

Food and fuel price increases spread across Africa, but Moderna's patent waiver improves vaccination outlook

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This briefing examines current economic trends in Africa. It also tracks SARS-COV-2 and the progress of African vaccination campaigns. The focus is on partner countries of the Africa Department.

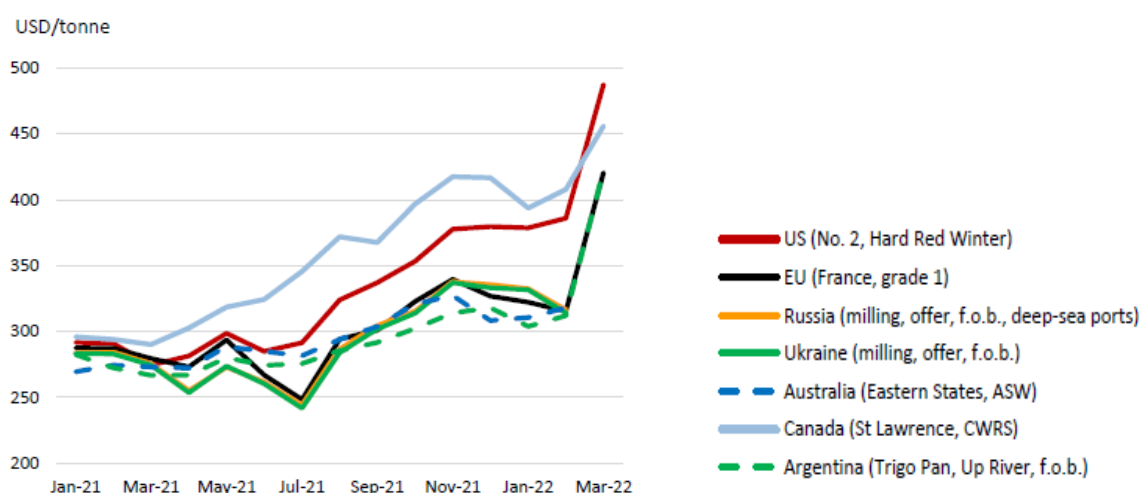
- ❖ Ukraine war further increases already elevated food and fuel prices. Several African governments implement policies to alleviate pressure, but price tag puts time limits on these responses.
- ❖ Based on the likely inability of commodity exporters to profit fully from high commodity prices due to infrastructure bottlenecks, SSA's growth outlook is reduced significantly.
- ❖ Moderna's patent waiver pledge is beneficial for Africa, but a potential legal dispute between WHO and Moderna in ZAF could impede Africa's vaccine production outlook.

Key economic trends: effects of the Ukraine war and the COVID-19 pandemic

Rising food and fuel prices are starting to hit, while India may help to alleviate wheat shortage

Russia's war against Ukraine already impacts the global economic system, including African countries. As outlined in our March briefing, the war leads to a further increase of agricultural commodity prices and puts severe pressure on food security in Africa's many net foods importing countries. Since 2021, wheat and other agricultural commodity prices started to increase in response to the beginning global recovery from the pandemic-induced recession. Since the start of the Ukraine war, global wheat prices steeply increased (see Fig 1.1), as have other prices, most notably fertilizers, sunflower oil, maize, and crude oil. A major reason for the run-away price increase for wheat and sunflower oil in particular are reduced exports from Russia and Ukraine. [Blocked ports and sieges](#) of maritime cities led to a *de facto* delivery stop of Ukraine's large exports of both products.

Fig. 1.1: Wheat price development of world's 7 largest wheat exporters



Source: FAO Food Price Monitoring Analysis Tool at [Social Protection Webinar](#)

Russia has so far not deliberately reduced its agricultural exports to African countries, none of which have been deemed “unfriendly states”. However, all of Russia’s exports, including the country’s key agricultural export products – fertilizers, grains, and vegetable oils – are affected by logistical challenges, such as maritime mines in the black sea. In how far Russian exports to Africa will be affected remains to be seen. [Furthermore, Russia has introduced](#) a general (worldwide) export ban on sunflower seeds and export quota on sunflower oil, which has reduced African access to the vital food commodity.

