Briefing Paper

UK in the World Initiative
September 2022

UK trade and the war in Ukraine

Summary

— The UK is less exposed to the direct trade effects of Russia's invasion of Ukraine than its European neighbours. However, the indirect and longer-term effects of the war on UK trade could still be significant.

— Inflationary pressure worldwide will contribute to price rises in the UK, particularly for food and energy. The ongoing effects of both Brexit – which has caused cross-border supply frictions and worker shortages – and the COVID-19 pandemic – which led to pent-up domestic demand and further reduced the labour force – will only increase this upward pressure.

— The war has prompted increased scrutiny of London's role as a centre for kleptocratic wealth from Russia and elsewhere, and has led the UK government to impose sanctions against Russian-linked individuals and companies. This could impact inward investment directly, through legal restrictions on business activities, or indirectly, by indicating that the UK is no longer open to trade with certain countries.

— In the longer term, post-war Ukraine's future status and trading relationship with the EU could affect the UK, as the process of defining Ukraine's position with regard to the EU may encourage Brussels to revisit its relations with the UK or even to explore alternative models for other non-member countries on the EU's periphery.

— A renewed focus on European security could also encourage the UK and EU to improve trade, security and political ties. The need to enhance security closer to home may also cause the UK to rethink the 'Indo-Pacific tilt' outlined in the 2021 Integrated Review.

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Introduction

Russia's ongoing invasion of Ukraine is the latest and most significant in a series of major disruptions to global supply chains and economic activity. The World Bank estimates that the war will cause global income to drop by 0.7 per cent, hitting low-income countries particularly hard.[1] Pre-war, Russia and Ukraine were major exporters of key products, including energy, fertilizers, food and minerals. However, they were comparatively less important for foreign direct investment (FDI).[2]

The conflict has led to unprecedented sanctions on Russian companies and individuals, to the retreat of Western businesses from Russia and to military equipment being sent to Ukraine, as well as prompting a large influx of refugees into neighbouring European countries. It has exacerbated already high prices for energy and increased food insecurity, affecting household budgets across the world.

The UK has played an important role in providing military equipment to Ukraine and helping to coordinate a unified Western response to Russia's invasion. It has introduced sanctions on Russian economic interests in the UK while supporting international efforts to counter Moscow, including on trade. In March 2022, G7 leaders issued a joint statement of their intention to withdraw Russia's most favoured nation (MFN) tariff status, after which the UK introduced its own additional measures.[3] Britain has also played a key role in formulating NATO's robust response to the conflict.

Events in Ukraine follow closely after other global challenges, including not least the COVID-19 pandemic, from which developed countries are only just beginning to recover. A combination of pent-up consumer demand, supply-chain blockages (particularly due to continued lockdowns in China) and the green energy transition have put further pressure on prices and consumer budgets. For the UK, Brexit is another ongoing challenge that has led to a significant reduction in overall UK trade, caused by increased cross-border supply frictions and labour shortages.

While the UK government has prioritized new trade deals with countries outside the EU, and an 'Indo-Pacific tilt' away from Europe towards increased ties with the Asia-Pacific region,[4] these efforts have so far failed to plug the economic and trade gap resulting from Brexit, and are unlikely to do so in future.[5] Furthermore, the global trading system is not functioning as well as it used to: the WTO dispute

1 Ruta, M. (2022), 'The Impact of the War in Ukraine on Global Trade and Investment', report, World Bank, p. 6, 25 April 2022, https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099750104252216595/idu0008eed66007300452c0beb208e8903183c39.
2 Ibid.
3 Department for International Trade and the Rt Hon Anne-Marie Trevelyan MP (2022), 'UK announces new trade measures to support Ukraine', press release, 25 April 2022, https://www.gov.uk/government/news/uk-announces-new-trade-measures-to-support-ukraine#:~:text=UK%20to%20cut%20tariffs%20on,%C2%A31bn%20in%20loan%20guarantees.
4 HM Government (2021), *Global Britain in a Competitive Age: the Integrated Review of Security, Defence, Development and Foreign Policy*, March 2021, https://www.gov.uk/government/publications/global-britain-in-a-competitive-age-the-integrated-review-of-security-defence-development-and-foreign-policy/global-britain-in-a-competitive-age-the-integrated-review-of-security-defence-development-and-foreign-policy.
5 Partington, R. (2022), 'UK exports to EU fell by £20bn last year, new ONS data shows', *Guardian*, 11 February 2022, https://www.theguardian.com/politics/2022/feb/11/uk-exports-to-eu-fell-by-20bn-last-year-new-ons-data-shows.

resolution system has suffered various setbacks, and US–China tensions have discouraged global trade flows in favour of 'decoupling' and 'reshoring'.[6] Russia's war on Ukraine therefore comes at an already unstable and fractured time for global trade.

The UK is less exposed to the direct effects of the war than its European neighbours. It relies less on Russia for energy than other European countries, mainly due to domestic renewable energy production, North Sea oil production and gas supplied via pipeline from Norway.[7] As a mostly services-based economy, the UK is also comparatively less dependent on Russia for key commodities and inputs in industrial production processes, such as nickel and cobalt, which are essential components in electric vehicle batteries and other manufactured goods.[8] However, the UK imports many consumer goods, which have risen in price due to the increased cost of those inputs.

The UK relies less on Russia for energy than other European countries, mainly due to domestic renewable energy production, North Sea oil and gas supplied via pipeline from Norway.

The UK also has a high level of food security. Prior to the war, the UK ranked third in the world on *The Economist*'s Global Food Security Index, due to domestic cereals production and relatively diversified imports of fresh products.[9] As with other European countries, the UK has been, and will continue to be, affected by fertilizer shortages, but it remains in a comparatively strong position.[10]

Despite these apparent strengths, the war could still have a significant impact on UK trade. This paper explores the four main effects, of which the first two are more immediate, with the latter two dependent on how the conflict develops in the long term:

- Rising prices that exacerbate the cost-of-living crisis;
- The effects of UK and international sanctions against Russia;
- Ukraine's future relationship with the EU; and
- The impact of war in Europe on the UK's Indo-Pacific tilt and on its wider foreign policy.

