

## Russia's Ukraine invasion creating short-run export opportunities

Russia is a significant exporter of oil, gas and wheat, while Ukraine is a major exporter of sunflower oil, maize and wheat to the world.

Russia's invasion of Ukraine will raise prices of these goods due to the supply glut in the international market. Although the 12 CIS countries account for less than 3% of India's imports and about 1.5% of our exports, the supply shortage and disruption in global supply chains can stoke inflation in the country.

However, Indian exporters can benefit from the sale of wheat in the world market. India is expected to harvest over 110 mt of wheat this year, while it has a buffer stock of about 26 mt with FCI, compared to the mandatory requirement of 4.4 mt operational stock and three mt of strategic reserve.

Similarly, it can export iron and steel products. India's steel exports have risen 42 per cent month-on-month in February 2022 to 1.16 mt, given the increase in demand from European markets.

At a time when the world is reeling under the vagaries of the Russia-Ukraine war, while a prolonged war can be catastrophic to the economic outcomes of the entire world, short-term disruptions are creating diversion of supply chains, which can be encashed.

### Notifications

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