[Some of the global wheat shortage](#) may be offset by better-than-expected wheat production in India, the third-largest producer, after China and the EU, worldwide. India’s wheat production is largely subsidised by the government, which do not comply with the WTO’s cap on subsidies and hindered the country’s export efforts. Several African countries, such as EGY, NGA and ZAF among others, approached India for wheat imports to overcome their shortages. However, issues such as shipping container shortages and local infrastructure bottlenecks may impede the country’s export abilities.

New figures on rising domestic food prices in African countries are currently emerging. [SOM, which is](#) already experiencing the worst drought in 40 years, food prices increased significantly, with cooking oil prices doubling, from \$25 per 20-litre jerrycan to about \$50. [In DRC, 1kg of bread](#) increased from 6500FC to 8000FC. The rise of fuel prices across the continent, which precedes the war but is being intensified by it, will further drive food prices upwards. [NGA, a major crude oil exporter](#), is suffering from fuel shortages, with independent fuel stations raising prices higher than the official subsidised fuel price of 165 Naira (0,36 €), [a litre of diesel](#) now reached 730 Naira (1,60 €). [TGO](#) and [SLE](#) are among countries that reported increasing their fuel prices in recent weeks, which triggered protests, especially by commercial drivers. Incomes in this sector are acutely endangered by rising fuel prices. E.g. [in BDI, taxi services](#) have been halted due to high fuel prices and resulting lowered demand.

African countries respond to rising prices to alleviate impact of the war on Africans

Several African countries reacted by implementing short-term policies to overcome the immediate effects of the high agricultural commodity and crude oil prices. [BEN, e.g.](#), implemented policies to lower or maintain prices for certain consumer products (rice, wheat, vegetable oil, diesel, and cement) for a period of three months. [SEN and CIV](#) announced a price cap on certain staple foods such as palm oil, milk, sugar, rice, tomato paste, beef, and noodles. Additionally, SEN aims at subsidising its rice farmers with equivalent of 76.2 mio €. [NGA recently launched](#) Africa’s biggest fertilizer plant, which aims to improve the country’s self-sufficiency and to export to countries in and outside of Africa. This could alleviate some of the pressure on farmers, who used to import fertilizers from Russia. Also, the [AfDB announced a \\$1 bn plan](#) a \$1 bn plan to reduce Africa’s dependency on wheat imports by supporting the production of rice, wheat, soybeans, and other crops to feed about 200 million people.

In sum, after the pandemic has accelerated food prices in many African countries, price increases are now exacerbated by the war. Globally, high food and energy prices are accelerating inflation, a process that is even more noticeable in Africa. [Inflation in GHA](#), e.g., rose by 15.7%. Coupled with the tightening monetary policies in the USA, pressure on the local currency increased, leading to a 15% loss in value against the US-Dollar. GHA has put some counteractive measures in place, such as the reduction of government workers’ salaries by 30% until December 2022.

GDP growth projections are lowered significantly, despite rising global commodity prices

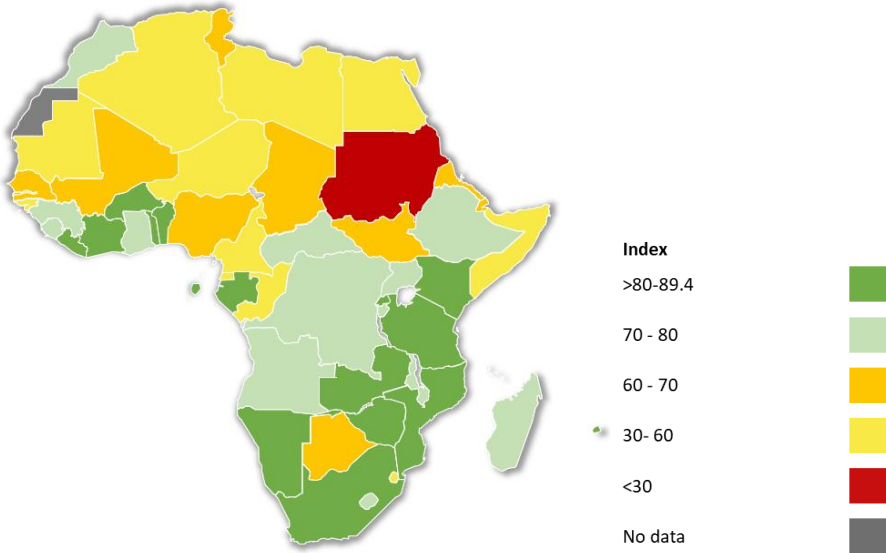
Against the background of current global events, the GDP growth outlook for the region has declined significantly. In October 2021, [UNCTAD projected](#) Sub-Saharan Africa (excl. ZAF and SSD) to grow by 2.9%, lower than the IMF’s expectation of 3.7%. In March 2022, this growth projection was revised

