 mainly due to the protracted conflict in Ukraine and Global Food Crisis, in addition to conflict and climate shocks<sup>2</sup>. This means an increase of 41.5 million people since pre-pandemic levels and a total of 69.1 million acutely food-insecure people in the region by the end of 2022.



Of the 465 million people undernourished in Asia in 2021 (55 percent of the total world undernourished), the latest the State of Food Insecurity report (SOFI) predicts an increase between 0.93 percent and 1.41 percent in 2022 due to the conflict in Ukraine.



1.9 billion people in the region were unable to afford healthy diets in 2020; Asia accounts for the highest increase in the absolute number of people for whom a healthy diet is out of reach (78 million) and the largest increase in the cost of a healthy diet (4 percent)<sup>3</sup>. The cost of a healthy diet has undoubtedly continued to rise as food prices have surged in 2021 and 2022.



As of October 2022, countries most at risk include Afghanistan, Lao PDR, Myanmar, Pakistan, and Sri Lanka, with Bangladesh and Kyrgyz Republic, requiring close monitoring.<sup>4</sup> Continuous monitoring of risk frameworks is required to update the most-at-risk country list and identify preparedness and anticipatory actions to mitigate the impact on food and nutrition security.



WFP's monthly operational costs in the region increased by USD 36.9 million in 2022 as a result of increased food and fuel prices and inflation.<sup>5</sup>



The food crisis will exacerbate malnutrition, especially for women and children. This is especially concerning as the region already has the highest burden of all forms of malnutrition in the world, including childhood wasting, stunting and micronutrient deficiencies, with respectively 65 percent of global wasted children, 47 percent of stunted children, 51 percent of anemic women of reproductive age, and 55 percent of low childbirth cases in Southeast and South Asia. The number of malnourished people may also rise due to a reduction in access to essential health and nutrition services that prevent and treat acute malnutrition.



The food crisis will have a disproportionate impact on households with limited purchasing power, including those with low incomes, working in the informal sector, as well as female-headed households, larger households, and households with persons with disabilities. Beneficiary households of social safety net programmes with insufficient assistance to cover their essential needs, especially households in need excluded from social assistance programmes, would be among the most vulnerable. The crisis will create new vulnerabilities; this is critical to understanding how to maximize the targeting of assistance.

1. The number refer to countries in the region where WFP has operational presence and data is available: Afghanistan, Cox's Bazar, Kyrgyz Republic, Lao PDR, Myanmar, Nepal, Philippines, Pakistan, Sri Lanka, Tajikistan, Timor-Leste and Pacific (Fiji, Kiribati, Tonga, Tuvalu and Vanuatu). See [WFP 2022](#) for further details.

2. [WFP Global Operational Response Plan: Update #6 – November 2022](#) | World Food Programme

3. [FAO, IFAD, UNICEF, WFP and WHO, 2022. The State of Food Security and Nutrition in the World 2022. Repurposing food and agricultural policies to make healthy diets more affordable. Rome, FAO. <https://doi.org/10.4060/cc0639en>](#)

4. WFP has assessed the vulnerability of countries in the region (in which WFP has country/multi-country offices) in terms of food security, considering various key criteria: the potential impact on household purchasing power, food import risks, government financing, food production risks and high underlying acute food insecurity.

5. [WFP 2022. Ukraine Conflict – Analysis of Ripple Effects on RBB operations](#). Update May 31st



Key drivers of food insecurity and malnutrition include higher food, fertilizer, and fuel prices along with transport and supply chain disruptions, devalued regional currencies, and limited resources to respond to increasing social and economic demands, after the COVID-19 pandemic in addition to extreme weather events and conflict.



Several governments face increased debt, reduced foreign exchange reserves, and an uncertain growth outlook on the back of COVID-19. This will limit their institutional ability to sustainably mitigate and respond to the impact on vulnerable households. As a result, there could be rising risks of civil unrest and riots over food and other resources, as were seen during the 2008-09 crisis.



The food crisis will require a collective and coordinated approach between governments, international financial institutions, UN agencies, non-governmental organizations, civil society, and the private sector. This coordinated approach is essential to ensure domestic resources and external funding can efficiently scale up targeted, nutrition-sensitive social protection programmes. This will be essential to strengthen the resilience of food systems. Efforts should balance immediate/short-term needs with long-term investments.



Special attention must be paid to pre-existing challenges to social protection programmes, particularly around meaningful inclusion of marginalized and socio-culturally stigmatized populations. This will ensure that national governments are able to effectively scale up programmes to reach the most- and newly vulnerable households.



# The Growing Global Food Crisis

The conflict in Ukraine has caused upheaval across global commodities markets, compounding the stresses already faced by many countries due to the COVID-19 pandemic and rising inflation. Growth across the Asia Pacific region had not recovered from the pandemic and related issues when the conflict began. By April, downside scenarios for economic growth in the Asia Pacific region, at 4 percent, were estimating an additional 6 million more people trapped in poverty in 2022 at USD 5.50/day poverty line<sup>6</sup>. By October, the latest GDP growth projections for the region indicated an even slower growth, at 3.2 percent<sup>7</sup>, mainly driven by lower estimations for China, which constitutes around 86 percent of the region's output, but where the use of COVID-19 containment measures is inhibiting the economic activity<sup>8</sup>. The expected increase in people trapped in poverty and at risk for food insecurity would have a direct impact on dietary and nutrition outcomes of children and women. Studies from South Asia have found that children living in the poorest households are more likely to be stunted and anaemic<sup>9</sup>.

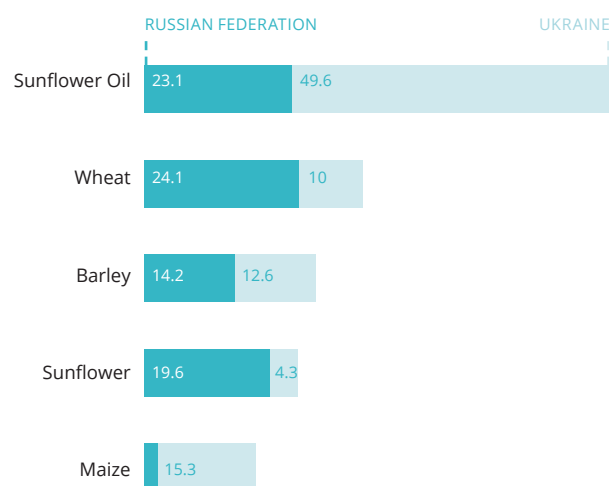
Ukraine and Russia are critical players in global wheat, maize and vegetable oil markets; they are collectively responsible for supplying 30 percent of wheat, 20 percent of maize, and close to 80 percent of sunflower oil to global markets (see Annex for a breakdown on import dependency in Asia for key products). Russia is also a leading exporter of fertilizers and fertilizer inputs, accounting for 49 percent of global ammonium nitrate fertilizer in 2021 and contributing to 40 percent of the world's potash fertilizer supply along with Belarus<sup>10</sup>.

The immediate effects of the conflict in Ukraine included rising prices for food, fertilizers, and fuel, export restrictions imposed by countries trying to retain domestic supplies, and a fall in remittances from migrant workers. Longer term, together with influences beyond the Ukraine crisis, countries in the region face currency depreciation and inflation, rising sovereign debt and increased risk of food insecurity, malnutrition, and instability.

Groups likely to bear disproportionate impacts include those with structural vulnerabilities and inequalities related to gender, youth, ethnicity, disability, indigenous minorities, and other socially marginalized groups. This impact also comes amid recovery from a pandemic which had severe consequences on gender equality in the region; the gender gap in the prevalence of moderate or severe food insecurity grew even larger in the first year of the COVID-19 pandemic.<sup>11</sup>

Prior to the current crisis, WFP planned to assist 32 million people in the Asia Pacific region at a cost of USD 3 billion in 2022. WFP now estimates an increased cost of US 36.9 million/month for its operations in the region. This consists of USD 15 million/month in increased food costs, USD 20 million/month due to non-food inflation, and USD 2 million/month due to the short-term impact of volatile fuel prices.

FIGURE 1: SHARE IN GLOBAL MARKETS: VOLUME



Share of Russia and Ukraine's production of key agricultural goods in global trade. Source: [IFPRI](https://www.ifpri.org/).

6. [East Asia and Pacific Economic Recovery Faces Risks from the War in Ukraine, U.S. Monetary Tightening, and China Slowdown](https://www.worldbank.org/) (worldbank.org)

7. World Bank. 2022. "Reforms for Recovery" World Bank East Asia and Pacific Economic Update (October), World Bank, Washington, DC. Doi: 10.1596/978-1-4648-1921-6. License: Creative Commons Attribution CC BY 3.0 IGO

8. [East Asia and Pacific Sustaining Growth, Restraining Inflation, but Facing Risks Ahead](https://www.worldbank.org/) (worldbank.org)

9. Torlesse, H., and Aguayo, V (2018). Aiming Higher For Maternal And Child Nutrition In South Asia. Available online (<https://onlinelibrary.wiley.com/doi/full/10.1111/mcn.12739>)

10. [Fertilizer prices expected to remain higher for longer](https://www.worldbank.org/) (worldbank.org)

11. SOFI 2021

## Price increases for food, fertilizers, and fuel

The conflict in Ukraine, compounded with poor harvests forecast for many countries, added pressure to global food prices that had already been rising since 2020 as a result of the COVID-19 pandemic and mitigation measures among other drivers. Global prices for food and fertilizers rose sharply in March, and in the case of fertilizers, in April as well (Fig. 2 and 3).

