

COA 104 Statement 27-28 march 2023

Response to WPP FAO

Thank you Chair!

We appreciate FAO and WFP efforts to provide analytical support and inputs to the Committee discussions and welcome the contribution to the struggle with global food insecurity.

Just a small reference to the previous discussion on Black Sea shipments. We have just now downloaded the data on wheat shipments from the mentioned web site and can report that top wheat destination is SPAIN so we call on all the members to rely on data and not on slogans and assumptions.

The Russian Federation welcomes the focus on fundamental systemic multi- causes of the deterioration of agrifood markets. As well noted in FAO report, rising interest rates, deterioration of global currency and financial markets, growing public debt contribute substantially to the global food insecurity. However, we are confused by the reference to situation in Ukraine in relation to this issue and we consider it misleading. It is widely recognized that sharp increase in anti-crisis financial injections for the post-pandemic recovery have led to a significant jump in inflation^{ny}. In efforts to fight inflation developed members significantly increased its interest rates that consequentially led to their currency appreciation and devaluation of developing countries` currencies and increased their food bills and public debt challenges in LDC and NFIDC.

The report properly indicates inflationary pressures on the prices of energy, and fertilizers as a key driver of food prices. But it misrepresents the situation attributing them to the situation in Ukraine but avoiding mentioning the unilateral coercive restrictions by certain members. If we want to find the keys to solving existing

problems, we must clearly understand the causes of their occurrence. And these reasons are related to illegal actions against Russian supplies.

Growth in prices for energy resources following some countries' decision to reject Russian hydrocarbons resulted in an increase in prices for fertilizers and agricultural products. Gas and electricity prices reached record levels in 2022 and hit all-time highs. High input costs, supply disruptions, and trade restrictions are driving the recent spike.

Attempts to convince us that there are no restrictions on Russian exports of fertilizers and food are based on assumptions, instead of facts. Whereas in practice there are personal sanctions towards the owners and chief executives, blocking of the accounts and payments system, logistics bottlenecks through prohibition of road transportation and access to ports, insurance issues, restrictions on purchases of the equipment and supporting services. Many of them were addressed during the review process of the Committee but haven't received any response from the sponsors of such measures.

Russia considers destructive to present a one-sided vision of the factors, affecting the global agricultural market. Not paying proper attention to shortsighted economic and energy policies of major economies and unilateral trade and economic restrictions being applied by certain Members against Russia over the last several months creates a distorted picture and gives false incentives for trade policy decisions by members.

The value of the WTO is being a forum for governments to negotiate trade agreements, to settle trade disputes, to sort out the trade problems they face.

Our statement aims to remind on the need to efficiently use the WTO's potential for these intended purposes. This would inevitably require both the Membership and the

Secretariat to be more objective in assessing the true causes and harmful consequences of the problems facing the world economy and the overall multilateral trading system.

Thank you