downwards to 1.8% in 2022, a staggering reduction of 1.1%. (ZAF had been expected to grow at a rate of 2.3%, now reduced to 1.1%.) Currently, it looks as though African countries will suffer more than they benefit from the global shock in commodity markets. The reductions in growth outlooks are mainly due to the expected inability of African commodity exporters to profit from the high global prices caused by bottlenecks in infrastructure.

Improvements in the business and legal environment for women

The COVID-19 crisis has highlighted and partly intensified existing economic and social inequalities between women and men, globally and in Africa. Women experienced higher rates of job losses, an increased childcare and other care work burden due to school closures, while also being exposed to heightened levels of gender-based violence and abuse. As the World Bank’s recently released [Women, Business and Law 2022](#) report shows, SSA is catching up by implementing laws reducing gender-based inequality. The score measures eight indicators, which include mobility, workplace, pay, marriage, parenthood, entrepreneurship, assets, and pensions. Several countries implemented relevant reforms, e.g., GAB’s civil code now includes the elimination of violence against women. However, Africa’s overall score is still relatively low and the disparities between countries and sub-regions are high (see Fig. 1.2).

Fig. 1.2: Women, business and the law 2022 index



Source: Own illustration based on the World Bank’s Women, business and the law 2022 Index

Rising working poor and employment rates in Africa

[The pandemic had](#) a severe impact on employment, as shown in recent ILO data, with the working poverty rate increasing for the first time in twenty years in 2020, from 31.9% in 2019 to 33.1%. Additionally, the unemployment rate increased to 8.1% in 2021 in Africa, however this rate does not reflect the increased inactivity rate and reduced working hours of many employees due to the pandemic. Young people and women are affected the most, with the share of young people not in education, employment, or training (NEET) reaching record highs.

Some of the unemployment and NEET rates may be reduced with several African countries reopening for tourism. [ZAF recently announced](#) that it will ease its COVID-19 restrictions to boost its tourism sector and its economy. [KEN lifted its](#) COVID-19 restrictions, allowing fully vaccinated tourists to arrive with prior testing. However, the Ukraine war does impede some of the efforts to boost tourism. [Popular African destinations for Russian](#) tourists such as EGY, SYC, TZA, are suffering from reduced

arrivals. Additionally, lingering effects of the pandemic impact the sector, with [passenger traffic with African airlines](#) not expected to return to its pre-pandemic level until 2025.

Background info on tourism: The tourism industry accounts for 7% of Africa's GDP in 2019 and made up more than 5% of GDP in 12 partner countries (BWA, CMR, CIV, KEN, LSO, MDG, NAM, RWA, SEN, ZAF, TZA, GMB). The pandemic severely impacted the industry: appr. half of the people working in tourism lost their jobs and it is expected that the industry will have lost \$170-253 bn. in 2021.

Key developments of COVID-19 and other health trends¹ in Africa

Continued reduction in COVID-19 cases across Africa

As of 31 Mar 2022, the number of new registered [COVID-19-cases in Africa decreased](#) (-17% compared to previous week). Most new cases are reported in the Southern region (56%), followed by the Northern (30%), Eastern (7%), Western (3%) and Central (1%) regions, where all regions reported a decrease in confirmed cases. Since the beginning of the pandemic, 53 (96%) African Union (AU) Member States (MS) have experienced a third wave of infections, 47 MS have experienced a fourth wave, and 9 MS have experienced a fifth wave. One MS (MUS) experienced a sixth wave.

The 55 AU MS, which account for 16% of the world population, [reported 2.4% of all cases and 4.1%](#) of all deaths globally. 35 MS reported higher COVID-19 related fatality rates than the global rate of 1.3%. However, the total case fatality rate may be overestimated, as many asymptomatic people may not get tested.

