**PRESS RELEASE FINAL**

**Russia's invasion of Ukraine throws sand in the wheels of the global economy**

The global economy remains challenged by supply chain issues and high energy prices, with the Russia-Ukraine conflict further increasing commodity prices and inflation, reports leading insurer Atradius.

In its latest Economic Outlook report, Atradius highlights that global recovery from the impact of the pandemic has been thwarted by the Russia-Ukraine conflict, which is having a negative impact on global growth. Predictions from Atradius have been downwardly revised by 0.7% in 2022 and 0.4% in 2023. Despite this revision, Atradius is forecasting relatively robust global growth over the next two years at 3.4% in 2022 and 3.2% in 2023. This growth forecast is, however, subject to a high level of uncertainty.

Unsurprisingly, prices of a wide range of commodities are set to increase significantly in 2022, partly as a result of the Russia-Ukraine conflict. Oil and gas prices are already showing renewed volatility, but Atradius also forecasts prices of commodities produced in Russia and Ukraine to increase significantly. These include wheat, barley, vegetable oils and base metals.

Russia-Ukraine is also having an impact on some specific supply chains, including semiconductors and automotive. Despite these challenges, Atradius reports some easing of supply chain bottlenecks and although shipping costs and equipment shortages remain high, trade growth is expected to remain robust in 2022 thanks to high consumer demand.

This consumer demand is, however, one of a few factors contributing to the predicted increase in global inflation in 2022 – along with rising energy and commodities prices. This, coupled with the Russia-Ukraine conflict which is further increasing the price of commodities, means central banks will have to move more aggressively to quell inflation over the coming months.

Atradius reports that high inflation, as well as supply chain pressures and Russia-Ukraine, is slowing growth in some advanced markets. Growth momentum for emerging market economies is weakening too, as fiscal and monetary support from other markets are being rapidly withdrawn. In the eurozone specifically, growth is expected to cool significantly in 2022. Atradius notes there were already some price pressures before conflict broke out in Ukraine, but the war has exacerbated the trend and inflation is building up rapidly.

Damien Dawson, Regional Manager at Atradius, commented: “As anyone who keeps up with the news will know, these are highly turbulent and uncertain times. Not only are many markets still struggling to recover from the impact of the pandemic, lockdowns and waves of COVID infections, but we’re also dealing with the ripple effect of the conflict in Ukraine which is having a knock-on effect globally.

“Right now, we’re seeing huge consumer demand across the board which many businesses are struggling to keep up with. But as the cost-of-living increases and disposable income decreases for many of us, we may start to see a drop-off in demand. For economies like ours here in the UK, where recovery from the pandemic was very much consumer-led, this is already causing increasing challenges as accelerating inflation drives a more rapid turnaround in monetary support.

“With supply chain pressures and rising energy prices leading to increased operating costs, and insolvencies forecast to rise in 2022, one of the best ways businesses can protect themselves against uncertainties is to invest in trade credit insurance. Not only does trade credit insurance protect against non-payment, it also gives businesses access to insights and research on who they’re trading with and the specific challenges facing particular countries and markets as we navigate what is set to be an uncertain couple of years.”

For more information on Atradius, head to [https://atradius.co.uk](https://atradius.co.uk/).

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**About Atradius**
Atradius is a global provider of credit insurance, bond and surety, collections and information services, with a strategic presence in over 50 countries. The products offered by Atradius protect companies around the world against the default risks associated with selling goods and services on credit. Atradius is a member of Grupo Catalana Occidente (GCO.MC), one of the largest insurers in Spain and one of the largest credit insurers in the world. You can find more information online at [https://atradius.co.uk](https://atradius.co.uk/)

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