Rising prices were exacerbated by poor harvests forecast for many countries. Wheat export prices<sup>12</sup> hit a 14-year peak in March, while maize hit its highest ever prices as a result of the war. Wheat and maize prices declined in June but mainly in July thanks to the unblocking of Ukraine exports and favourable harvests. In the following months, prices fluctuated, reflecting uncertainties on the Black Sea initiative and harvest estimations. By October, International Grain Council (IGC) subindices for wheat (7.1 percent) but especially maize (16.1 percent) continued above last year values.<sup>13</sup>

The international rice market has been relatively more stable. Prices slightly increased until June, stabilized between June and August, and continue increasing after that. By November, IGC rice subindex was 10 percent above last year's value<sup>14</sup>, reaching the highest level since May 2021. It is estimated that 2022/23 global rice production has lowered by 0.4 million tons, more than 2 percent below the year-earlier record and the smallest since 2019/20, mainly due to a reduction in key producer countries. Outputs from the top two producers, China and India, are projected to fall 2 and 6.3 million, respectively. On the other hand, global consumption was cut down almost 3.9 million tons from the year-earlier revised record, as demand is seen lower mainly from Brazil, India, and Thailand.<sup>15</sup>

Russia and Belarus supply nearly 38 percent of the world market (in value terms) for potassic fertilizers, 15 percent of nitrogenous fertilizers, and about 17 percent of compound fertilizers; Russia is the world's largest exporter of fertilizer, accounting for 13 percent of global exports. As a result of the conflict, international prices for major fertilizers, which were already rising (partly in response to China's July 2021 ban on fertilizer exports),

increased significantly and fertilizer price index reached a record high by May. The prices of urea (+121 percent), potassium chloride (+178 percent), and diammonium phosphate (+50 percent) during April-June 2022 were significantly higher than the same period in 2021. The price increase drove fertilizer affordability to its lowest level since the 2008 economic crisis.<sup>16</sup> Prices declined since May but, by the end of 2022, the fertilizer price index remained above February pre-conflict values.<sup>17</sup> November prices of phosphate rock (89 percent) and potassium chloride (155 percent) continue significantly higher than Oct-Dec 2021 quarter average.<sup>18</sup> The price of fertilizer for 2022 was projected to average 70 percent higher than in 2021, before easing to 11 percent in 2023.<sup>19</sup>

Fuel and energy prices have also risen sharply since the onset of the conflict (Fig. 4), resulting in higher transport costs and rising inflation. These higher prices will affect millions of people. In many countries, large portions of the population are losing access to essential commodities, purchasing power, and employment, while also facing increasing debt levels. They are resorting to negative coping strategies that, if prolonged, are likely set back their social and economic development much longer than the current crisis. Aside from the clear implications on food security, these higher prices are already forcing many people to minimize expenditure on essential health services and health products – further elevating morbidity and malnutrition.



12. Price changes refer to International Grains Council (IGC) Wheat and Maize Sub-Indices.. AMIS. July 2022. Market Monitor No. 100.

13. AMIS 2022. Market Monitor. April; June; November.

14. AMIS 2022. Market Monitor. November 2022.

15. USDA 2022. Rice Outlook: December 2022 (cornell.edu)

16. Fertilizer prices expected to remain higher for longer (worldbank.org)

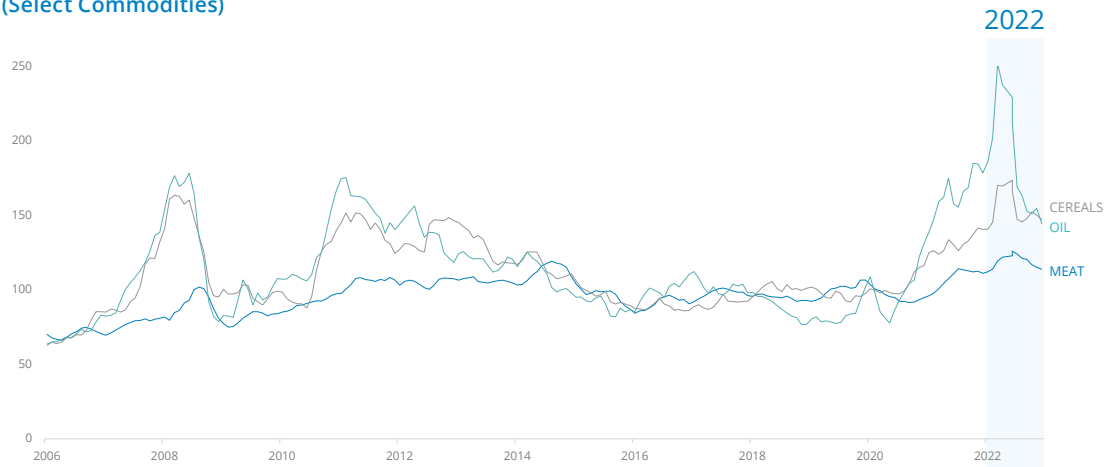
17. Fertilizers Price Index (ycharts.com)

18. CMO-Pink-Sheet-December-2022.pdf (worldbank.org)

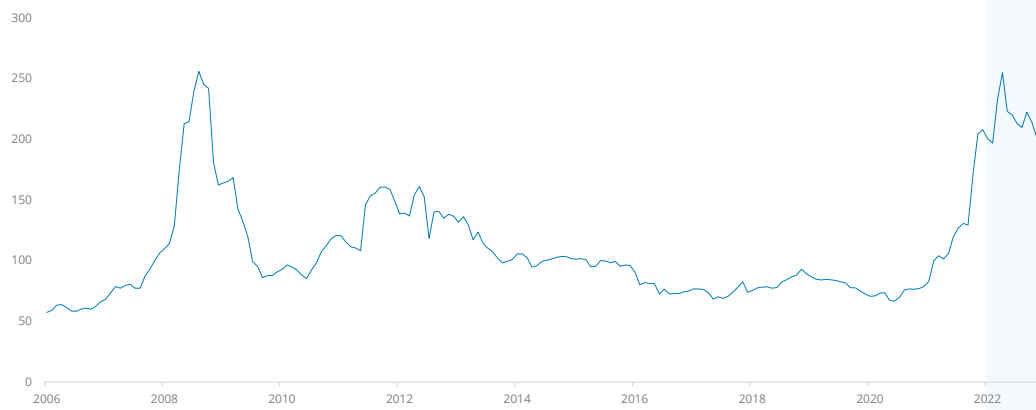
19. Commodity Markets Outlook (worldbank.org)

FIGURES 2-4: PRICES / PRICE INDEX

**Figure 2: Food Price Index  
(Select Commodities)**



**Figure 3: Fertilizer Price Index**



**Figure 4: Oil Basket Prices**



Fig. 2: FAO Food Price Index. Source: [FAO](#)

Fig. 3. Fertilizer prices in US\$/MT for diammonium phosphate (DAP), muriate of potash (MOP), and urea. April 2022. Source: [Ycharts](#), based on World Bank

Fig 4. Organization of the Petroleum Exporting Committee (OPEC) Basket Price. Source: [OPEC](#).

## Export restrictions

Some countries have imposed restrictions on exports to protect domestic supplies. In April, Kazakhstan announced temporary quotas on exports of wheat and wheat flour, limiting exports of wheat grain to 1 million tonnes and wheat flour to 300,000 tonnes. Kazakhstan is a major global supplier of grain, and its exports are especially critical for its Central Asian neighbours.

The Indonesian Government temporarily imposed export restrictions on palm oil, which have since been lifted. Edible oil prices<sup>20</sup> reached an all-time high by March but declined for seven consecutive months until October, reaching the lowest value since February 2021. By October, oil prices continued to be significantly higher than last year in most countries in the region, especially in Lao PDR (135 percent), Myanmar (115 percent), and Pakistan (66 percent).

As of early October, 16 countries had imposed food and agriculture export bans on 21 products, including rice from India and Bangladesh.<sup>21</sup> This has limited sourcing options for import-dependent countries, generated market uncertainty and exacerbated price spikes on world markets.

## Fall in remittances

Immediately after the start of the conflict, the Russian rouble lost nearly 40 percent of its value against the US dollar. This led to a drastic reduction in the value of the remittances of the 7 million migrant workers from Central Asian countries such as Uzbekistan, Kyrgyz Republic, and Tajikistan, where 70 percent of households rely on remittances.

In Tajikistan, migrant workers sent home USD 2 billion dollars in remittances in 2020, contributing 26.7 percent of the country's GDP. In the Kyrgyz Republic, remittances from 1 million migrant workers amounted to USD 2.77 billion, or 30 percent of GDP. In Tajikistan, the combined impact of remittance loss and rising food prices would increase the current prevalence of food insecurity from 20 percent to 36 percent<sup>22</sup>. In the Kyrgyz Republic,

poverty could reach 35-38 percent at the end of 2022, according to the preliminary estimates of the World Bank, assuming 2-digit inflation, the above-mentioned decline in remittances by 33 percent and a contraction in GDP by 5 percent.<sup>23</sup>

The April outlook was pessimistic with the Russian economy forecast to contract by 8.5 percent in 2022 and 2.3 percent in 2023 according to the International Monetary Fund (IMF)<sup>24</sup>, while the World Bank estimated a contraction of 11.2 percent in 2022. However, after the sharp devaluation in March, the Russian Ruble appreciated against US Dollar since March and by June reached the lowest value in the last seven years. Latest projections have moderated Russia's economic contraction to 3.4 percent in 2022 and 2.3 percent in 2023 according to IMF<sup>26</sup> and of 4.5 percent according to World Bank<sup>27</sup>. Russia recession would likely further reduce job opportunities for migrant workers and affect food and nutrition security.

Longer term, three main impacts are most concerning:

1. Currency depreciation and inflation. Currency evaluation, higher commodity prices and shipping costs, as well as increased lead times due to supply chain disruptions, led to domestic price increases and reduced affordability. Most countries in the region (13 countries out of 16 with available data) reached food inflation rates of 9 percent or above between June and October 2022; six out of them reached rates above 15 percent.<sup>28</sup>
2. Sovereign debt and budget deficits. Several governments in the region already face critical debt and foreign reserve levels due to a combination of factors including decreasing revenues, local currency depreciation and higher import costs. This limits their ability to finance essential programmes and services such as social protection, health, and education.
3. Increased risk of food insecurity, malnutrition, and instability. Rising poverty and competition for resources are likely to exacerbate tensions, which tends to worsen food insecurity.

20. [FAO Vegetable Oil price index](#). FAO Food Price Index | World Food Situation

21. [Food & Fertilizer Export Restrictions Tracker](#) | Tableau Public

22. [WFP 2022. Food Security Update and Implications of Ukraine Conflict in Tajikistan](#). April 2022.

23. WFP 2022. Food Security Implications of the Ukraine-Russia Conflict: Globally and in the Kyrgyz Republic.

24. International Monetary Fund. 2022. World Economic Outlook: War Sets Back the Global Recovery. Washington, DC, April.

25. [Russian Invasion to Shrink Ukraine Economy by 45 Percent This Year](#) (worldbank.org)

26. International Monetary Fund 2022. World Economic Outlook: Countering the Cost-of-Living Crisis. Washington, DC. October.

27. World Bank. 2022. "Social Protection for Recovery" Europe and Central Asia Economic Update (Fall), Washington, DC: World Bank. Doi: 10.1596/978-1-4648-1928-5.