SARS-CoV-2 variants of concern reported to be in circulation in Africa are Alpha in 48, Beta in 45, Delta in 50, Gamma in 6, and/or Omicron in 44 MS. Further, 15 MS are reporting the presence of the Omicron BA.2 sub-variant.

➤ *For detailed information about COVID-19 cases in our partner countries see Chapter 3.*

Almost all of Africa profits from Moderna's waiver, but dispute between Moderna and WHO is likely

[Moderna, the US-American vaccine](#) producer, expanded its existing patent waiver pledge to never enforce its patent rights for the 92 low- and middle-income countries eligible for COVAX donations. The pledge conditions that the produced vaccines are only to be used in the countries themselves. All African countries, besides ZAF, NAM, BWA, are among those 92 countries. [Analysts expect a clash](#) between the WHO mRNA hub, which is in ZAF, and Moderna, since Moderna holds 3 patents in ZAF, which effectively give the company the right to stop anyone from selling or making an mRNA vaccine in the country. NGOs, such as Médecins Sans Frontières among others, have called on Moderna to abandon their patents in ZAF and on the South African government to reform their broad patent laws. So far, Moderna has announced it would not enforce its patents during the pandemic, but the company has not indicated when exactly they expect the pandemic to end. The hub might have to pay a licensing fee for its vaccine, reducing the affordability of the vaccine for low-and middle-income countries, if Moderna does not abandon its patents in ZAF.

[IND and ZAF](#) are leading a demand at the WTO to each an intellectual property rights waiver for COVID-19 vaccines, and the EU are working on a compromise text on the issue. However, [critics argue that](#) the current proposal does not cover key demands since it does not cover therapeutics, it excludes

¹ This briefing uses COVID-19 data from WHO, African CDC, Johns Hopkins University and OurWorldInData. For consistency, potentially more recent data by individual governments is not used. Data on COVID-19 infections and deaths in Africa is compromised by low testing rates and low death registration rates in many countries.

certain countries based on their vaccine exports, and it does not deal with non-patent barriers. Nonetheless, [WTO Director General, Okonjo-Iweala](#) acknowledged that this proposal is the right step in the right direction, and that further negotiations are needed.

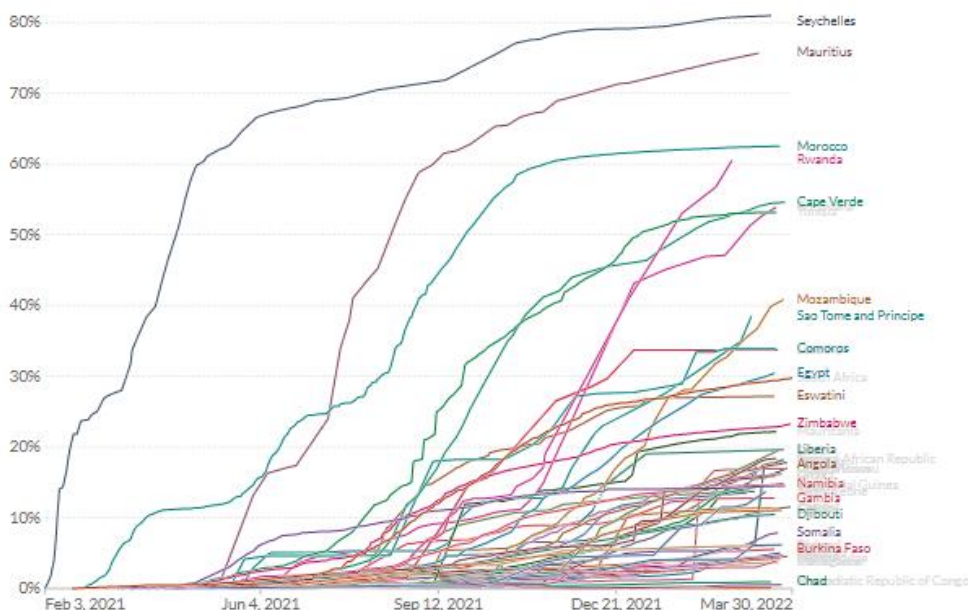
Mass vaccination campaigns drive up vaccine uptake, targeted misinformation campaigns beneficial

As of 31 Mar 2022, 20.02% of the African population had received 1 dose, 15.32% had their vaccination completed and 1.23% had received booster shots. Of the 749.8 Mio doses supplied to the African continent, 489.9 Mio doses (65.33%) have been administered ([African CDC](#)). The progress in vaccination campaigns differs largely among African countries. Seven countries (SYC, MUS, MAR, RWA, CPV, TUN, BWA) vaccinated more than 50% of their population (see Fig 2.1), while 15 countries have not fully vaccinated 10% of their population. Eritrea is the only country that has not started a vaccination program.