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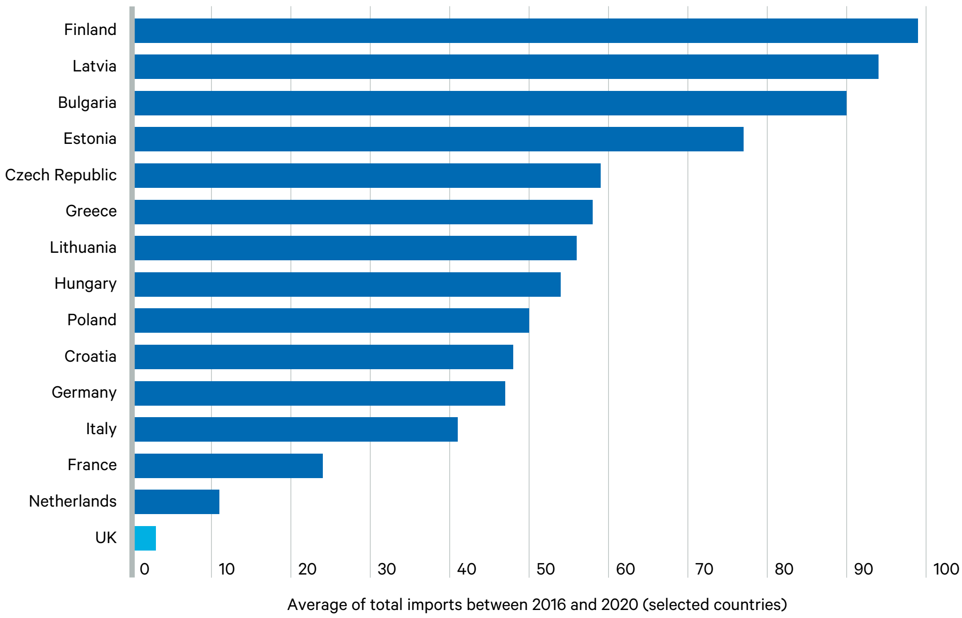
6 Tran, H. (2021), *Decoupling/Reshoring versus Dual Circulation: Competing Strategies for Security and Influence*, Atlantic Council, April 2021, https://www.atlanticcouncil.org/wp-content/uploads/2021/04/Decoupling_Reshoring_versus_Dual_Circulation.pdf.
7 HM Government (undated), 'UK Trade Info: Trade data > Overseas trade data table', https://www.uktradeinfo.com/trade-data/ots-custom-table (accessed 9 June 2022).
8 Jolly, J. (2022), 'Electric car battery shortage looms in 2025, warns Stellantis boss', *Guardian,* 10 May 2022, https://www.theguardian.com/business/2022/may/10/electric-car-battery-shortage-looms-in-2025-warns-stellantis-boss.
9 *The Economist* (2021), 'The Global Food Security Index 2021', https://impact.economist.com/sustainability/project/food-security-index (accessed 29 June 2022).
10 Casalicchio, E. (2022), 'Russian threat to Ukraine sparks UK food-security fears', Politico, 27 January 2022, https://www.politico.eu/article/russia-threat-ukraine-uk-food-security-fears.

Rising prices that exacerbate the cost-of-living crisis

Although the UK imports comparatively little energy, food and raw materials from Ukraine, domestic prices for many products are set according to global conditions. This means that the costs of energy and food have risen significantly as a result of the conflict, even though the UK does not depend directly on many supply chains from Ukraine.[11]

The UK ranks far below other European countries in terms of reliance on gas imports from Russia. Just 3 per cent of the UK's gas imports come from Russia, compared to 24 per cent for France, 47 per cent for Germany and 99 per cent for Finland (see Figure 1). As this suggests, a Russian embargo would not 'turn off the taps' for UK households. However, such an event could have a knock-on effect for availability of gas from the UK's main supplier, Norway, which could be required to divert supplies to other European countries.[12]

Figure 1. Gas supplies from Russia to Europe (average of total gas imports, 2016–20)



Note: Includes only those countries for which Russia is one of the three largest suppliers.
Source: The European Union Agency for the Cooperation of Energy Regulators (ACER; undated), 'MMR Gas: Data items > Estimated number and diversity of supply sources 2021', https://aegis.acer.europa.eu/chest/dataitems/214/view; *Spectator* (undated), 'The *Spectator* data tracker: Ukraine', https://data.spectator.co.uk/ukraine; and author's own research.

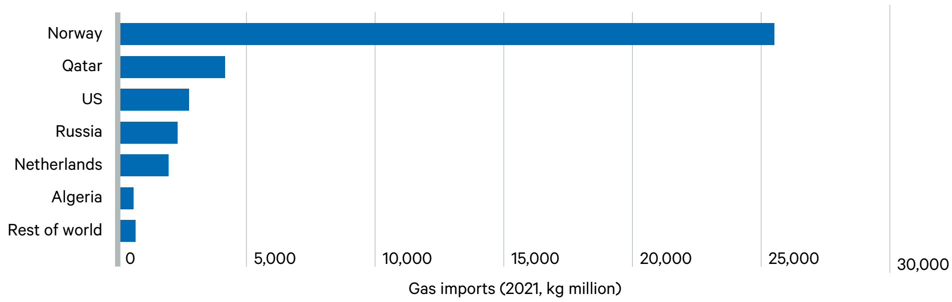
11 Inman, P. (2022), 'UK inflation hits 40-year high of 9% as cost of food and energy soars', *Guardian*, 18 May 2022, https://www.theguardian.com/business/2022/may/18/uk-inflation-soars-to-highest-level-in-more-than-40-years.
12 Swinford, S. (2022), 'Millions warned of power cuts this winter', *The Times*, 29 May 2022, https://thetimes.co.uk/article/millions-warned-of-power-cuts-this-winter-b7gl2ckx9.

The UK's relative energy security is a result of several factors:

- The UK has a strong domestic supply of renewable energy, particularly wind power. In Q1 2022, sources designated as renewable (including biomass) contributed 45.5 per cent of all electricity generated in the UK.[13]
- The UK has a largely services-based economy and comparatively fewer energy-intensive industries than economies that rely more on sectors such as manufacturing or steel production.
- North Sea oil and gas fields provide the UK with a domestic source of energy.
- The UK imports a significant amount of oil, natural gas and electricity from Norway, via pipelines such as Langeled and via the North Sea Link subsea interconnector.[14]

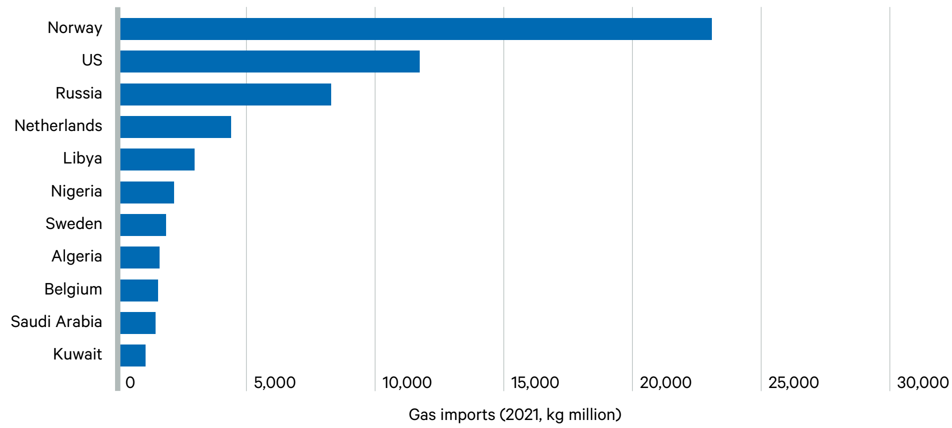
Russia ranks behind Norway, Qatar and the US as a supplier of gas to the UK, and behind Norway and the US as a supplier of oil. As the UK continues its energy transition towards renewables, reliance on Russia is expected to reduce further, primarily because of increased domestic production.

Figure 2. UK gas imports by source, 2021



Source: HM Government (undated), 'UK Trade Info', (accessed 9 June 2022).

Figure 3. UK oil imports by source, 2021



Source: HM Government (undated), 'UK Trade Info', (accessed 9 June 2022).