28. [Trading economics - food inflation](#)



## Currency Depreciation and Inflation

In 2020, the State of Food Insecurity report estimated that 1.9 billion people in Asia Pacific were unable to afford healthy diets. The current food crisis and price increases will likely force more people to replace nutritious food with cheaper, unhealthier choices. Preliminary analysis of the Cost of Diet in four countries of the Asia region indicated an increase in the minimum cost of nutritious food between 20 and 36 percent in the last 2-3 years. Higher food and fuel prices might also result in households using health services less frequently and disrupt public health coverage and investment. In Sri Lanka, limited fuel supplies have already affected the ability of nutrition outreach services, which may in the long run result in a significant deterioration of services.

Since most imports in the region are transacted in US dollars, currency devaluation and inflation will have a considerable impact on import costs. Compared to the same period in 2021, by October the local currency depreciated against the dollar in all countries in the region except Afghanistan, Kyrgyz Republic, and Tajikistan. Depreciation has been highest in Sri Lanka (45 percent), and Lao PDR (39 percent) while local currencies have depreciated between 10 to 25 percent in Bangladesh, Fiji, Myanmar, Pakistan, and the Philippines. Strongly linked with the Russian rouble, the Kirgystani Som and Tajikistani Somoni significantly depreciated by March but recovered value against the USD by mid-April and June-July, respectively; their value against the dollar is higher than a year ago. The Afghan afghani has remained stable since March, with values at around the same level as September 2021.

By October 2022, inflation in the region ranged from 5.4 percent in Fiji to 66 percent in Sri Lanka, which had one of the 10 highest rates of inflation in the world. Four more countries in the region have inflation rates above 15 percent: Lao (37 percent), Pakistan (27 percent), Myanmar (18 percent) and the Kyrgyz Republic (15 percent). In the previous month, inflation continued increasing in Bhutan, Fiji, Lao PDR, Myanmar, Pakistan and Philippines (Table 3).

TABLE 3: INFLATION, FOOD INFLATION AND EXCHANGE RATES

COUNTRY	INFLATION RATE	FOOD INFLATION RATE	EXCHANGE RATE
Afghanistan	13.6 ▼ (SEP)	17.6 ▼	2.5 ●
Bangladesh	8.9 ●	8.5 ▼	-15.2 ●
Bhutan	6.1 ▲ (SEP)	4.2 ▼ (SEP)	-8.9 ●
Cambodia	5.4 ▼ (JUL)	4.95 ▼ (JUL)	-1.7 ●
Fiji	5.4 ▼	9.1 ▲	-10.7 ●
India	6.8 ▼	7 ▼	-9.5 ●
Indonesia	5.7 ●	6.8 ▼	-8.7 ●
Kyrgyz Republic	15.4 ●	17.2 ▼	1.9 ●
Lao PDR	36.7 ▲	38.8 ▲	-39.1 ●
Myanmar	18.2 ▲ (JUN)	17.1 ▲ (JUN)	-16.8 ●
Nepal	8.6 ●	8.2 ▲	-9.6 ●
Pakistan	26.6 ●	36.2 ▲	-22 ●
Philippines	7.7 ▲	9.4 ▲	-12.9 ●
Sri Lanka	7.7 ▲	85.6 ●	-44.6 ●
Tajikistan	5.7 ▼	7.9 ● (SEP)	10 ●
Timor-Leste	7.9 ● (SEP)	8.2 ● (SEP)	-

RATE CHANGE >= 5% p  
 RATE CHANGE = -5% to 5% I  
 RATE CHANGE <= -5% q

Table 3: Inflation and food inflation rate and MoM trend, and exchange rate MoM and YoY change. Data Source: Trading Economics.<sup>29</sup> Food inflation and inflation correspond to the month of October unless specified. Exchange rate by 31st of October.

The cost of food on its own has increased in the last year in all countries in the region, with food inflation rates ranging from 4.24 percent in Bhutan to 85.6 percent in Sri Lanka as of October 2022, among the highest in the world. Based on data available in October, 5 additional countries have food inflation rates above 15 percent: Lao PDR (39 percent), Pakistan (36 percent), Kyrgyz Republic (17 percent), Afghanistan (18 percent) and Myanmar (17 percent). In the previous month, food inflation increased significantly in Fiji, Lao PDR, Myanmar, Nepal, Pakistan, and Philippines.

Households in the Asia Pacific region tend to spend between 30 and 40 percent of their income on food.<sup>30</sup> Without more income, households must make trade-offs to meet food, health, education, and shelter costs. This is particularly concerning for marginalized groups including women, children, persons with disabilities, indigenous minorities, as well as ethnic, political, language, and religious minorities. Large numbers of them already rely on negative coping strategies to cope with high levels of food and nutrition insecurity which were exacerbated by the COVID-19 crisis.

Prior to the crisis, more than half of the world's children with wasting and stunting were in Asia, with 32 million wasted children and 79 million stunted children from the region. Hidden hunger is also prevalent, with the region containing around two thirds of the world's 570 million anaemic women of reproductive age.

There is substantial evidence that price increases result in increased costs of nutritious diets and an inability of households to afford a healthy diet. Moreover, evidence increasingly suggests that the affordability of a healthy diet is a critical determinant of diet quality and subsequent nutrition outcomes, including stunting and obesity.<sup>31</sup> This relationship between the prevalence of stunting and the non-affordability of nutritious diets is further reinforced by Fill the Nutrient Gap studies from Cambodia, Pakistan, the Philippines, and Sri Lanka, as well as data from SOFI 2020.<sup>32</sup> Inequality in intra-household food distribution will result in disproportionate impacts of nutritional outcomes on the household members least prioritized, usually women and children.



30. [Share of consumer expenditure spent on food, 2016](https://ourworldindata.org/share-of-consumer-expenditure-spent-on-food-2016) (ourworldindata.org)

31. Headey, D and Alderman, H (2019). The Relative Caloric Prices of Healthy and Unhealthy Foods Differ Systematically across Income Levels and Continents. *The Journal of Nutrition Community*. Available online < doi: <https://doi.org/10.1093/jn/nxz158>>

32. World Food Programme, Fill the Nutrient Gap

## Sovereign Debt and Budget Deficits

Debt-to-GDP measures the gross debt of the government as a percentage of GDP, indicating a country's ability to pay back its debts. Debt-to-GDP ratios above 70 percent can hinder economic growth and (in some cases) place a country at risk of defaulting on its debt. As of August 2022, the International Monetary Fund indicated that nine countries are at high risk of debt distress (Afghanistan, Lao PDR, Tajikistan, Timor-Leste, and Pacific Islands such as Kiribati, Papua New Guinea, Tonga, Tuvalu and Samoa, and five at moderate risk (Bhutan, Kyrgyz Republic, Pakistan,<sup>32</sup> Solomon Islands, and Vanuatu). High levels of debt and high/moderate risks of debt distress limit governments' ability to expand and fund social protection programs, import goods, and borrow money. At the same time, food-import bills are surging fastest for the poor countries already in debt distress or at high risk of it. In July, the World Bank identified seven poor countries with a high risk of overlapping food and debt crises, including Afghanistan and Tajikistan, in addition to Sri Lanka. A debt crisis magnifies the impact of a food crisis as local governments become paralyzed and unable to implement social protection programmes, with external assistance as the only way out.<sup>34</sup>



TABLE 4: MACROECONOMIC INDICATORS

COUNTRY	GDP GROWTH LATEST (%)	UNEMPLOYMENT RATE (%)	GOV. BUDGET (% OF GDP)	GOV. DEBT TO GDP (%)
Bhutan	4.5 ▲	5.0 <sup>1</sup>	-6.2 ▼	121.0
Sri Lanka	2.4 ▼	4.6 <sup>3</sup>	-11.1 ▼	101.0
Pakistan	4.0 ▼	4.4 <sup>1</sup>	-7.1 <sup>3</sup> ▼	87.0
India	7.5 ▼	7.8 <sup>7</sup>	-9.4 ▼	74.0
Kyrgyz Republic	2.0 ▼	4.9 <sup>6</sup>	0.5 <sup>6</sup> ▲	68.1
Lao PDR	3.4 ▲	1.0 <sup>1</sup>	-5.2 ▼	55.7
Philippines	6.0 ▲	5.8 <sup>6</sup>	-7.5 ▼	53.5
Tajikistan	2.0 ▼	7.5 <sup>1</sup>	0.2 <sup>3</sup> ▲	47.8
Myanmar	-0.3 ▲	1.8 <sup>1</sup>	-5.6 ▼	42.4
Indonesia	5.0 ▲	5.8 <sup>6</sup>	-4.7 <sup>3</sup> ▼	38.5
Nepal	3.9 ▲	4.4	-4.3 ▼	37.7
Bangladesh	6.9 ●	5.3	-5.4 ▼	31.7
Cambodia	5.3 ▲	0.3	-2.6 ▼	31.5
Afghanistan	-2.4 ▲	11.2	-3.4 ▼	7.8
Fiji	7.1 ▲	-	-	-
Papua New Guinea	3.4 ▲	-	-	-
Timor-Leste	2.5 ▲	5.1 <sup>1</sup>	-4.8 ▼	-
Vanuatu	1.0 ▲	-	-	-

INCREASE COMPARED TO PREVIOUS VALUE ▲  
 NO CHANGE COMPARED TO PREVIOUS VALUE ●  
 DECREASE COMPARED TO PREVIOUS VALUE ▼

Data Source: Trading Economics, ADB; Note: 0 Dec 2020; 1 Jun 2021; 2 Sep 2021; 3 Dec 2021; 4 Jan 2022; 5 Feb 2022; 6 Mar 2022; 7 Apr 2022; 8 May 2022; 9 ADO 2022<sup>35</sup>

33. As of 13 September, the Government of Pakistan noted that its risk of default is low mainly due to the revival of the International Monetary Fund's programme, loans from multilateral and bilateral development partners, and issuance of bonds in the international market ([Pakistan's default risk is very low: Ministry](#) (nation.com.pk)). By 11 August, the risk of default on international payments measured by the credit default swap (CDS), sharply reduced to half (17.44%) after the government reported that the IMF was set to confirm the revival of its \$7 billion loan programme ([Default risk falls sharply](#) (tribune.com.pk))

34. For poor countries already facing debt distress, a food crisis looms (worldbank.org)

35. Asian Development Bank 2022. "Asian Development Outlook 2022. Mobilizing Taxes for Development". Philippines.

## Impact on education

Children's education is increasingly jeopardized by the global food crisis in the region – this comes as many countries have yet to recover from the impacts of COVID-19 and other national emergencies on school closures, dropouts, and learning losses.