[A recent study from ZAF's](#) Gauteng province showed that the country entered the convalescent phase, the recovery phase, of the COVID-19 pandemic due to high levels of immunity gained from previous infections and vaccinations. The findings indicate that this could also be the case for other African countries that have low vaccination uptake but high infection rates. Nonetheless, the researchers recommend improving vaccination rates especially in high-risk groups since new variants could emerge.

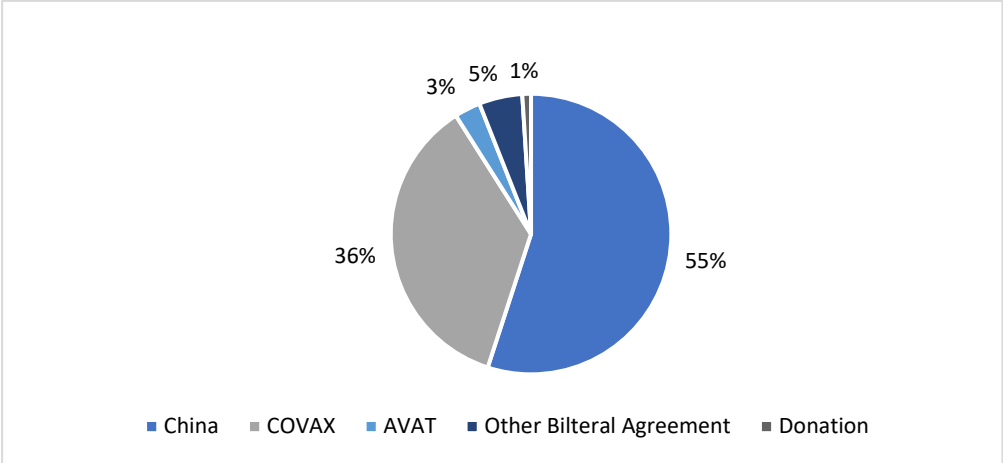
[Vaccine uptake in Africa](#) increased by 15% between January and February due to mass vaccination campaigns in populous African countries such as NGA, DRC, KEN, and ETH. Other countries also implemented such campaigns. [ZIM recently started](#) a vaccination campaign in schools, supposed to last until May 3, to vaccinate children aged 12 and above. [CIV recently ended](#) a three-week mass vaccination campaign, which led to over 2 million people receiving a COVID jab, leading to an 8% rise in fully vaccinated people. The country already announced the start of another three-week campaign until 3 April 2022. However, misinformation remains a major obstacle for successful vaccination campaigns. [In DRC, COVID-19](#) misinformation spread by word of mouth, social media, and television and radio impeded vaccination efforts. Active information campaigns by the government supported by the WHO led to a higher acceptance of COVID-19 vaccines. In LSO, [health centres try to overcome misinformation](#) by training teachers and trusted local voices about the vaccine.

Fig. 2.1: Share of population fully vaccinated against COVID-19, as of 31 Mar 2022



Source: [COVID-19 Data Explorer – Our World in Data](#)

Fig. 2.2: Procured doses by procurement mechanism, WHO Africa region, in March 2022



Source: based on [WHO Officially reported Covid-19 vaccination data](#)