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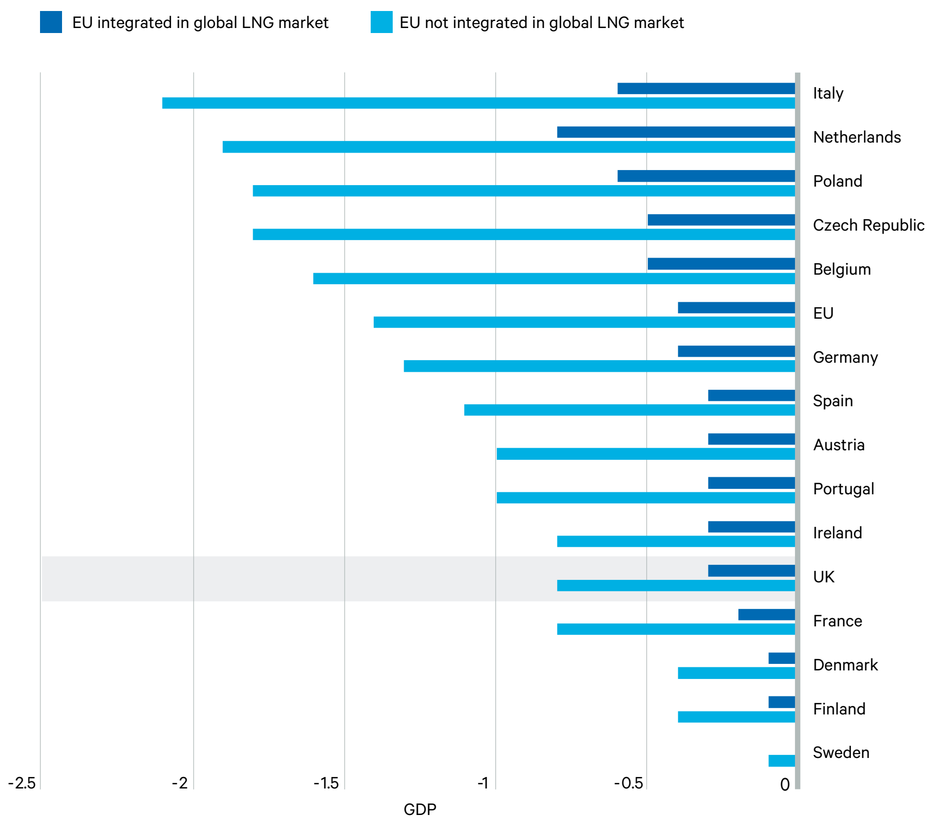
13 Department for Business, Energy & Industrial Strategy (2022), *Energy Trends: UK, January to March 2022*, statistical release, 30 June 2022, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1086781/Energy_Trends_June_2022.pdf.
14 Hook, L. (2021), 'UK and Norway complete world's longest subsea electricity cable', *Financial Times*, 15 June 2021, https://www.ft.com/content/399c1c37-3f7a-4770-af13-66741df01135.

The UK economy would still suffer if Russia turned off gas supplies to Europe (see Figure 4). Estimates show that, even though the UK is outside the EU, the size of its likely GDP contraction still hinges on the EU's integration into a global liquefied natural gas (LNG) market. However, alongside France and the Nordic countries, the UK's comparatively strong energy security means the negative impact on its GDP would be less than that on, for example, Germany, Italy or Spain.

Figure 4. GDP impact of Russia cutting gas supplies to Europe



Source: Di Bella, G. et al. (2022), 'Natural Gas in Europe: The Potential Impact of Disruptions to Supply', International Monetary Fund, July 2022, https://www.imf.org/en/Publications/WP/Issues/2022/07/18/Natural-Gas-in-Europe-The-Potential-Impact-of-Disruptions-to-Supply-520934.

Russia and Ukraine collectively represent one-quarter of global wheat exports and about 15 per cent of corn and fertilizer exports.[15] But when it comes to food security, the UK again is in a relatively strong position. Table 1 shows *The Economist*'s Global Food Security Index 2021, which placed the UK third in the world, behind only Ireland and Austria among the most food-secure countries. This rating system looks primarily at the physical availability of food rather than prices, though of course the two are related.[16]

15 Ruta (2022), 'The Impact of the War in Ukraine on Global Trade and Investment', p. 8.
16 *The Economist* (2021), 'The Global Food Security Index 2021' (accessed 29 June 2022).

Table 1. Most food-secure countries, according to *The Economist*'s Global Food Security Index 2021

1	Ireland	6	Netherlands
2	Austria	7	Canada
3	**UK**	8	Japan
4	Finland	=9	US
5	Switzerland	=9	France

However, the UK's comparatively strong position does not mean that it is immune to inflationary pressure caused by reduced global supply. Indeed, for both energy and food, the UK is fully integrated into global markets, meaning that British households face higher prices for both commodities.

Higher global market prices benefit the UK energy industry overall – some UK-based energy firms have posted large profits in 2022[17] – but a secure energy supply does not necessarily mean cheap energy for UK consumers. Due to the UK energy price cap and increased demand in the winter, the most significant impact on consumer prices is expected in late 2022 or in early 2023. The price cap could even exceed £4,000 a year for an average domestic consumer – taking a significant proportion of most UK households' disposable income.[18]

Similarly, the UK imports much of its food from France and southern Europe, which are also under pressure from global price rises.[19] The price of wheat – a major Ukrainian export – has risen 40 per cent since the start of the war.[20] Cost-push inflation in those regions relating to the Ukraine crisis has had a knock-on effect on UK prices. Another important factor, affecting all European countries, is the supply squeeze caused by continued COVID-19-related restrictions in China, and pent-up consumer demand from the earlier stages of the pandemic, which has been an added 'pull' factor for prices.[21]

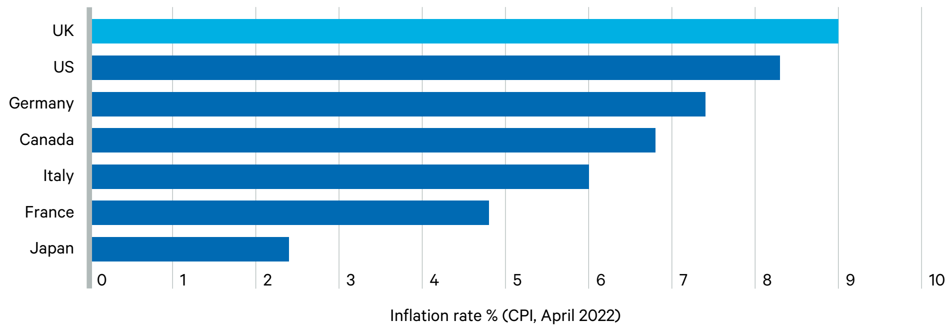
The UK also has its own challenges – Brexit in particular. The war in Ukraine and the pandemic have masked the fact that Brexit has increased the cost of importing goods from Europe and has reduced the pound's purchasing power.[22] Furthermore, the gap in the labour market caused by reduced inward migration from the EU has yet to be filled by additional domestic labour or by a significant increase in non-EU migration.[23] Provisional data from the Office for National

17 Milman, O. (2022), 'Largest oil and gas producers made close to $100bn in first quarter of 2022', *Guardian*, 13 May 2022, https://www.theguardian.com/business/2022/may/13/oil-gas-producers-first-quarter-2022-profits.
18 Lawson, A. (2022) 'UK energy bills forecast to hit £4,266 a year from January', *Guardian*, 10 August 2022, https://www.theguardian.com/money/2022/aug/09/uk-energy-bills-forecast-to-hit-4266-from-january.
19 Baffes, J. and Temaj, K. (2022), 'Food prices continued their two-year-long upward trajectory', blog post, World Bank, 25 May 2022, https://blogs.worldbank.org/opendata/food-prices-continued-their-two-year-long-upward-trajectory.
20 Ruta (2022), 'The Impact of the War in Ukraine on Global Trade and Investment', p. 8.
21 Fitch Ratings (2022), 'China Covid-19 Lockdowns to Intensify Global Inflation Concerns', commentary, 10 May 2022, https://www.fitchratings.com/research/sovereigns/china-covid-19-lockdowns-to-intensify-global-inflation-concerns-10-05-2022.
22 Ponthus, J. (2022), 'Sterling hits 2-year low as GDP dips, post-Brexit tensions rise', Reuters, 13 June 2022, https://www.reuters.com/markets/europe/sterling-drops-after-surprise-uk-gdp-contraction-april-2022-06-13.
23 Daniel, R. and Cooper, P. (2022), 'UK labour shortage: 'It used to be easy to get fruit pickers'', BBC News, 25 May 2022, https://www.bbc.co.uk/news/uk-england-suffolk-61568286.