In Sri Lanka, the economic crisis has already caused schooling disruptions, with the Government announcing a temporary school suspension in Colombo in June 2022 to limit travel amid fuel shortages. There is already anecdotal evidence of some degree of dropouts among lower secondary school-aged children, and a substantial increase in the number of children attending school without breakfast in 2022. The crisis has severely constrained the budget for the Government-sponsored school meals programme, down to 2 billion rupees annually from the original 6 billion<sup>36</sup>. This programme is known to address short-term hunger for children while contributing to improved education and nutrition outcomes.

Similar programmes across the region are experiencing the consequences of increased food and fuel prices in different ways – including significant increases in transportation and food commodity costs, adjustments to the content, quality, frequency, and size of meals, and supplier issues. As school feeding can help promote attendance and keep children well-nourished, interruptions to such programmes may also further limit children's access to education going forward.

## Increased Risk of Food Insecurity, Malnutrition and Instability

In the 2007-2008 food price crisis, rapid inflation was accompanied by civil unrest in a number of countries. In the Asia Pacific region, major increases in food and other prices have already generated protests in cities across the region in the past months, with unrest in Sri Lanka leading to the recent resignation of the president. A statistical model by The Economist examining the relationship between food-and fuel-price inflation and political unrest suggests that many countries can expect a doubling of unrest this year. Increased unrest will add to the economic pain as political violence has shown to typically knock out a percentage point off GDP 18 months later.<sup>37</sup>

Food insecurity in the region has drastically increased since 2019. Before the COVID-19 pandemic, it was estimated that 27.6 million people were acutely food-insecure in the region. This number jumped to 62.1 million at the end of 2021, driven by the socioeconomic impacts of the pandemic, political instability, and extreme weather events.

An additional 7 million people are estimated to have become food-insecure in countries in the Asia Pacific region where WFP has operations, based on WFP-modelled data. The number of acutely food-insecure people in the region is estimated at 69.1 million people, 20 percent of the 349 million people acutely food insecure in the world.<sup>38</sup>

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36. [School meals off the menu for children in Sri Lanka as economic crisis bites](#) | Save the Children International

37. [A wave of unrest is coming. Here's how to avert some of it](#) | The Economist

38. [WFP Global Operational Response Plan, November 2022](#)

## Impact on WFP operations

Prior to the current crisis, WFP planned to assist 32 million people in the Asia Pacific region at a cost of USD 3 billion in 2022. WFP now estimates an increased cost of US 36.9 million/month for its operations in the region. This consists of USD 15 million/month in increased food costs for the region, USD 20 million/month due to non-food inflation, and USD 2 million/month due to the short-term impact of volatile fuel prices.

The rise in prices and supply chain constraints will affect WFP's operations by increasing commodity, cash and voucher, and transport prices, and disrupting shipping. Shipping lead times for international procurement have increased by one to two months. For example, Ukraine was one of the main sources of split peas for countries in the region and many countries have been unable to procure any from Ukraine since the conflict began. While Ukraine is not a significant source of wheat flour

for WFP, major suppliers – Turkey, Egypt and Jordan – depend on Black Sea wheat imports to produce flour. Consequently, WFP's most affected operations are expected to be those most dependent on wheat and wheat flour, such as Afghanistan.

As countries come under increasingly severe macro-economic strain, WFP country offices which usually work mostly through governments may be called upon to directly support government emergency responses (such as Sri Lanka's economic crisis response and Cambodia's COVID-19 response). This would require a full scale-up and reconfiguration of operating models and costs.

Shortfalls in funding require WFP to concentrate its resources on those at greatest risk of increased mortality in the absence of assistance, putting longer-term programmes and progress in jeopardy.



**US\$36.9M**

MORE IS REQUIRED TO FUND WFP'S OPERATIONS IN THE REGION EACH MONTH



**7M**

ADDITIONAL PEOPLE FACED FOOD INSECURITY IN WFP COUNTRIES IN THE REGION



# Countries of Concern in the Asia Pacific Region



WFP has assessed the vulnerability of countries' food security, considering various key criteria: the potential impact on household purchasing power (inflation, food inflation), food import risks (currency exchange, dependency on Russia or Ukraine for imports of key commodities, cereal import dependency), government financing (debt distress, GDP growth forecast for 2022), food production risks (fertilizer consumption) and pre-existing acute food insecurity. Given these considerations, as of October 2022, there are five countries of special concern: **Afghanistan, Lao PDR, Myanmar, Pakistan, and Sri Lanka**. Countries requiring close monitoring include Bangladesh and Kyrgyz Republic, with attention also recommended for the Philippines and Tajikistan. Pacific Island Countries also need to be closely monitored for their high dependency on cereal imports and the lack of available information of critical indicators. The risk framework will be monitored continuously and the list of countries of concern updated regularly.

Thresholds applied for the classification and sources of data are detailed in the Annex.

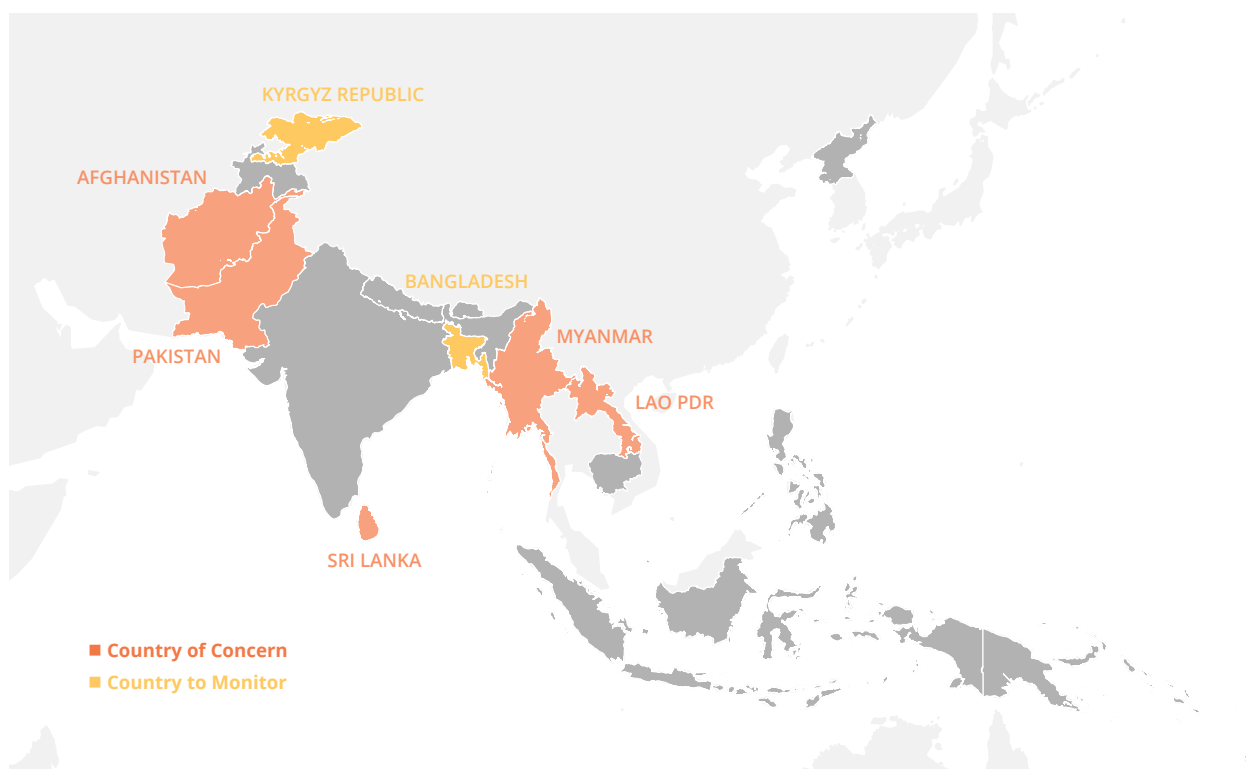


TABLE 5: COUNTRY CLASSIFICATIONS

ACCORDING TO MACROECONOMIC INDICATORS AND IMPORT DEPENDENCY ON RUSSIA AND UKRAINE (as of 23 November 2022)

COUNTRY	UNDERLYING FOOD INSECURITY	INFLATION	FOOD INFLATION	CURRENCY EXCHANGE YoY	DEPENDENCY ON RUSSIA OR UKRAINE	CEREAL IMPORT DEPENDENCY	FERTILIZER CONSUMPTION	DEBT DISTRESS	GDP
AFGHANISTAN	High	Mod	High	Min	Low	Mod	Mod	High	NA
BANGLADESH	Mod	Low	Low	Mod	Mod	Low	Mod	Mod	Min
BHUTAN	Low	Low	Low	Low	Min	NA	NA	Mod	NA
CAMBODIA	Low	Low	Low	NA	NA	NA	Low	Low	Min
DPRK	NA	NA	NA	NA	Min	Low	NA	NA	NA
FIJI	High	Low	Min	Mod	Min	High	Min	NA	Min
INDIA	Mod	Low	Low	Low	Min	Min	Low	NA	Min
INDONESIA	Low	Min	Low	Low	Low	Low	Low	NA	Min
KYRGYZ REP	Mod	High	High	Min	Low	Low	NA	Mod	Min
LAO PDR	Mod	High	High	High	Min	Min	NA	High	Min
MYANMAR	Mod	High	High	Mod	Min	Min	High	Low	High
NEPAL	Mod	Low	Low	Low	Min	Low	Low	Low	Min
PAKISTAN	Mod	High	High	Mod	Mod	Min	Low	Mod	Min
PHILIPPINES	Mod	Low	Low	Mod	Low	Low	Mod	NA	Min
SRI LANKA	High	High	High	High	Mod	Mod	High	High	High
TAJIKISTAN	Mod	Low	Low	Min	Low	Mod	Min	High	Min
TIMOR-LESTE	High	Low	Low	NA	Min	Mod	NA	High	Min
TONGA	Min	NA	NA	NA	Min	NA	NA	High	NA
TUVALU	Min	NA	NA	NA	Min	NA	NA	High	Min
KIRIBATI	High	NA	NA	NA	Min	NA	NA	High	Min
VANUATU	High	NA	NA	NA	Min	NA	NA	Mod	Min

■ HIGH ■ MODERATE ■ LOW □ VERY LOW/NULL NA: UPDATED DATA NOT AVAILABLE

## Afghanistan

An estimated 19.9 million people in Afghanistan are acutely food-insecure (IPC 3+), according to preliminary projections for November 2022 to March 2023.<sup>39</sup> According to WFP's latest Food Security Update, 89 percent of people in Afghanistan faced insufficient food consumption in August, with a higher percentage among female-headed households (96 percent).