Polio vaccination efforts challenged by misinformation

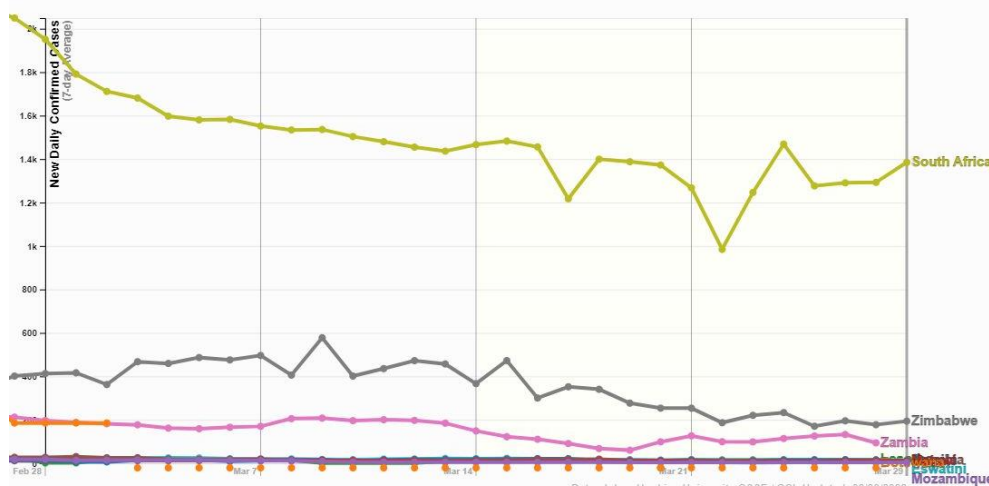
As explained in our March Briefing, Malawi declared an outbreak of wild poliovirus type 1 after a case was detected in a young child in the capital Lilongwe. [Since then, Malawi](#) and neighbouring countries (MOZ, TZA; ZMB, ZWE) accelerated their vaccination efforts, and aim to vaccinate more than 23 million young children against wild polio over the following four months. [The countries need](#) to ramp up their vaccination campaigns, since pandemic-related lockdowns reduced polio vaccination campaign, e.g., by 2% in Malawi. [The current vaccination](#) campaign in Malawi already reported vaccination refusals due to misinformation about the polio vaccine. Targeted information campaigns with local communities in the local language addressed all reservations and questions, and many parents that refused agreed to the vaccination of their children.

New daily confirmed COVID-19 cases in African partner countries²

These graphs show the growth in daily new infections in the last 28 days (7-day \emptyset). The scaling of new infections is adjusted to the number of cases reported. (To be considered when comparing graphs.)

Southern Africa (Division 1300)

Fig. 3.1: New confirmed COVID-19 cases, 7-day \emptyset , as of 31 Mar, Southern Africa

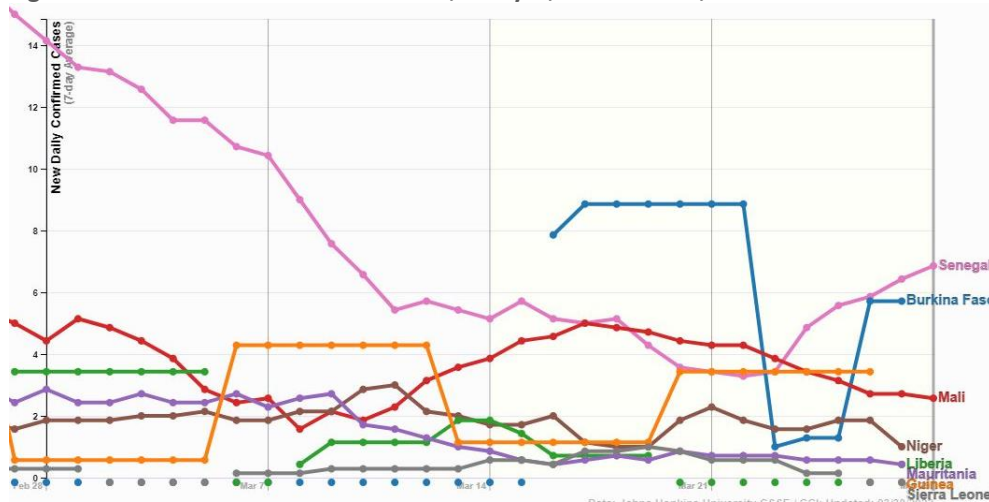


(Source: 91-DIVOC, based on data from Johns Hopkins University)

Zambia, Namibia, Eswatini, Mozambique, Malawi, Angola, Lesotho, Zimbabwe reported declining COVID-19 cases. South Africa's caseload decreased until mid-March but started to increase again towards the end of the month.