Statistics on 'long-term' migration show that non-EU inward migration increased from 224,000 in Q2 2020 to 251,000 in Q2 2021.[24] However, this is not enough to make up for reduced EU migration, which declined from 281,000 in Q2 2020 to 181,000 in Q2 2021. The resulting labour gap has reduced output, particularly in agriculture and hospitality, and increased wage costs for companies, contributing to rising inflation.[25]

These factors help explain why the UK has the highest rate of inflation in the G7 (see Figure 5) – this is predicted to remain the case until 2024.[26] As a services economy, the UK imports few raw materials but a high number of manufactured goods, which have become more expensive due to the increased cost of primary inputs. The effects of Brexit on labour markets, including added paperwork and border friction for importers, have left the UK vulnerable to rising inflation. The war in Ukraine therefore only adds extra pressure to pre-existing supply-side issues.

Figure 5. Inflation rate among G7 members, April 2022



Source: Institute of Chartered Accountants in England and Wales (2022), 'Chart of the week: Inflation around the world', 26 May 2022, https://www.icaew.com/insights/viewpoints-on-the-news/2022/may-2022/chart-of-the-week-inflation-around-the-world.

In the longer term, Russia's invasion of Ukraine is likely to encourage a recent trend towards deglobalization, with supply chains becoming increasingly fractured and politicized.[27] Countries like the UK, which rely on imports of energy, food and manufactured goods, are becoming keen to establish diverse and trusted supply chains with like-minded partners.[28] This is partly an insurance policy against geopolitical risks such as the war in Ukraine, but partly also a response to domestic political demands – for example, calls to end imports of cotton from Xinjiang due to concerns over China's treatment of the Uighur minority.[29]

24 ONS (2022), 'Long-term international immigration, emigration and net migration flows, provisional', dataset, 26 May 2022, https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/datasets/longterminternationalimmigrationemigrationandnetmigrationflowsprovisional.
25 Thomas, D. (2022), 'UK business lobby group calls for government help over labour shortages', *Financial Times*, 14 July 2022, https://www.ft.com/content/4817fee1-29ec-477e-ab21-7f17659ab476.
26 Giles, C., Fray, K. and Hollowood, E. (2022), 'UK set for highest inflation among G7 until 2024, say economists', *Financial Times*, 9 June 2022, https://www.ft.com/content/4f55f312-6478-4920-a911-ac023ae006aa.
27 Kornprobst, M. and Wallace, J. (2021), *What is deglobalization?*, Explainer, London: Royal Institute of International Affairs, https://www.chathamhouse.org/2021/10/what-deglobalization.
28 Baschuk, B. (2022), 'What 'Friend-Shoring' Means for Trade in a Less-Friendly World', *Washington Post*, 23 June 2022, https://www.washingtonpost.com/business/what-friend-shoringmeans-for-trade-in-a-less-friendly-world/2022/06/22/5c3d4f30-f1e3-11ec-ac16-8fbf7194cd78_story.html.
29 Batha, E. (2020), 'UK urged to stop cotton imports made in Chinese 'prison camps'', Reuters, 23 April 2020, https://www.reuters.com/article/britain-cotton-china-idUKL5N2C92HY.

'Reshoring', 'friend-shoring' and what European Central Bank president Christine Lagarde calls 'open strategic autonomy' are likely to become increasingly popular among Western governments.[30] These trends could exacerbate higher prices, due to factors including the frictions involved in finding and adjusting to new supply chains, reduced choice over potential trade partners, and imports being selected less on cost and more on the politics of the source country.

That said, the true extent of deglobalization is contested: US imports from China grew during the COVID-19 pandemic, for example.[31] China also became the UK's largest source of imports at that time, despite increasing geopolitical hostility between those countries.[32] Economic reality does not always track domestic or international political stances. Furthermore, China aside, the UK trades mainly with democratic allies like the EU, Japan, Norway, Switzerland and the US.[33]

The effects of UK and international sanctions against Russia

The UK has long-standing and substantial links to kleptocratic finance in Russia and elsewhere in the former USSR. These links were outlined in a December 2021 Chatham House research paper, which concluded that the UK has been uniquely appealing for kleptocrats because '…it is not just money that is laundered, but also reputations. Key allies of kleptocratic presidents merge into UK society and sometimes acquire British citizenship following receipt of a 'golden visa''.[34]

It is difficult to assess the full economic significance of Russian kleptocratic wealth in the UK. However, the anti-corruption NGO Transparency International has identified at least £1.5 billion of UK property owned by Russians accused of financial crime or with links to the Kremlin.[35] Meanwhile, Pandora Papers researchers 'identified more than 700 offshore companies which owned UK properties, and found that 5% of them were owned by Russian citizens'.[36]

30 European Central Bank (2022), 'A new global map: European resilience in a changing world: Speech, Christine Lagarde, President of the European Central Bank, Peterson Institute for International Economics, Washington, DC', 22 April 2022, https://www.ecb.europa.eu/press/key/date/2022/html/ecb.sp220422~c43af3db20.en.html.
31 Bloomberg News (2022), 'China's Trade Surplus Hit a Record $676 Billion in 2021', 14 January 2022, https://www.bloomberg.com/news/articles/2022-01-14/china-posts-record-trade-surplus-in-2021-on-soaring-exports.
32 ONS (2022), 'UK trade with China: 2021', press release, 1 June 2022, https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/articles/uktradewithchina2021/2022-06-01#:~:text=1.-,Main%20points,goods%20exports%20from%20the%20UK.
33 Schneider-Petsinger, M. (2021), *US and European strategies for resilient supply chains: Balancing globalization and sovereignty*, Research Paper, London: Royal Institute of International Affairs, https://www.chathamhouse.org/2021/09/us-and-european-strategies-resilient-supply-chains.
34 Heathershaw, J. et al (2021), *The UK's kleptocracy problem: How servicing post-Soviet elites weakens the rule of law,* London: Royal Institute for International Affairs, p. 44, https://www.chathamhouse.org/2021/12/uks-kleptocracy-problem.
35 Transparency International (2022), 'Transparency Measures Must Be Fast-Tracked To Kick-Start Dirty Money Crackdown', press release, 22 February 2022, https://www.transparency.org.uk/russia-sanctions-UK-latest-news-property-dirty-money-suspect-wealth.
36 BBC News (2022), 'Ukraine crisis: How much Russian money is there in the UK?', 11 March 2022, https://www.bbc.co.uk/news/60348046.

While the UK's financial links to Russia pose moral and political problems, they do not constitute a major part of British trade and inward investment. In 2020, the UK received £681 million in FDI from Russia – less than 0.1 per cent of the total UK inward FDI stock and a small sum compared to the £11.2 billion of British FDI in Russia.[37]

A more substantial impact is likely to come from the introduction of new sanctions. These could: (a) directly affect investment and business activity in the UK through legal restrictions; (b) indirectly affect trade and investment through the perception that the UK is no longer open to business in certain sectors or with certain kinds of companies and individuals; or (c) affect future business activity through setting a precedent of applying sanctions against unsavoury regimes.