Since the Taliban takeover in August 2021, inflation and food inflation has increased until reaching 14 year-record highs by June-July 2022. Since then, inflation and food inflation have deaccelerated down to 13.6 and 17.6 percent by September, respectively. By October, the price of diesel was 97 percent higher than the previous year and continued to impact transport costs and food prices.<sup>40</sup> Over the same period, the price of wheat went up 21 percent, low- and high-quality rice 10-30 percent, and that of pulses climbed by 13 percent. The food basket has increased by 19 percent year-on-year and 40 percent compared to two years ago. The stabilization of food commodity prices at historic highs combined with greatly diminished livelihood opportunities are driving down households' ability to access nutritious food.

According to international forecasts, cumulative precipitation in 2022/23 until May is most likely to be below average for Afghanistan,<sup>41</sup> which could lead to the third consecutive year of drought with further strains for agro-pastoralist livelihoods. Wheat production in the

recently concluded 2021/22 season is expected to have been around 15 percent less than the five-year average, due to the second consecutive drought across much of the country that has mainly affected rainfed production. The wheat deficit for the current year (2022) is estimated between 39-50 percent depending on source of population figures.<sup>42</sup>

As the winter and lean season progresses, wheat flour prices are expected to rise and remain significantly above average due to high global and regional prices, high transportation costs, and a greater-than-normal reliance on imports due to below-average domestic production.<sup>32</sup> The upcoming winter also brings serious physical access constraints—including the closure of the Salang Pass by early November, a key transport route from Kabul to northern Afghanistan—which may further hamper humanitarian response in parts of the country.

Since the departure of foreign forces and the Taliban takeover, development aid, which made up more than 70 percent of government spending,<sup>43</sup> has been suspended and foreign reserves largely frozen. The local currency depreciated sharply toward the end of 2021, recovered in early 2022, and has been relatively stable since March 2022; by the end of October 2022, the exchange rate of Afghan afghani is similar to one year ago. Supply chain disruptions and higher logistic and inputs costs are making it more costly and complex to reach vulnerable households. The conflict in Ukraine is also competing for donors' attention.



39. IPC. 2022. [Afghanistan: Acute Food Insecurity Situation for March-May 2022 and Projection for June-November 2022](#) (March 2022).

40. WFP 2022. Afghanistan Countrywide Monthly Market Price Bulletin: Issue 29 (October 2022).

41. WFP 2022. Asia and the Pacific Seasonal Monitor. October 2022.

42. FEWSNET 2022. Afghanistan Remote Monitoring Update. October 2022. RBB seasonal monitor.

43. SIGAR January 2022, Quarterly Report to the U.S. Congress



## Kyrgyz Republic

The Kyrgyz Republic is highly dependent on the Russian Federation for imports of staple foods (wheat, wheat flour, vegetable oil, and sugar), fertilizers, and remittances from migrant labour. The country imported nearly 50 percent of its wheat and 38 percent of fertilizer from the Russian Federation in 2021.<sup>44</sup> Remittances make up over 30 percent of GDP, most of which (80 percent) come from the Russian Federation. Due to the COVID-19 pandemic and related socioeconomic crisis, poverty level reached 33 percent in 2021, erasing a decade of hard-earned progress.<sup>45</sup> As a result of the war and sanctions, the World Bank projected a fall in remittances, which would impact household incomes and overall economic performance and could contribute to increasing poverty further. By August 2022, 21 percent of households were estimated to be food-insecure, and 44 percent were engaging in crisis or emergency livelihood coping strategies.<sup>46</sup>

In addition, the crisis poses a high risk to financial stability in the Kyrgyz Republic. Inflation has been trending up since June and reached 15.5 percent in September. This is similar to the 15.6 percent recorded in August, the highest inflation rate since July 2011, and among the highest in the region. Food prices of key commodities were stable by September, but with a significant increase of milk price. Prices of most commodities remained significantly above prices from

the previous year, especially sugar (44 percent), milk (41 percent), and wheat flour (30 percent). September food inflation for key staples was at 18 percent and the Consumer Price Index for fuel and lubricants were at 36 percent, leading to an increase in transportation costs.<sup>47</sup>

The local currency depreciated sharply in March along with the Russian ruble. After more instability in April, the Kyrgyz Som has remained relatively stable since May, with its value similar to last year by late October. Close monitoring of the situation is required given that an economic downturn in the Russian Federation could lead to a massive return of migrants and rising unemployment. Coupled with declining purchasing power, loss of income, and increasing vulnerabilities, it could increase the risk of social tension. As a result of the violence along the Kyrgyz-Tajik border on 14-17 September 2022, over 142,071 people were internally displaced from several locations in Batken, Leilek, and Osh districts of the Kyrgyz Republic. At least 94 people were killed and more than 100 injured – the deadliest clash in years.<sup>48</sup> Internally displaced persons (IDPs) have hindered access to food and non-food items such as clothes, blankets, or tents. An estimated 38 percent of surveyed population in the affected areas reported having difficulties securing enough food, including 20 percent going at least one whole day and night without eating and 11 percent skipping meals or eating less than usual.<sup>49</sup>



44. FAO. 10 June 2022. [The importance of Ukraine and the Russian Federation for global agricultural markets and the risks associated with the war in Ukraine.](#)

45. WFP & FAO 2022. [Food Insecurity Implications of Ukraine Russian Conflict: Globally and in the Kyrgyz Republic.](#)

46. WFP 2022. [Kyrgyz Republic, Food security Monitoring Update, August 22.](#)

47. WFP 2022. [Price Monitoring for Food Security in the Kyrgyz Republic.](#) Issue # 60|07 October 2022.

48. [Kyrgyzstan-Tajikistan border clashes claim nearly 100 lives](#) | BBC News

49. Disaster Reduction Coordination Unit (DRCU) 2022. Multi-Sectoral Needs Assessment Report.

## Lao PDR

The global food crisis has exacerbated the macroeconomic vulnerabilities that Lao was facing even before the COVID-19 pandemic due to structural factors. These vulnerabilities were intensified during the period of COVID-19 containment measures when the economic recovery slowed down and increased the risk of debt distress. With 75 percent of export receipts deposited in offshore accounts and not flowing back to Lao economy, foreign reserve buffers remain low,<sup>50</sup> leading to a sharp depreciation of Laotian Kip that started in September 2021 and by end-October had lost 44 percent of its value.

By August, gasoline prices were 102.3 percent higher year-on-year and the inflation rate reached 30 percent after nine months of a consecutive upward trend. In August 2022, prices of most commodities were higher than last year reflecting increases in prices of fertilizers and fuel and high cost for production and transportation, with the largest increases (above 100 percent) observed in soybean oil and palm oil. Food inflation increased from 4.2 percent in January to 30.2 percent in August.

The rising cost of living has decreased consumer purchasing power and pushed many of the most vulnerable people further into food insecurity. According to the World Bank's household welfare

during COVID-19 assessment (June 2022), 23 percent of households had members who were hungry but did not eat, and 25 percent ran out of food. By September 2022, the WFP remote nationwide household survey indicated that 15 percent of households were having inadequate food consumption, 35 percent were applying food consumption based coping mechanisms and 29 percent were engaging in crisis or emergency livelihood coping strategies.<sup>51</sup> Rural households and those headed by females reported higher percentages of inadequate food consumption and resorting to coping strategies.

The updated GDP growth forecasts for 2022 were revised down to 2.5 percent from 3.4 percent due to supply disruptions and rising commodity prices caused by COVID-19 and the conflict in Ukraine. Total public and publicly guaranteed debt reached 88 percent of GDP in 2021, half of which is owed to China on loans to fund projects including the China-Laos railway.<sup>52</sup> Crop development was favorable during 2022 but shortages and high prices of agricultural inputs compromised yields across the country. In August-September 2022, severe flood events caused by heavy rains and cyclones affected a total of 40,000 people in northern areas (Huaphanh, Luang Prabang, Vientiane, Xayaboury provinces), with over 8,500 ha of agricultural land affected,<sup>53</sup> and at least 7,900 people in southern areas (Saravane, Sekong, Champasack, and Attapeu provinces).<sup>54</sup>



50. World Bank 2022. Lao PDR Economic Monitor. April 2022.

51. Lao PDR: [Remote Household Food Security Surveys](#).

52. ADB. 2022. [Asian Development Outlook 2022](#). Available online

53. OCHA 2022. [Asia and the Pacific Weekly Regional Humanitarian Snapshot](#). 16-22 August.

54. World Vision 2022. [Tropical Storm Noru Situation Report #2](#). Laos, October 2022.

## Myanmar

The combination of a persisting political and economic crisis since the 1 February 2021 military takeover, rising intensity of the ongoing conflict in many parts of the country, the impact of the COVID-19 pandemic and Ukraine war, and sanctions on trade and finance by some countries, has deteriorated the food security situation.

In September 2021, 13.2 million people (nearly 25 percent of the population) were estimated to be acutely food-insecure.<sup>55</sup> By May 2022, food insecurity slightly reduced to 20 percent mainly due to seasonal improvements in work opportunities and consumption, although the number of food insecure was projected to increase in line with seasonality, and due to increasing conflict and displacement, and rising food and fuel prices.<sup>56, 57</sup>

As of 1 October 2022, more than 1.3 million people remain internally displaced across the country, of whom more than 1 million have been displaced by the violence since 1 February 2021.<sup>58</sup> The conflict and displacement show little sign of abating. The country is seeing high food inflation levels, conflict, a stagnant economy, and very high access constraints. Overall inflation and food inflation rates have followed increasing trends since last year reaching 18.2 and 17.1 percent by June 2022, respectively, with significant increases in the previous

month. At the end of August 2022, the cost of a basic food basket was 52 percent higher (year-on-year), mainly driven by high fuel costs and transportation fees, coupled with transport restrictions and conflict in some areas. Prices of key commodities in August were significantly higher than the same time last year: rice (38 percent); palm oil (128 percent); chickpeas (36 percent); eggs (40 percent); and onions (166 percent).<sup>59</sup> Fuel shortages were reported in August and prices have continued to fluctuate; at the end of August average fuel prices were between 110 and 160 percent higher (year-on-year).

By late October, the local currency had depreciated by 16.8 percent from the previous year, following a monthly depreciation of 11.6 percent in August alone and a total depreciation of 37 percent since the military takeover in February 2021. Myanmar is highly vulnerable to fertilizer import volatility. With most inorganic fertilizers imported from abroad, the disruption of Yangon's port activities due to the political crisis and international fertilizer supply chain disruptions have led to increased prices, reduced farmer incomes and lower credit availability. The total 2022 paddy production is forecast at 10 percent below the five-year average level as yields have been affected by limited use of critical agricultural inputs due to their elevated prices: Domestic prices of urea and compound fertilizers in July 2022 were 90 and 75 percent, respectively, higher year-on-year.<sup>60</sup>



55. OCHA. 2022. [Myanmar Humanitarian Needs Overview, Geneva, Switzerland](#). Available online

56. FAO-WFP. June 2022. Data in Emergencies Monitoring Brief-Round Three.

57. Updated data is available from the [FAO-WFP Food Security and Livelihoods Assessment, August-September 2022](#).

58. [Myanmar Humanitarian Update No.22, 1 October 2022](#).