West Africa 1 (Division 1100)

Fig. 3.2: New confirmed COVID-19 cases, 7-day \emptyset , as of 31 Mar, West Africa 1



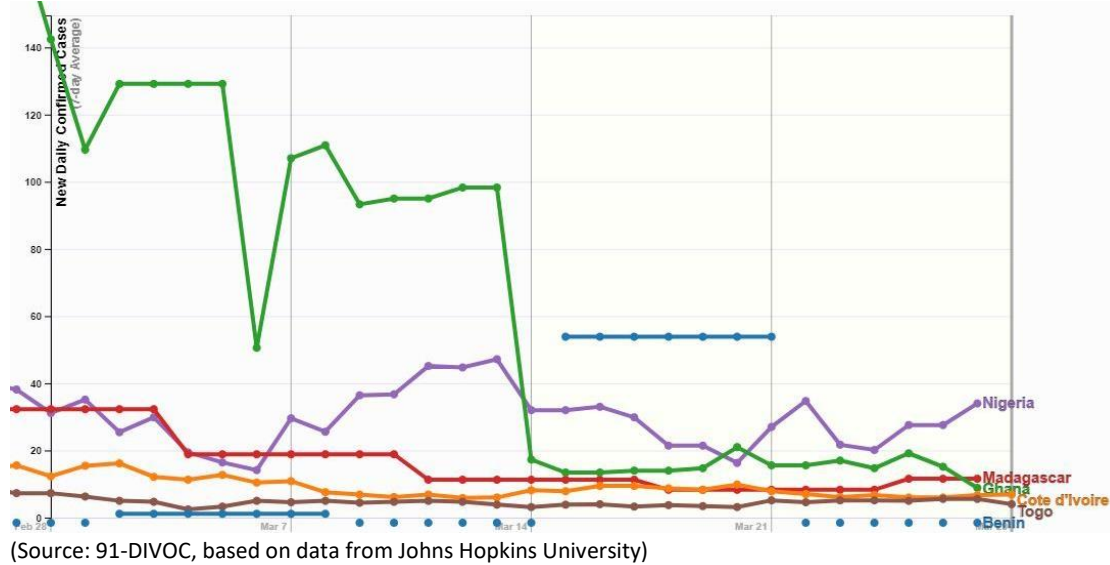
(Source: 91-DIVOC, based on data from Johns Hopkins University)

Guinea, Senegal, Mali and Niger report fluctuating cases throughout March, with Guinea and Senegal first reporting declining cases, which again increased at the end of March. While Mali and Niger reported the reversed trend. Mauritania reported steady decline in COVID-19 cases. Data for Liberia, Burkina Faso, Sierra Leone is interrupted, the available data shows a fluctuating caseload.

² Included are partner countries of the GIZ Africa Department in Sub-Saharan Africa.

West Africa 2 (Division 1600)

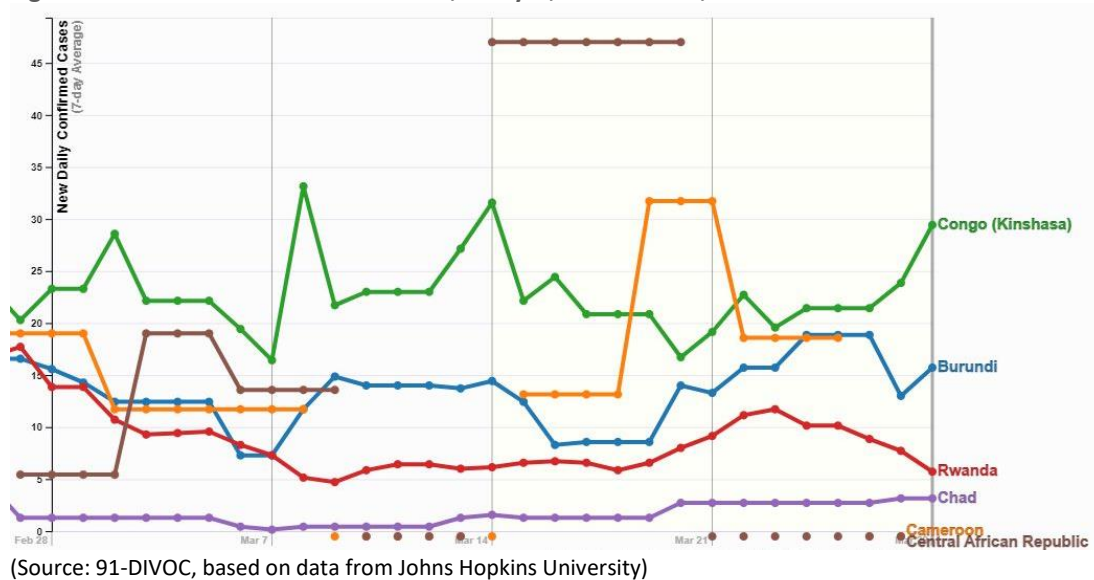
Fig. 3.3: New confirmed COVID-19 cases, 7-day ϕ , as of 31 Mar, West Africa 2