For instance, in 2020, the UK received FDI from China of £3.4 billion,[38] an amount substantially larger than that from Russia. Chinese investors may conclude that the UK is an unsafe location for their investments, to protect themselves against any future UK sanctions on China – perhaps on the grounds of alleged human rights abuses in Xinjiang or a future invasion of Taiwan. To a lesser extent, investors from other countries with questionable human rights records, such as India, Qatar and Saudi Arabia, may also be concerned, though the UK's courtship of these countries for trade and investment partnerships may dampen such fears.[39]

Russia's invasion of Ukraine has prompted an unprecedented response from UK businesses with activities in Russia – with major companies cutting ties with the country.

Just before Russia's invasion of Ukraine, the Home Office scrapped its tier 1 (or 'golden') visas, which previously allowed many Russians and others to regain residency by investing £2 million or more in the UK.[40] In March 2022, the UK Parliament also passed the Economic Crime (Transparency and Enforcement) Act, which establishes a register of beneficial ownership for property owned by overseas entities, in a bid to improve transparency.[41] Additionally, the UK has sanctioned specific Russian individuals and companies – including through freezing the assets of Russian banks and barring Russian firms from borrowing money – primarily targeting those with links to Russian president Vladimir Putin and his regime.[42]

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37 Department for International Trade (2022), *Trade and Investment Factsheets: Russia*, 17 June 2022, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1075517/russia-trade-and-investment-factsheet-2022-05-18.pdf.
38 Department for International Trade (2022), *Trade and Investment Factsheets: China*, 17 June 2022, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1075377/china-trade-and-investment-factsheet-2022-05-18.pdf.
39 Trade Justice Movement (2022), 'TJM response to Gulf Cooperation Council Inquiry', blog post, 10 January 2022, https://www.tjm.org.uk/blog/2022/tjm-response-to-gulf-cooperation-council-inquiry.
40 BBC News (2022), 'Ukraine crisis: How much Russian money is there in the UK?'.
41 Legislation.gov.uk (2022), 'Economic Crime (Transparency and Enforcement) Act 2022', 15 March 2022, https://www.legislation.gov.uk/en/ukpga/2022/10/contents.
42 BBC News (2022), 'What sanctions are being imposed on Russia over Ukraine invasion?', 27 June 2022, https://www.bbc.co.uk/news/world-europe-60125659.

In addition to formal sanctions, Russia's invasion of Ukraine has prompted an unprecedented response from UK businesses with activities in Russia – with, for example, BP exiting its 19.75 per cent shareholding in Russian state-owned energy company Rosneft.[43] Other major British companies, including Marks & Spencer and Vodafone, have shut down operations in Russia or cut ties with partners in the country, largely as a result of consumer pressure and public relations concerns, rather than the legal requirement of international sanctions.[44]

The key question is what precedent this sets for future sanctions. Russia makes up a small proportion of UK trade and investment abroad: even companies with significant interests in Russia like BP have behaved in a way that indicates that they are more concerned about mitigating Western consumer pressure than about losing money on investments. However, it is worth considering whether companies would behave the same way if political and public attention turned towards China or other major UK trading partners.

There are good reasons for thinking that the British government and private sector would treat China differently to Russia in the event of escalating tensions. China's economy is far more important for global GDP, and it is highly integrated into global supply chains for key manufacturing products and materials. Chinese outward investment, including that in Western countries, is substantial, the Chinese consumer market for Western goods is growing, and many Chinese students travel to countries like the UK to study.[45] As tensions between China and the West continue to rise, particularly over the status of Taiwan, this question already feels less hypothetical.

However, some individuals and businesses may prefer to play it safe and keep their assets in territories less likely to experience political tension with China or another significant trading partner. In the medium to long term, the main impact of sanctions on the UK economy could therefore be as a precedent for political values trumping business interests when it comes to trade.

Ukraine's future relationship with the EU

Ukraine's current predicament is desperate, and the focus of Western countries has been on providing military supplies, financial support and safe passage for Ukrainian refugees. The UK has a geopolitical interest in helping Ukraine restructure economically and politically after the conflict, since a post-war Ukraine could become a key European ally on the border of a threatening adversary. Additionally, there is likely to be significant political will and a sense of moral obligation within the UK to help Ukraine restructure.

43 bp (2022), 'bp to exit Rosneft shareholding', press release, 27 February 2022, https://www.bp.com/en/global/corporate/news-and-insights/press-releases/bp-to-exit-rosneft-shareholding.html.
44 Davey, J. (2022), 'Britain's M&S pulls out of Russia and warns on outlook', Reuters, 25 May 2022, https://www.reuters.com/business/retail-consumer/britains-ms-warns-outlook-profit-jumps-2022-05-25; Pham, M. (2022), 'Vodafone cuts ties with MTS Russia', Developing Telecoms, 3 March 2022, https://developingtelecoms.com/telecom-business/operator-news/13039-vodafone-cuts-ties-with-mts-russia.html.
45 Department for International Trade (2022), *Trade and Investment Factsheets: China*.

In the immediate term, many developing countries rely on Ukraine as a source of grain, making the restoration of grain exports an urgent priority to prevent mass hunger and potentially famine in some parts of the world.[46]

If Putin's original plans for the conflict had succeeded, Ukraine's government would have been brought down and replaced with a regime sympathetic to the Kremlin. But this outcome appears increasingly less likely as the conflict continues. Ukraine's armed forces and citizens have put up a remarkable defence against Russian armed forces lacking in morale, strategy and technology. The Ukraine that emerges from the conflict is likely therefore to look very different to the Ukraine that Putin originally envisaged.

One possible outcome is a divided Ukraine, with certain regions (such as Donetsk and Luhansk) coming into Russia's orbit in some form. This would by no means be a just outcome: the future of Ukraine ought to be decided by the Ukrainian people, not by violent aggression. However, for the parts of Ukraine that remained free of Russian influence, such an outcome could hasten a political and economic liberalization, perhaps even of the kind seen in South Korea and other countries in the 20th century.

The lesson from examples such as South Korea or Taiwan is that the citizens of countries that have experienced real threats to their freedom can end up embracing liberal ideals more wholeheartedly than those in long-standing democracies.[47] While counter-examples like Afghanistan and Iraq make it impossible to draw any general rules from the trajectory of countries post-conflict, it is at least possible that Ukraine could emerge from this war with a greater sense of national purpose, a commitment to liberal norms and values, and stable political institutions.

Since 2014, support for liberal values and democracy has been growing in Ukraine, and the war is likely to catalyze this existing trend.[48] For decades, as exemplified by the 'Euromaidan' revolution of 2013 and 2014, many Ukrainians have sought a closer relationship with the EU. The current conflict could be the culmination of, rather than just another chapter in, this struggle. Even if the war ends with parts of Ukraine under Russian control, the majority of the population could emerge proudly European and economically liberal.

A 2017 Chatham House report argued that '…the Euromaidan revolution was, at its heart, a rejection of Ukraine's corrupt system and a demand for the creation of an economy and society based on Western and European norms'.[49] Support

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46 UN Security Council (2022), 'Lack of Grain Exports Driving Global Hunger to Famine Levels, as War in Ukraine Continues, Speakers Warn Security Council', meetings coverage, 19 May 2022, https://www.un.org/press/en/2022/sc14894.doc.htm.
47 Taiwan and South Korea ranked 8th and 16th, respectively, on The Economist Intelligence Unit's Democracy Index 2021 – both were ahead of the UK, which was placed 18th. Economist Intelligence Unit (2021), 'Democracy Index 2021: the China challenge', https://www.eiu.com/n/campaigns/democracy-index-2021.
48 Yakumenko, Y. et al. (2021), *Ukraine: 30 years on the European path,* report, Kyiv: Razumkov Centre, https://razumkov.org.ua/uploads/2021-independence-30.pdf, pp. 128–36.
49 Lough, J. et al. (2017), *The Struggle for Ukraine*, Report, London: Royal Institute of International Affairs, p. iv, https://www.chathamhouse.org/2017/10/struggle-ukraine.

among Ukrainians for joining the EU was already high prior to the outbreak of war – with 72 per cent favouring EU membership in February 2021. But this has increased significantly since, reaching 89 per cent by May 2022.[50]

Ukraine's push for EU candidacy has also encouraged economic liberalization, as the country strives to meet the structural requirements for membership. The EU–Ukraine Association Agreement and the Deep Comprehensive Free Trade Agreement have increased trade between the EU and Ukraine, and are both structured to prepare Ukraine for future EU membership.[51] The UK agreed its own Political, Free Trade and Strategic Partnership Agreement with Ukraine in 2020, which includes clauses encouraging economic liberalization measures.[52]

As a financial services centre of global importance, the UK could play a major role in financing the rebuilding of Ukraine during and after the war.