59. WFP 2022. Myanmar Market Price Update, July 2022.

60. [GIEWS Country Brief: Myanmar](#). 18 October 2022.

## Pakistan

By August 2022, the country reached its highest inflation rate since 1975, at 27.3 percent, following a continued increasing trend since 2021. Inflation in October continued around similar values (26.6 percent). The food inflation rate followed a similar increasing trend, reaching 36.2 percent in October. In 2021, significant price increases were recorded in motor fuel (84.2 percent), pulse masoor (114.3 percent), onions (90.5 percent), mustard oil (81.2 percent), gram whole (77.2 percent), cooking oil (74.7 percent), and chicken (59.9 percent).<sup>61</sup>

Prior to the floods, 5.96 million people in 28 vulnerable districts in the provinces of Balochistan, Khyber Pakhtunkhwa, and Sindh were estimated to be in IPC Phase 3 (crisis) and 4 (emergency) between July and November 2022. The revised IPC analysis that accounts for the floods' impact estimated 8.5 million people in IPC 3+, out of which 2.6 million were classified in IPC 4, for the projected period September-December 2022 in the same 28 districts.<sup>62</sup> When the 94 flood-affected districts are considered, the number of people requiring emergency food assistance (IPC3/4) will have increased to 14.6 million between December 2022 and March 2023.<sup>63,64</sup>

The floods derived from the heavy rains in July-August hit 94 districts affecting more than 33 million people in the country, including 8 million displaced; and exacerbated the previous high levels of food insecurity. The Post Disaster Needs Assessment led by the Ministry

of Planning, Development and Special Initiatives estimated a total damage and economic losses incurred by the floods to about US\$30 billion with a loss in gross domestic product (GDP) of 2.2 percent of FY22 GDP as a direct impact of the floods. The damage and losses in agriculture, the sector projected to contract the most, with 4,410 million acres of agricultural land damaged, and 0.8 million livestock perished, will have spillover effects on the industry, external trade, and services sectors. Economic disruption, loss of household incomes and assets, rising food prices, and disease outbreaks are impacting the most vulnerable groups. It is estimated that the national poverty rate will increase by 3.7 to 4.0 percentage points, potentially pushing up to 9.1 million more people below the poverty line.<sup>65</sup>

Pakistan imports Ukrainian wheat and Russian wheat and oil. With the devaluation of the Pakistani rupee — down by 22 percent compared to October 2021 — and the rise in international prices, import bills are significantly higher. This increases the risk of a significant reduction in foreign reserves, which already depleted by 9 billion in the last 10 months.<sup>66</sup> Pakistan's public debt-to-GDP ratio is among the highest in the region at 88.6 percent in 2021 and estimated at 86.7 percent in 2022, and continues to rise. On 11 November, Pakistan's risk of default, measured by the 5-year credit default swap (CDS), hit a 13-year high at 64.2 percent.<sup>67</sup> Despite the risk, the Government shows confidence on not defaulting on its debt, thanks to the revival of the International Monetary Fund's programme, loans from multilateral and bilateral development partners and issuance of bonds in the international market.<sup>68</sup>



61. [Trading economics](#).

62. [IPC Pakistan Acute Food Insecurity July-December 2022](#).

63. WFP Pakistan Situation Report, 31 October 2022.

64. [Pakistan Floods 2022 - Floods Response Plan 04 October 2022](#).

65. [Pakistan Floods 20220 - Post Disaster Needs Assessment - Supplemental Report](#).

66. [Risk of default spikes to 13-year high of 52.8%](#). (tribune.co.pk)

67. [Pakistan's perceived default risk rises significantly](#) - Markets - Business Recorder.

68. [Pakistan's default risk is very low: Ministry](#).

## Sri Lanka

Sri Lanka is undergoing the worst economic crisis since its independence, which is severely impacting local markets and income sources with compounding effects on food security. Inflation has increased continuously for more than one year from 5.7 percent in September 2021 to a record 69.8 percent in September 2022. Similarly, food inflation continues increasing and reached a new record high of 94.9 percent by September. Reduced foreign reserves, increased international prices and the devaluation of the Sri Lankan rupee by 45 percent in two months (March-April), led Sri Lanka to default on its debt in May 2022 for the first time in its history.

The Crop and Food Security Assessment Mission conducted in June estimated 6.3 million people food-insecure<sup>69</sup> and 39 percent of households with insufficient food consumption, which represents an increase by 10.5 percent since the end of 2021.<sup>70</sup> The economic downturn, shortages of imported goods, including fuel and gas, the reduced agricultural production and high prices have disrupted livelihoods, with two in five households reporting income decreases of more than 50 percent

compared to the same period last year. Challenges to put food on the table are common with 61 percent of households regularly applying food-consumption-based coping strategies such as purchasing less preferred food, reducing portion sizes or skipping meals. Two in three households were spending more than 65 percent of their budget on food and therefore facing difficulties to meet other essential needs.

A decision in 2021 to ban chemical fertilizers led to reduced rice and maize yields by 40 percent. Although the ban was reversed by the end of 2021, elevated international prices, cancelation of government subsidies and the lack of foreign reserves did not allow the import of required agricultural inputs. As the shortage and high prices of fuel and agricultural inputs continue, paddy production for the next maha Maha season is expected to be severely affected with negative consequences for food insecurity. The social tension has been reflected in protests against the Government since March 2022 in response to the economic crisis, prompting the resignation of the entire cabinet and the President.



69. Food insecurity estimated based on the WFP corporate indicator CARI (Consolidated Approach for Reporting Indicators on food security).

70. [Special Report – FAO/WFP Crop and Food Security Assessment Mission \(CFSAM\) to the Democratic Socialist Republic of Sri Lanka](#).

## Tajikistan

Although in June and July, the inflation rate was at 8.3 percent and the Asian Development Bank projected that inflation would increase to 15 percent in 2022,<sup>71</sup> by September inflation rate was at 5.7 percent. Food inflation increased since the conflict in Ukraine from 6.4 percent in February and stabilized around 9.7 in June-July but decreased down to 7.9 in September. By September, prices of most commodities were higher than last year, with the largest increases observed in onions (93 percent), cabbage (62 percent), wheat flour (32 percent) and chickpeas (23 percent).<sup>72</sup> Tajikistan is dependent on wheat imports from Kazakhstan and relies on refined petroleum from Russia. Because most of these imports are on concessional terms, alternative sources will result in higher fuel prices. By September, the price of diesel was 36 percent higher than last year.

The local currency experienced a sharp devaluation in March closely linked with the Russian rouble, but

recovered since, and by late October the value of the Tajikistani Somoni appreciated by 10 percent against the US dollar compared to last year. Still, the Government has a high level of debt distress.<sup>73</sup>

The gradual improvement in macroeconomic indicators in 2022 has yet to be reflected at the household level food security status. The food security assessment conducted in May and September 2022 classified around 20 percent of households as food-insecure.<sup>74</sup> In addition, around 69 percent of the surveyed households reported adopting various forms of negative coping strategies, and income loss was reported by 27 percent of the households.<sup>75</sup> In this scenario, should the Russian economy suffer a contraction due to the ongoing conflict and sanctions, it is estimated that the proportion of acute food-insecure households would increase from 20 percent currently to as high as 36 percent.<sup>76</sup> This is primarily due to a high dependence of household income on remittance from Russia.<sup>77</sup>



71. [Tajikistan's Economic Growth to Slow in 2022, Recover Slightly in 2023 — ADB.](#)

72. [WFP 2022. Tajikistan Market Situation Update, No. 46. September 19-25, 2022.](#)

73. [List of LIC DSAs for PRGT-Eligible Countries.](#)

74. Acute food insecurity estimation based on CARI (Consolidated Approach for Reporting Indicators of food security).

75. [Tajikistan quarterly food security update July-Sep 2022.](#)

76. [WFP. April 2021. Food security update and implications of Ukraine conflict in Tajikistan.](#)

77. [Tajik labor migration to Russia hits historic high, officially.](#) | Eurasianet



# Recommendations

In 2022, WFP supported 17 country offices in the region to monitor, predict, and manage the compounded impact of the global crisis on systems and communities. In addition to scaling up high-frequency food security and market monitoring, WFP collaborated with governments and the Food and Agriculture Organization of the United Nations (FAO) to assess the impacts on crop and food production. WFP also provided technical assistance to governments on targeting and transfer values with cash-working groups, and provided on-demand logistics and telecommunications services. In addition, WFP provided direct support to well over 30 million people to complement national programmes.

This paper presents forward-looking recommendations building on the learning from actions already undertaken in 2022 to monitor, predict and respond to growing food and nutrition insecurity. Recommendations pertaining to food systems will be addressed in a subsequent joint paper with the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and FAO.

## Reinforce assessments which measure stress on households, markets, and services and capture the differentiated needs of vulnerable groups:



**Ensure that socio-economic, food security and nutrition assessments capture the differentiated needs and impacts** of the crisis on individuals and households. Building on assessments carried out in 2022, such as the Cost of the Diet, Economic Monitors, and Crop and Food Security Assessment Missions, assessments should advance understanding of new and changing vulnerabilities, and profiles of groups at risk. Such analysis should inform strengthened targeting of government and partners' responses, including social assistance programmes.



**Ensure that high-frequency household surveys are conducted to closely monitor trends** in household food insecurity, livelihoods, changes in dietary patterns, affordability of nutritious diets, and malnutrition – both in countries of continued concern as well as emerging potential new global food crisis risk countries. High-frequency monitoring provides governments and partners with crucial and timely information to monitor, predict, mitigate and respond to the compounding impacts of the crisis.



**Strengthen market transparency** to provide timely, regular information on prices and functionality to assess market conditions and guide producer and consumer decisions.



**Building on the Cost of the Diet and similar analyses conducted in 2022, ensure that nutrition-sensitive data is collected and analysed** through market monitoring and assessments to regularly track the affordability of a nutritious diet, monitor changes in diet and nutrition outcomes for women and children, and inform potential adjustments to programmes including revisions to minimum expenditure baskets.



