

Hannah Essex, Co-Executive Director at the British Chambers of Commerce, said:

“With more dreadful news coming out of Ukraine every day, all of us at the BCC hope that world leaders can work together to enforce a peaceful resolution. Our thoughts are with all those affected in Ukraine and across our Global Network.

“The situation in Ukraine will be deeply worrying for many businesses in the region as well as here in the UK. International leaders must focus on seeking an end to the invasion and return to peace as soon as humanly possible.

“The British Chambers of Commerce will work closely with the UK government to ensure that businesses have all of the advice, information and support they need to make decisions, adapt to these circumstances and navigate the challenging times ahead.”

On the impact on trade and the economy, William Bain, Head of Trade Policy, said:

“Alongside the enormous human cost, the Russian invasion of Ukraine risks a significant shock to the world economy by weakening global demand, increasing inflationary pressures, damaging international financial markets and adversely impacting the UK economy.

“The UK energy market has a lot less direct exposure to Russian gas supplies than most of Europe. But, as the global market is already tight, a scramble to source supplies will very likely result in further rises in prices in the UK.

“There is also a risk of further disruption to global supply chains, particularly those coming from, or crossing through, Russia, Ukraine and Belarus. With the closure of air space, and all UK ports to Russian linked ships, there is likely to be a significant impact on the movement of goods and people.

“The cumulative effect of all of this will likely be higher imported inflation and weakening trade flows.

“There could also be some supply chain disruption to manufacturers if some items cannot be exported due to hostilities and alternative supply sources cannot easily be obtained. This would inevitably further increase cost pressures and limit economic activity.”

UK-Ukraine trade

Trade between the UK and Ukraine to the year-end of Q2 2021 was £1.6bn in total. Four fifths of this is in goods - with imports of iron and steel (about a quarter of all

Ukrainian goods imports to the UK), cereals and grains (22%), vegetable oils and fats (15%), oil-seeds/oleaginous fruits (14%), and animal feed (3%).

Key U.K. exports to Russia are machinery, nuclear reactors, boilers (\$743m in 2020), vehicles (\$504m in 2020), pharmaceuticals (\$293m), electrical & electronic equipment (\$153m).