This pro-Western outlook could make post-war Ukraine an attractive site for inward investment and trade, including from the UK. Before the conflict, Ukraine already had a burgeoning technology sector, and there is no reason why this could not grow as in other former Soviet countries like Estonia and Lithuania.[53]

A recent Chatham House expert comment highlighted the urgent importance of funding, stating that '[w]ith the new school year and winter approaching, cities must build bomb shelters, repair and increase housing stock, provide emergency funding to SMEs, build new transport connections to export via the EU, and stockpile materials to prepare for future damage to critical infrastructure, which is inevitable'.[54] Ukraine's National Recovery Plan specifically mentions financing as an important way for partners to support the country's post-war restructuring.[55] As a financial services centre of global importance and Europe's largest technology centre on many measures,[56] the UK could therefore play a major role in enabling the rebuilding of Ukraine during and after the war.

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50 Ilko Kucheriv Democratic Initiatives Foundation (2022), 'How the War Changed the Way Ukrainians Think About Friends, Enemies, and the Country's Strategic Goals', press release, 30 May 2022, https://dif.org.ua/en/article/how-the-war-changed-the-way-ukrainians-think-about-friends-enemies-and-the-countrys-strategic-goals.
51 Disney, R. and Szyszczak, E. (2022), 'Ukraine's accession to the European Union: what difference would it make?', Economics Observatory, 7 June 2022, https://www.economicsobservatory.com/ukraines-accession-to-the-european-union-what-difference-would-it-make.
52 Department for International Trade and Foreign, Commonwealth & Development Office (2020), 'UK-Ukraine political, free trade and strategic partnership agreement', 9 November 2020, https://www.gov.uk/government/collections/uk-ukraine-political-free-trade-and-strategic-partnership-agreement.
53 Segal, D. (2022), 'Inside Ukraine's Thriving Tech Sector', *New York Times*, 22 July 2022, https://www.nytimes.com/2022/07/22/business/ukraine-tech-companies-putin.html.
54 Lutsevych, O. (2022), 'Immediate recovery funding is key to Ukraine's security', Chatham House Expert Comment, 18 July 2022, https://www.chathamhouse.org/2022/07/immediate-recovery-funding-key-ukraines-security.
55 Ukraine National Recovery Council (2022), *Ukraine's National Recovery Plan*, July 2022, https://uploads-ssl.webflow.com/621f88db25fbf24758792dd8/62c166751fcf41105380a733_NRC%20Ukraine%27s%20Recovery%20Plan%20blueprint_ENG.pdf.
56 Tech Nation (2021), '*The future UK tech built: Tech Nation Report 2021*', Report, https://technation.io/report2021/#key-statistics (accessed 6 Mar. 2022).

UK overall trade has fallen significantly since the end of the post-Brexit transition period in 2021 (see Figures 6 and 7) and the Government's new trade agreements have failed to fill the gap left by declining trade with the EU. In the short to medium term, the UK's priority will be to find new, non-EU trading partners, but it may also have to strengthen its trading arrangements with the EU.

Figure 6. UK exports by destination (EU/non-EU), selected monthly totals, 2018–21

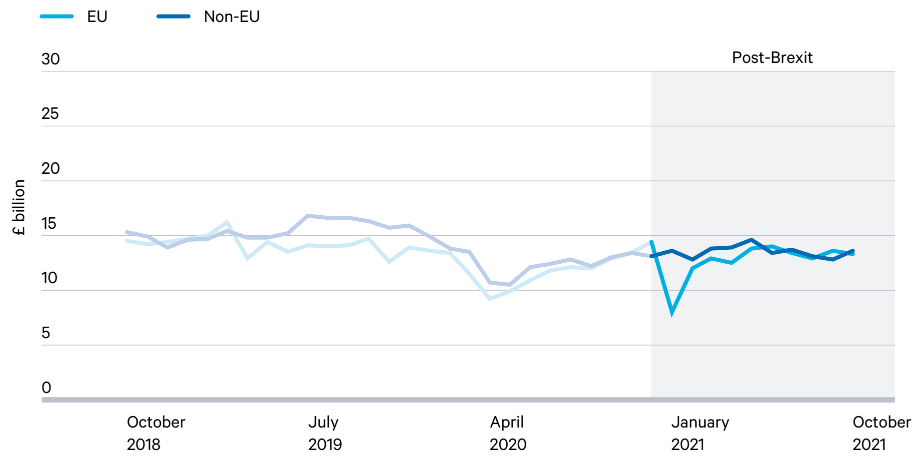
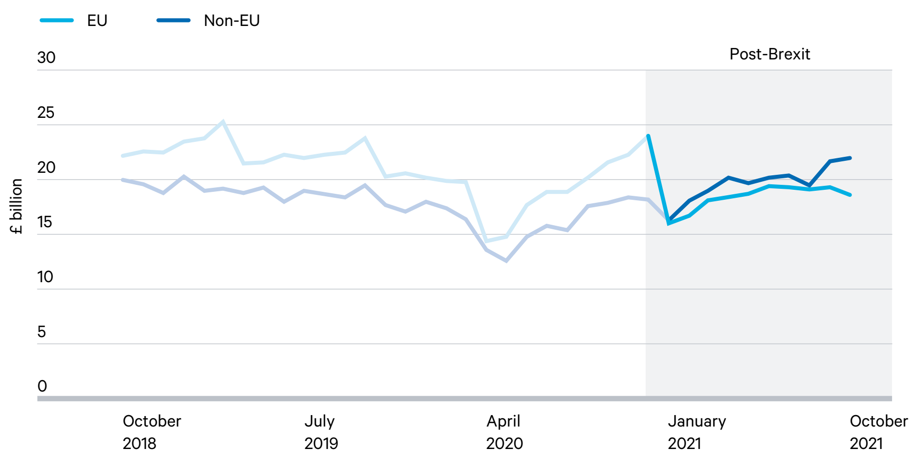


Figure 7. UK imports by origin (EU/non-EU), selected monthly totals, 2018–21



Source: Office for National Statistics (undated), 'Business, industry and trade: International trade', https://www.ons.gov.uk/businessindustryandtrade/internationaltrade (accessed 15 Mar. 2022).

Ukraine's future relationship with the EU will have significant implications for the UK – whether Ukraine achieves its current ambition of full membership or ends up as a close partner on the outside.

The government of President Volodymyr Zelensky officially requested EU membership in February 2022 and in June the European Commission formally recommended that Ukraine be granted candidate status.[57] However, the chances of Ukraine acceding to the EU remain uncertain. Despite high-level support, there is still plenty of opposition within the EU to Ukraine joining, particularly from those member states that rely on Russian energy and that prefer to avoid aggravating Moscow any further. Moreover, a Ukrainian pledge not to join the EU could form part of a post-war peace agreement.