## Ensure the most vulnerable populations are supported through social protection programmes or, where required, complementary programmes:



**Continue to safeguard and prioritize programmes that prevent maternal and child malnutrition and treat acute malnutrition in children**, supporting and advocating for scale-up where required. Protect budgets for cost-effective and scalable interventions to address malnutrition in women and children such as: specialized nutritious foods to prevent and treat acute malnutrition or wasting among children; micronutrient supplements for pregnant women, young children, and adolescents; advancing large-scale micronutrient fortification and inclusion of fortified foods (rice, wheat, oil) in national and partner programmes; supporting breastfeeding; and encouraging healthy diets and physical activity.



**As the crisis continues into 2023, identify further adjustments to existing social protection and partner programmes to protect and mitigate rising needs** such as: ensuring the inclusion of individuals with the highest nutritional needs; accounting for the impact of inflation through review of transfer values; responding to covariate shocks, including through inclusive digitalization solutions.



**Maintain school feeding programmes to safeguard access to and participation in education.** Advance opportunities to improve the quality and quantity of meals where needed, including through tools like the PLUS menu creation software which can improve value for money by identifying the most nutritious options available at the lowest prices.



**Coordinate response options across all sectors**, including cross-ministerial approaches to social protection support, non-government, and private sector assistance.



**Where required, development and humanitarian partners should ensure complementary support** to ensure that the needs of the people most vulnerable to food insecurity are not left behind. This includes people in situations of conflict, whose access to food, nutrition, and productive livelihoods is further depleted by the impacts of the global food crisis, and who are often not captured in existing social protection programmes.

## Safeguard nutritious food systems:



**Prioritize actions that support the continued functioning of food systems** and enable the continued access of the most vulnerable to achieve their food needs. This includes continued advocacy for open markets and dissuasion of export bans, targeted actions which enable access to vital inputs (e.g., seeds, fertilizer, and fuel), and the protection and advancement of livelihoods and productive asset creation.



**Advance opportunities for public-private collaboration** including, where applicable, the Scaling Up Nutrition Business Network and other partnerships (including producers and millers) to support the availability and affordability of nutritious foods in the market. Scale-up tracking of the impact of the Global Crisis on businesses.



**Integrate behaviour change communication in nutrition into larger public health communication.** This can include messages on ensuring gender equitable distribution of food within households, eating healthier and affordable options, and understanding the long-term impact of poor-quality food.



## Annex: Thresholds applied for the classification of overall vulnerability and sources of data.

	Low	Moderate	High	Source
Inflation	5-10%	10-15%	>15%	Trading economics
Food inflation	5-10%	10-15%	>15%	Trading economics
Currency exchange rate YoY	5-10%	10-25%	>25%	Trading economics
Import dependency on Russia and Ukraine	10-30%	30-60%	>60%	UN Comtrade
Cereal import dependency	<33%	33-66%	>66%	World Bank
Fertilizer consumption <sup>78</sup>	100-300%	301-1000%	>1000%	World Bank
Debt distress <sup>79</sup>	Low	Moderate	High	World Bank & Center for Global Development
GDP growth rate (YoY)	Positive but lower than previous		Negative	ADO 2022
food insecurity	<10%	10-30%	>30%	Hunger Map Live & WFP internal analysis

78. Fertilizer consumption measures the quantity of plant nutrients used per unit of arable land. Fertilizer products cover nitrogenous, potash, and phosphate fertilizers (including ground rock phosphate). Traditional nutrients--animal and plant manures--are not included.

79: [LIC DSA Comprehensive List\\_2022\\_August](#) (imf.org).

# Annex: Import Dependency in the Asia Pacific region

## Wheat

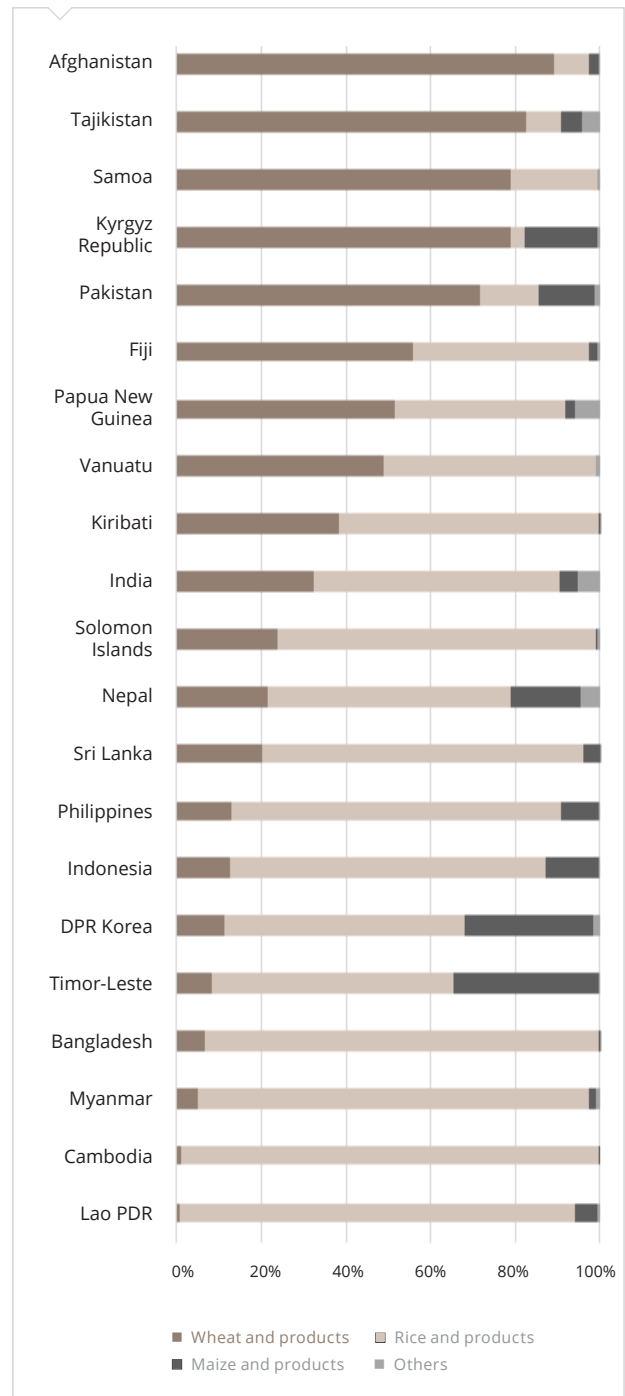
Vulnerability to rising global wheat prices in the context of the Ukraine conflict depends on the importance of wheat in food consumption, the dependency of the wheat consumed on imports and whether directly from Russia and Ukraine or from other exporting countries likely impacted by the conflict.

From a food consumption perspective, countries of concern in the region<sup>80</sup> would include the Western Asia subregion (Afghanistan, Kyrgyz Republic, Pakistan, and Tajikistan), Papua New Guinea, and the Pacific Island countries, where wheat is the main staple food (figure 5).

When wheat import dependency is considered, Pacific countries would be especially vulnerable to higher international prices due to their total dependency on wheat imports to meet domestic demand, especially Fiji and Samoa, as well as Papua New Guinea (figure 7). With Australia their main import partner, these countries would not be directly affected by any supply chain disruptions in the Black Sea.

In Western Asia, wheat import dependency is highest in Tajikistan (59 percent) followed by Kyrgyz Republic (37 percent) and Afghanistan (35 percent), with Kazakhstan their main wheat import partner. The vulnerability of these countries would be linked to the export capacity of Kazakhstan, where local wheat production is more than double than domestic consumption but which adds imported wheat from Russia to its exports. In the case of Pakistan, its local production is one of the world's top 10 producers and is enough to cover more than 95 percent of its domestic consumption.<sup>81</sup> That implies a low import dependency ratio (figure 6) but the country was among the world's top 5 importers of wheat from Ukraine and among the top 10 importers of wheat from Russia in 2020. The dry and warm weather conditions and damage of recent floods on local wheat production may increase the volume of import needs for 2022/2023 and therefore the vulnerability of Pakistan to international high prices or supply chain disruptions in the Black Sea.

FIGURE 5: SHARE OF FOOD SUPPLY QUANTITY (kg/capita/yr) of cereals in 2019. Data source: FAOSTAT



80. Considering countries with WFP coverage. RBB region.

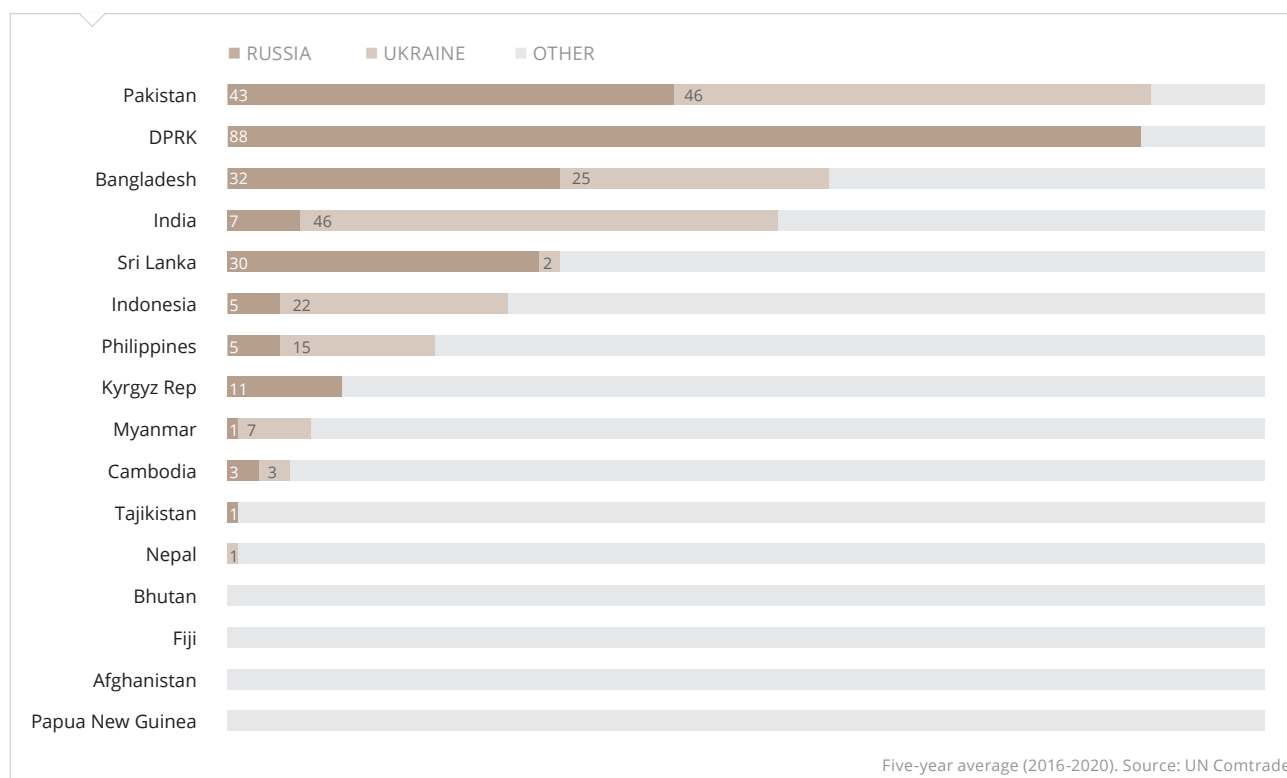
81. [Wheat Production by Country | World Agricultural Production 2021/2022](#).