Ghana, Madagascar, Côte d'Ivoire, and Togo reported a decline in confirmed cases. While Nigeria reported fluctuating numbers, which increased in confirmed cases at the end of March. Data from Benin has been disrupted, the available data shows a fluctuating caseload.

Central Africa (Division 1400)

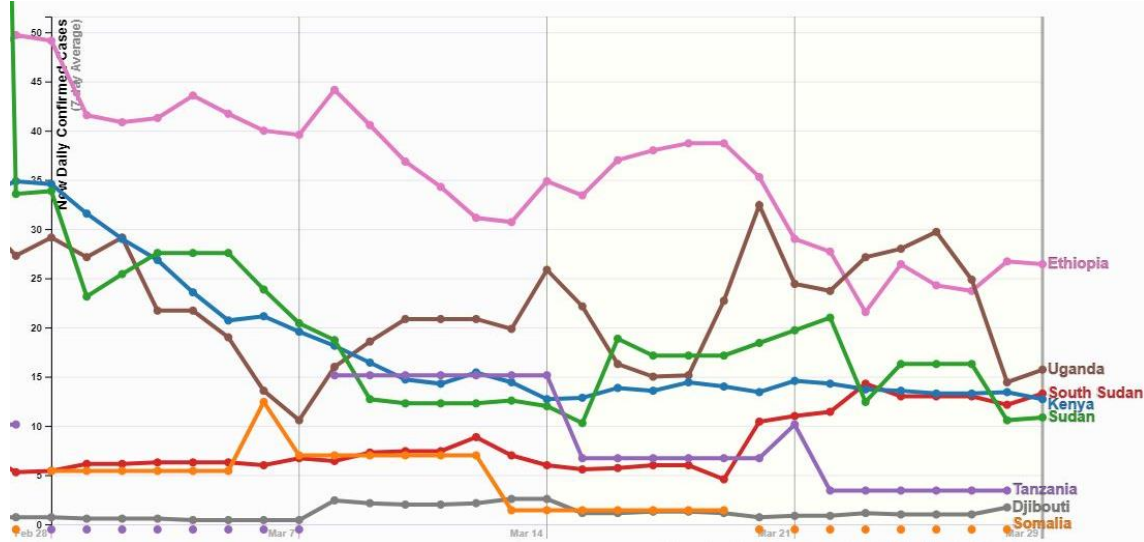
Fig. 3.4: New confirmed COVID-19 cases, 7-day ϕ , as of 31 Mar, Central Africa



Rwanda reported a decline in COVID-19 cases. The Democratic Republic Congo and Burundi reported fluctuating COVID-19 cases, which both increased towards the end of March. Data for the Central African Republic and Cameroon is disrupted. The available data for both shows fluctuating cases.

East Africa (Division 1500) + Ethiopia and Djibouti (Division 1700)

Fig. 3.5: New confirmed COVID-19 cases, 7-day ϕ , as of 31 Mar, East Africa (1500 + 1700)



(Source: 91-DIVOC, based on data from Johns Hopkins University)

Ethiopia, Kenya, and Sudan reported declining COVID-19 infections. Uganda reported a steady decline in COVID-19 cases, which suddenly increased and decreased again at the end of March. South Sudan reported a steady caseload, which increased towards the end of March. Djibouti reported an incidence close to 0 throughout March. Data for Tanzania and Somalia is disrupted. Tanzania's confirmed cases decreased steadily throughout March.