The process for Ukrainian accession could be a long one – for example, Croatia waited 10 years before becoming a full member. In the meantime, or as an alternative, the EU could seek ways to accommodate Ukraine, and to build closer economic and political ties, without offering full membership. Although this would fall short of what Ukraine hopes for, and would be seen by many as an unsatisfactory compromise, there appears to be some momentum behind the idea. French president Emmanuel Macron previously called for rules for the Schengen Area to be reformed in line with those of the eurozone, under which participating states have a larger say over policy decisions than non-participants,[58] and he has recently also proposed the creation of a so-called ‘European Political Community’ as a middle ground between full membership and being excluded altogether.[59] If such a model was to apply to Ukraine, it could also be opened to other peripheral states such as Switzerland, Turkey or the UK. That is not currently the most likely outcome of negotiations between the EU and Ukraine, but a future UK government with a different approach to European cooperation could help make it a reality.

If such an outcome does not materialize and Ukraine ends up fully on the outside, this would put it in a very similar position, in terms of trade, to post-Brexit Britain. This could create new opportunities for UK–Ukraine trade. The UK has already lowered tariffs on Ukrainian imports to zero, though whether this arrangement is retained after the war depends on not just political will, but also on the potential for dispute via the WTO if the UK fails to extend the same preferences to other partners, as is technically required under MFN agreements.[60]

In 2018, Ukraine did not feature among the UK’s top 50 export partners, while the UK was only Ukraine’s 16th largest export partner.[61] However, in even five or 10 years’ time, this situation could change. The experience of countries like Ireland, South Korea and Taiwan demonstrate that economies can liberalize and

57 European Commission (2022), ‘Communication From The Commission To The European Parliament, The European Council And The Council: Commission opinion on Ukraine’s application for membership of the European Union’, 16 June 2022, https://ec.europa.eu/neighbourhood-enlargement/opinion-ukraines-application-membership-european-union_en#details.
58 Braun, E. (2020), ‘Macron calls for a ‘refoundation of the Schengen area”, Politico, 5 November 2020, https://www.politico.eu/article/emmanuel-macron-refoundation-schengen-area.
59 Hanke Vela, J., Lynch, S. and Von Der Burchard, H. (2022), ‘EU leaders to debate France’s halfway house for Ukraine idea’, Politico, 25 June 2022, https://www.politico.eu/article/france-proposal-european-political-community-ukraine.
60 Department for International Trade and the Rt Hon Anne-Marie Trevelyan MP (2022), ‘UK announces new trade measures to support Ukraine’.
61 World Bank (undated), ‘United Kingdom trade balance, exports and imports by country 2018’, World Integrated Trade Solution, https://wits.worldbank.org/CountryProfile/en/Country/GBR/Year/2018/TradeFlow/EXPIMP/Partner/by-country (accessed 2 Aug. 2022); World Bank (undated), ‘Ukraine trade balance, exports and imports by country 2018’, World Integrated Trade Solution, https://wits.worldbank.org/CountryProfile/en/Country/UKR/Year/2018/TradeFlow/EXPIMP/Partner/by-country (accessed 2 Aug. 2022).

grow rapidly when there is a combination of investment and strong institutions. For example, South Korea now ranks 10th in the world for GDP (compared to the UK's fifth) and is the world's seventh largest exporter (compared to the UK's 12th).[62]

South Korea and the other countries mentioned above demonstrate that it is possible for a divided or otherwise embattled country to create the right conditions for prosperity in the long term. Ukraine is well-placed geographically to become a trading hub on the Black Sea, which acts as a gateway to Central Asia, Europe and the Middle East. A long-sighted UK government would do well to identify future trade and investment opportunities in a post-war Ukraine.

The impact of war in Europe on the UK's Indo-Pacific tilt and on its wider foreign policy

Since the UK left the EU, much of the attention around UK foreign policy has been on the potential for greater ties with the Asia-Pacific region. The phrase 'Indo-Pacific tilt', as used in the 2021 Integrated Review,[63] covers a multitude of initiatives and ideas across different policy areas, ranging from the UK's bid to join the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), to the AUKUS security pact with Australia and the US.

But it is debatable how much of the 'tilt' is slogan and how much is tangible policy. Aside from the CPTPP and AUKUS, few other examples have emerged of what it will mean in practice. In a different geopolitical era, tilting to the Indo-Pacific region might have meant deepening the UK's trade and investment relationship with China. In current circumstances, though, it is more likely to mean challenging China both economically, through partnerships with liberal democracies in the region, and militarily, through an increased Royal Navy presence in the South China Sea.[64]

Russia's invasion of Ukraine challenges the idea that the UK can prioritize the Indo-Pacific in its security policy. Indeed, while proposing the 'tilt', the Integrated Review also identified Russia as the most direct threat to UK interests.[65] Events in Ukraine have only bolstered that view.

Therefore, it remains to be seen to what extent the UK can realistically be a military and economic power in both Europe and the Indo-Pacific. Maintaining a presence in any region for the world requires substantial resources, but the UK government has recently cut the size of its military and its development aid budget, and

62 World Bank (undated), 'Data: Goods Exports (BoP, current US$)', https://data.worldbank.org/indicator/BX.GSR.MRCH.CD?most_recent._value_desc=true (accessed 20 June 2022); IMF (2022), 'World Economic Outlook Database: April 2022 Edition', https://www.imf.org/en/Publications/WEO/weo-database/2022/April (accessed 20 June 2022).
63 HM Government (2021), *Global Britain in a Competitive Age*.
64 Gardner, F. (2021), 'China warns UK as carrier strike group approaches', BBC News, 30 July 2021 https://www.bbc.co.uk/news/world-asia-58015367.
65 HM Government (2021), *Global Britain in a Competitive Age*.

reduced both its diplomatic staff and the activities of the British Council.[66] It has also abolished dedicated ministerial posts focused on regions like the Middle East and North Africa.[67]

The UK's tilt towards the Indo-Pacific also depends on US foreign policy priorities. Under the current US president, Joe Biden, there is momentum behind efforts to establish an alliance of democracies focusing attention and resources on the Indo-Pacific. However, things could look very different under a more isolationist president, as when Biden's predecessor as president, Donald Trump, withdrew the US from the Trans-Pacific Partnership. The UK is not large enough to go it alone in Asia without partnering with the US, and to a lesser extent, with Australia and Japan.

The war could reduce opportunities for geopolitical and defence cooperation with India, which would otherwise be a key ally in countering China's ambitions.

