YET ANOTHER SHOCK

The war in Ukraine has triggered a surge in food and fuel prices, stalling the growth momentum in the region.

**Global Commodity Prices, 2021–22**
(Index, February 22, 2022 = 100)

Sources: Bloomberg, L.P., and IMF staff calculations.

**Share of Cereal in Food Imports, 2019**
(Percent)

Sources: Atlas of Economic Complexity, and IMF staff calculations.

INCREASINGLY DIFFICULT POLICY TRADE-OFFS

Balancing inflation versus growth

**3.8%** from **4.5%** in 2021

**12.2%** from **11.0%** in 2021

Addressing the commodity price shock without adding to debt vulnerabilities

Composition of Public Debt, 2010 and 2020
(Percent of GDP)

Sources: World Bank, International Debt Statistics; IMF, World Economic Outlook database; and IMF staff calculations.

Managing exchange rate adjustment

The ongoing tightening in global financial conditions is exerting downward pressure on exchange rates, increasing inflationary pressures and raising the cost of external debt.

Foreign exchange intervention must be weighed carefully, given limited reserve buffers.

BEYOND THE CRISIS

Greater diversification through greater trade integration

Leveraging the potential of the private sector

Climate change adaptation and green transition