

## Position Paper



**Country:** Federative Republic of Brazil

**Topic:** Russia-Ukraine Crisis

**Committee:** United Nations General Assembly



### **Introduction**

Brazil world's fifth most populous country after Russia, Canada, China and the United States of America is committed for peace and diplomatic solutions to problem of current Russia-Ukraine Crisis. Today we have largest investment partnership programme with private sector in history. All development programs are underway and heavy investment in public sectors has been seen over the years. So, our Agenda is with 17 Sustainable Development Goals-United Nations. We Look forward to seek international co-operation on all global platforms for betterment of our country & its citizens. so we will always keep open our diplomatic channels for peace and resolve all conflicts with talks.

### **Impact of Russia-Ukraine on Brazil's Economy**

**First Impact is on Domestic politics** due to inflation it is reducing President Bolsonaro's Chances of re-election.

October's presidential election is dominating Brazil's politics. The election will probably turn on the state of the economy under the president, Jair Bolsonaro

Although Our Government has voted for Western-led UN resolutions against the Russian invasion, the president himself has sought to remain neutral, so as to protect national economic interests. Russia has not included Brazil on his list of "unfriendly" countries that they plan to sanction. Although direct bilateral trade and financial ties are limited, Brazil will not be sheltered from the impact of the invasion: Brazil is heavily dependent on imports of Russian fertilisers (this year's harvest should be relatively unaffected, but yields in 2023 are at risk and then there is the broader fallout on Brazil from trade and economic disruption stemming from Western sanctions on Russia).

### **Second impact is on international relations (Brazil on the side-lines)**

In the longer term, as the contours of the new world order emerge, with growing tensions between authoritarian regimes (Russia and China) and Western-led democracies, Brazil will find it tricky to find a middle path that maximises opportunities and minimises risk.

With "nearshoring" by Western companies likely to be on the rise (something that began as the US-China trade war kicked off and was accentuated by the disruption to global supply chains during covid-19), Brazil has the opportunity to establish closer economic ties with Western countries and benefit accordingly (although Mexico clearly stands to gain more, given its proximity to US production chains).

**Third Impact: Fertilizers** As for fertilizers, Brazilian National Fertilizer Association (Anda) indicates that Country imports 85% of this input used in the agricultural production – 20% of this total comes from Russia, according to MDIC (2022). Therefore, the war has brought uncertainties about the supply of fertilizers, leading many farmers to anticipate purchasers, which boosted quotes and, consequently, production costs. This scenario may be passed on to consumers.

**Fourth Impact: Fuel** Concerning fuel, there is a major concern about international oil prices, since Russia is a great exporter of this commodity. Oil prices have been at high levels since the beginning of the conflict, due to uncertainties of its supply. Citizens have already faced this increase in fuel prices, due to the import parity policy used by Petrobras. The same occurred for cooking gas. Therefore, even with the exchange rate at lower levels compared to late 2021, energy price rises have already hit Brazil because of the increase of the basic interest rate of our economy.

### **Possible Solutions**

1. “Only Talks can end war” Open Door for Diplomacy. In modern Globalisation Era due to interdependency and interconnectivity of trade among world, no country can succeed in isolation. So Proper diplomatic channel for both parties should be adopted and talks should be more fruitful to bring peace- and peace-loving countries should mediate for welfare.
2. Violence against citizens as we have seen in case of Bucha, Ukraine should be stopped immediately and proper action should be taken by UN Authorities to avoid such events in near future.

### **References**

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