One rationale behind the Indo-Pacific tilt is the potential for economic opportunities, including the possibility of a trade agreement between the UK and India, which is currently being negotiated. However, Russia's invasion of Ukraine could slow progress on this deal, as India has not supported Western-led sanctions against Russia and relies heavily on Russia for weapons and other imports. The war could also reduce opportunities for geopolitical and defence cooperation with India, which would otherwise be a key ally in countering China's ambitions.[68]

Any tilt back towards Europe could have a trade dimension. Europe will always retain a certain pull on UK foreign policy, not least as eight of the UK's top 10 export partners are European countries.[69] For certain types of trade, such as fresh produce or parts for just-in-time manufacturing, geographically distant supply chains are unfeasible. In addition, the UK is a significant exporter of military equipment and provider of cyber intelligence technology, for which increased concern over security presents an opportunity.[70] Many countries on Europe's eastern front are wary of potential Russian aggression, regardless of

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66 Sabbagh, D. (2021), 'UK army, navy and RAF all to be cut back, defence review confirms', *Guardian*, 22 March 2021, https://www.theguardian.com/uk-news/2021/mar/22/uk-army-navy-and-raf-all-to-be-cut-back-defence-review-confirms; Kenber, B. and Boyes, R. (2021), 'Foreign Office to cut staff by 20% in four years', *The Times*, 11 December 2021, https://www.thetimes.co.uk/article/foreign-office-to-cut-staff-by-20-in-four-years-xzwcpwlzj; Worley, W. (2022), 'Tracking the UK's controversial aid cuts', Devex, https://www.devex.com/news/tracking-the-uk-s-controversial-aid-cuts-99883; Wintour, P. (2021), 'British Council to close 20 offices across globe after cuts and lost income', *Guardian*, 9 September 2021, https://www.theguardian.com/uk-news/2021/sep/09/british-council-to-close-20-offices-across-globe-after-cuts-and-lost-income.
67 Lawrence, D. (2022), 'Axing Middle East minister leaves 'Global Britain' stretched thin', Chatham House Expert Comment, 3 March 2022, https://www.chathamhouse.org/2022/03/axing-middle-east-minister-leaves-global-britain-stretched-thin.
68 Whale, S. (2022), 'War in Ukraine puts UK-India trade deal under the microscope', Politico, 18 March 2022, https://www.politico.eu/article/fallout-war-ukraine-uk-india-trade-deal-hold.
69 World Bank (undated), 'United Kingdom trade balance, exports and imports by country 2018'.
70 Stockholm International Peace Research Institute (2022), 'Global arms trade falls slightly, but imports to Europe, East Asia and Oceania rise', press release, 14 March 2022, https://www.sipri.org/media/press-release/2022/global-arms-trade-falls-slightly-imports-europe-east-asia-and-oceania-rise; Voo, J. et al. (2020), 'National Cyber Power Index 2020', report, Harvard University Belfer Center for Science and International Affairs, September 2020, https://www.belfercenter.org/publication/national-cyber-power-index-2020.

how the war develops. Finland and Sweden are likely to join NATO within the next year, while Germany is boosting its military spending to an extent not seen since the end of World War Two.[71]

The situation in Ukraine of course cannot be reduced to a mere trading opportunity. At the same time, the UK does have a comparative advantage in the sectors mentioned above, and geopolitical reasons mean that there is likely to be a surge in demand for UK expertise in conventional arms and advanced weapons technology from many of the UK's liberal allies, potentially from Europe's eastern front more than from the Asia-Pacific region.

Russia's invasion of Ukraine is therefore likely to limit the UK's shift in focus towards the Indo-Pacific, with implications for trade and investment. A renewed military and security focus on Europe is a helpful reminder of the UK's continued dependence on, and connection with, its European neighbours, despite Brexit. If the UK wishes to tilt towards Asia, it will need to find more money and resources to fund activities on both continents.

Conclusion

UK trade is less exposed to the direct effects of Russia's invasion of Ukraine than many other countries. The UK's largely services-based economy and lack of energy dependence on Russia leave Britain freer than its European allies to criticize Russian policy and actions, or to call for robust responses like oil embargoes, with minimal economic repercussions.

However, this does not mean that the war in Ukraine is unimportant for UK trade. The principal effect of the war is to exacerbate existing economic and trading challenges. The most pressing of these, in the short to medium term, is cost-based inflationary pressure. Much of this is the product of global issues, such as the supply-chain crunch resulting from the COVID-19 pandemic and the ongoing lockdowns in China.

Some of those existing challenges, though, are uniquely British: the UK currently has the highest rate of inflation in the G7 (at just over 10 per cent in July 2022), in part because Brexit has increased the cost of imports to the UK – particularly the cost of food products and manufacturing inputs, which now require arduous paperwork and customs checks. There is also a shortage of workers in the labour market due to reduced inward migration post-Brexit and post-pandemic, which in turn has pushed up wages and increased prices in specific sectors, including agriculture and hospitality.

Another effect of the war could be on London's links to kleptocratic wealth – especially that from Russia – amid growing calls for the UK financial services sector to take a more robust approach. A crackdown could bolster London's

71 Reuters (2022), 'Germany "very confident" of deal on Sweden, Finland NATO bid - government source', 20 June 2022, https://www.reuters.com/world/europe/germany-very-confident-deal-sweden-finland-nato-bid-goverment-source-2022-06-20.

credibility and reputation, but it could also mean that such money leaves the UK for more kleptocrat-friendly jurisdictions and that investors from certain countries no longer see the UK as a 'safe' place to put their money.

Potentially the most significant effect of the war for the UK will be the trajectory of EU–Ukraine relations over the next five to 10 years. If Ukraine is prevented from joining the EU, for any number of reasons, the UK will be watching closely. Another more radical outcome of the war, with significant implications for the UK, could be an invitation for Ukraine to participate in a new, two-tier model of European cooperation. Such an outcome could provide a model for a future UK–EU relationship – presumably under a future, more pro-European UK government.

Finally, the war provides a test for the UK's Indo-Pacific tilt. Although that region may become the focus of the UK's future foreign policy, European security is the government's immediate priority, and will continue to be for years to come. As European allies invest in weapons and defence systems, the UK may be tempted to deploy its comparative advantage in weapons technology and intelligence systems closer to home.

In the short to medium term, the challenge posed by higher commodity prices is the most significant effect of the war on UK trade – through both the immediate hit to household budgets and the rerouting of supply chains for geopolitical reasons. In the longer term, much will depend on the outcome of debates on globalization vs deglobalization. While political rhetoric and COVID-19 have undoubtedly altered the outlook for global trade, the actual figures imply that concerns over deglobalization may be exaggerated.

The UK's trading relationship with Europe will remain paramount, despite the Indo-Pacific tilt and other similar attempts to shift the focus of British foreign policy away from the UK's immediate neighbourhood. Although Ukraine is – in terms of economic clout as a future trading partner – of little significance, its future relations with the EU are much more consequential for the UK and other non-member countries in Europe.

In response to these possible outcomes, the UK should focus on the long term. While China is growing in significance as a geopolitical challenger, Europe is likely to remain the most important region for UK trade. British investors who might be attracted to the Asia-Pacific region could miss out on opportunities in post-conflict, liberal economies in Eastern Europe – some of which have already demonstrated an impressive record on digital consumer technologies.

Difficult trade-offs will have to be made. There are good geopolitical and economic reasons for aspiring to be an Indo-Pacific power, but Russia's invasion of Ukraine is a reminder of the importance to the UK of European security. Being both a European and Pacific power may just be achievable, but may also mean cutting back on strategically important areas of British influence elsewhere, such as Africa and the Middle East. In an era when the UK no longer has the resources to influence every region of the world, it must prioritize.

Most significantly of all, the war highlights the importance of resilience for the UK, as it has for all Western nations. Russia's invasion of Ukraine has disrupted supply chains and undermined food security for both neighbouring and distant countries.

While the UK has relatively high levels of energy and food security, it is by no means immune to inflationary pressure in these sectors. Indeed, the cost-of-living crisis is likely to dominate the UK's domestic political affairs for the reminder of its current parliamentary term.

Building resilience means planning for the unexpected. Even without the war in Ukraine, certain key 'chokepoints' for UK trade would still need to be addressed, including both dependence on the cross-Channel route to and from France, which is beset by Brexit-related delays and paperwork, and a labour shortage resulting in part from fall in inward migration post-Brexit and post-pandemic. The UK government should consider these chokepoints as critical not just to the country's future economic prosperity but also to its security.

About the author

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Cover image: Flowers and messages of support outside the Ukrainian embassy in London, 5 March 2022.

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