In addition to Bangladesh, Indonesia, Pakistan, and the Philippines are also among the world's top importers of wheat from Ukraine in 2020. Bangladesh and the Philippines were also, with Pakistan, among the major importers of wheat from Russia the same year.<sup>82</sup> Although the wheat import dependency in these countries is high, above 80 percent, rice is the main staple food and wheat represents less than 13 percent of the annual cereal food supply, and therefore the impact of high wheat prices or supply disruptions on food consumption would be limited. Although nearly half of wheat imports in India comes from Ukraine, their local production, the second highest in the world after China, is enough to cover domestic demands (figure 6).

All considered, the countries in the region with higher

vulnerability to increased global wheat prices or to wheat trade restrictions from Russia or Ukraine would include Pakistan, due to high wheat consumption, dependency on Russia and Ukraine as import partners, local currency devaluation and floods impact on crop production that would increase import dependency. Other countries like Afghanistan, Fiji, the Kyrgyz Republic, and Tajikistan would also be vulnerable due to high wheat consumption and import dependency. Sri Lanka and Bangladesh could also be at risk due to their wheat import dependency, devaluation of Sri Lanka currency and dependency on Russian wheat and Bangladesh large imports from Russia and Ukraine. However, as wheat is not the main staple food the impact on household's food consumption would be expectedly low.

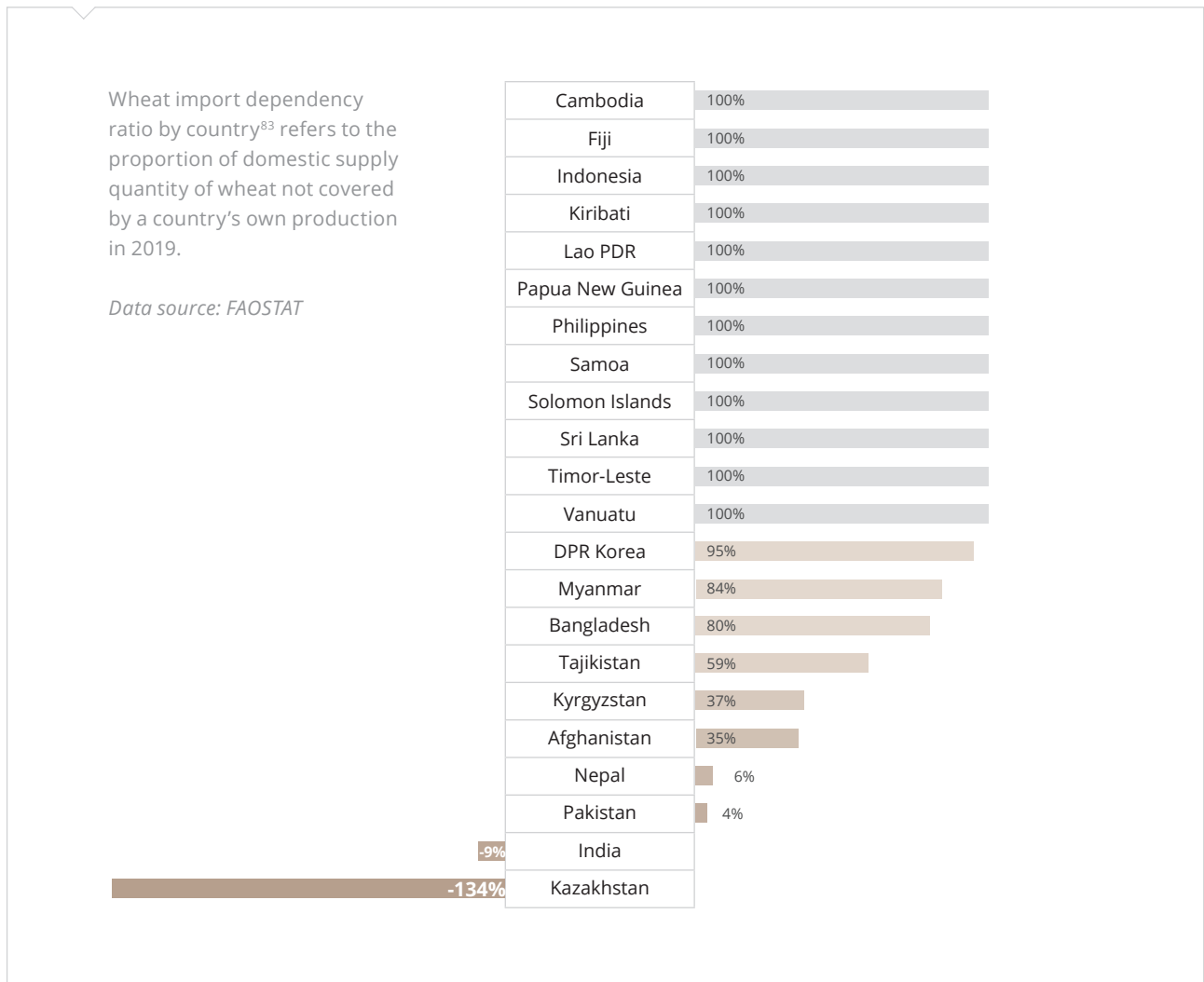
FIGURE 6: WHEAT IMPORT SHARE (FIVE-YEAR AVERAGE (%))



82. Wheat import dependency ratio refers to the proportion of wheat domestic consumption per country not covered by own production and therefore dependent on imports. Domestic consumption includes FSI consumption (food, seeds, and industrial) and feed consumption. Data source: WFP calculations based on Domestic Consumption / Wheat / Grains / PSD Reports / AgroChart for 2021/2022.

83. [WFP 2022. Food security implications of the Ukraine conflict.](#)

FIGURE 7: WHEAT IMPORT DEPENDENCY RATIO BY COUNTRY



83. Wheat import dependency ratio refers to the proportion of wheat domestic consumption per country not covered by own production and therefore dependent on imports. Domestic consumption includes FSI consumption (food, seeds, and industrial) and feed consumption. Data source: WFP calculations based on [Domestic Consumption / Wheat / Grains / PSD Reports / AgroChart for 2021/2022](#).

## Fertilizers and Fuel

Countries in the Asia Pacific are highly dependent on fertilizer imports. Fertilizer imports in absolute terms are highest in India, followed by Indonesia. Indonesia, the Kyrgyz Republic, and Tajikistan rely the most on imported fertilizer from Russia.

There is also indirect dependency on Russia for those countries depending on China for fertilizer imports, such as Pakistan, Nepal, and Myanmar. This is because 15 percent of China's imported fertilizer originates from Russia.

The price of crude oil reacted sharply to the conflict in Ukraine. Prices, already increasing since the end of 2021, by March reached their highest levels since 2014 and were oscillating around USD 105/barrel until they started decreasing since June. In just one month, between February and March, WTI crude oil price increased by 36 percent, and by March were 84 percent higher than the previous year. As of 2 October, crude oil is 8 percent higher than the previous year.

Russia ranks sixth as a source of imports for fuel in Asia Pacific but the upheaval in international fuel and gas markets caused by the war and sanctions has resulted in increased domestic fuel prices for most countries in the region.



FIGURE 8: FERTILIZER IMPORT SHARE (%)

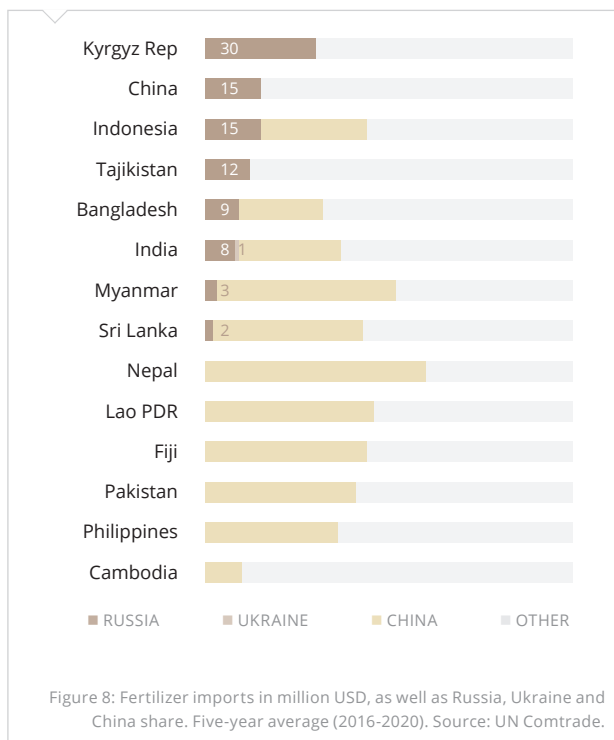


TABLE 2: FUEL PRICES

Country (currency)	Last price	YoY %	Reference
Afghanistan <sup>2</sup> (AFN)	116.42	51	Jul 21-22
Tajikistan <sup>2</sup> (TJS)	13.3	43	Jul 21-22
Pakistan <sup>3</sup> (USD)	1.14	39	Jun 21-22
Lao PDR <sup>1</sup> (LAK)	20476.07	39	Apr 21-22
Cambodia <sup>2</sup> (USD)	1.43	36	Jun 21-22
Kyrgyz Rep <sup>2</sup> (KGS)	77.18	33	Sep 21-22
Philippines <sup>3</sup> (USD)	1.55	28	Jun 21-22
India <sup>3</sup> (USD)	0.67	19	Sep 21-22
China <sup>3</sup> (USD)	1.38	6	Apr 21-22
Indonesia <sup>3</sup> (USD)	0.53	0	Apr 21-22

1. Source: WFP Dataviz - Petrol-gasoline retail, local currency

2. Source: Trading economics - Diesel retail, local currency

3. Trading economics - Gasoline, USD. Checked on December 29, 2022



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