

The repercussions of the Ukrainian crisis on the economies of the Maghreb states

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Abstract:

This study aims at knowing the repercussions of the Ukrainian crisis on some economic indices of the Maghreb states and at revealing the economic position of these states in the international arena. In addition, the paper shows the future horizons of the economies of these states. To answer the problematic of the study that revolves around the repercussions of the Ukrainian crisis on the economies of the Maghreb states in the light of the potential courses, we used the analytical descriptive method. Moreover, we analyzed statistics and numbers related to the topic of the study in the light of the report of the World Bank and the ESCWA briefing of 2022. Findings show that the Ukrainian crisis has some negative repercussions on the growth of the gross domestic product GDP and inflation in the Maghreb states in the light of the scenarios of the short and long terms struggle, and that the changes of the oil prices are positive for the Algerian and Libyan economies and negative for the rest of the Maghreb states. In addition, the changes of the food products on the growth are negative in the Maghreb states in the scenario of the long term struggle. Furthermore, the unemployment rate will stay high in these states due to the crisis. The study recommends increasing and enlarging the support for the efforts of the agricultural production and the food security in these states.

Keywords: Crisis; GDP; Inflation; Financial Crisis; Maghreb States.

Jel Classification Codes: E13; F51; H11; H6.

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1. Introduction

All the world economies face periodical crises that hinder the course of growth and make the governments think about the reforms through adapting the governmental plans to the status-quo of the external environment. However, there are international crises that are difficult to control because they affect all the states due to various factors including Covid-19 pandemic that started from China and led to the closure of the borders and isolation. This affected the internal and economic circumstances worldwide. In addition, the economic growth levels decreased and the world witnessed an unprecedented recession that increased unemployment, led to the bankruptcy of many companies, and caused the collapse of various sectors such as tourism and transportation. With the beginning of the international economic recovery from the pandemic starting from 2022, a new political crisis emerged between Russia and Ukraine and had negative consequences on the world economy. The crisis led to Russian invasion of Ukraine due to old political disputes in the late of February 2022. These two states represent an important axis in the supply of food and energy to the world. Therefore, the crisis complicated the economic circumstances worldwide leading to the increase of the inflationary recession and the food prices due to the fluctuation in the supply chains. Furthermore, the energy prices witnessed a sharp increase and the shipping and transportation movement got troubled. This led to the deterioration of the circumstances after the deterioration of the purchasing power and the appearance of the international food security problem. In this context, the Maghreb states were affected by this crisis and witnessed difficulties in the previous months related to the prices of food and energy. This crisis may lead to a big collapse of the economies of the average, and low, income states that exceed those witnessed because of Covid-19. This obliges the states to find practical solutions to avoid the economic collapse the soonest possible before the deterioration of the uncertain circumstances mainly in the long-run. Based on what has been said, this paper studies the repercussions of the Russian-Ukrainian crisis on the economies of the

Maghreb states through expecting its effects on some economic indices in the light of the potential scenarios of the crisis.

Problematic of the study: This study aims at answering the following main question:

What are the repercussions of the Ukrainian crisis on the economies of the Maghreb states in the light of the potential scenarios of the crisis?

Hypothesis of the study: The Ukrainian crisis shall have negative repercussions on some economic indices in the Maghreb states. These repercussions shall vary from state to another due to the difference in the financial resources and the supply alternatives.

Importance of the study: The importance of the study lies within the fact that it tackles an important topic that is the repercussions of the Ukrainian crisis on the economies of the Maghreb states in the light of the potential scenarios of the crisis. It is one of the economic topics that have a big importance by the economic experts and decision makers mainly that the Maghreb states face difficult challenges in achieving growth levels that are close to the expected levels in the light of the inflationary recession, the increase of the food prices, the fluctuation of the supply chains, and the economy geopolitical uncertainty the international scene is witnessing today.

Objectives of the study: This study aims at:

- Shedding light on the repercussions of the Ukrainian crisis on the international prices.
- Finding the economic position of the Maghreb states internationally.
- Knowing the repercussions of the Ukrainian crisis on some economic indices of the Maghreb states (the growth of the GDP and inflation, the changes of the oil and food prices, the financial state and debts, and unemployment and poverty).

- Presenting the future horizons of the economies of the Maghreb states.

Methodology of the study: According to the nature of the study and its problematic that revolves around the repercussions of the Ukrainian crisis on some economic indices of the economies of the Maghreb states, we used the analytical descriptive method through describing the financial situations and indices of the under study states, and analyzing numbers and statistics related to the topic of the study in the light of the report of the World Bank and the briefing of ESCWA of 2022.

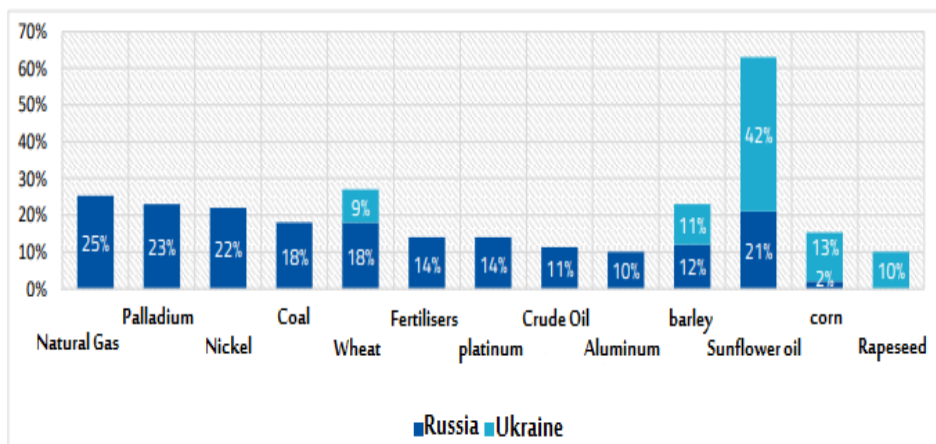
2. The repercussions of the Ukrainian crisis on the international prices:

Russia and Ukraine have a big portion of the international exports of many strategic goods. Russia is the 1st exporter of natural gas and the 2nd exporter of crude oil. It has around 25% of the international natural gas exports, 18% of the coal exports, 14% of palatine exports, and 11% of the international crude oil exports. Thus, the potential risks may lead to a sharp decrease in these products and, thus, hinder the construction works, petrochemicals, and transportation which decrease the economic growth (Indermit, 2022).

Ukraine and Russia play a key role in the international food markets because Ukraine and Russia produce wheat and maize and represent 27%, 23%, and 15% of the international exports (Richter, 2022). Both states represent around two thirds of sunflower oil as Ukraine alone represents around half of the international exports (42%) while Russia (21%). Hence, the war would have big repercussions all over the world mainly on food security because the war creates a food crisis due to the increase of food prices and the lack in many states that rely on the Russian and Ukrainian exports (Ritchie, 2022).

The following figure shows the percentage of the exports of Ukraine and Russia internationally.

Figure 01. The percentage of the exports of Ukraine and Russia internationally during 2019-2021.



Source: (UNICEF, 2022, p. 07).

Figure 01 shows that Russia is the biggest exporter of fertilizers worldwide as it represents 14% of the international exports. Consequently, any lack of the fertilizers would represent a big danger on the agricultural production all around the world leading to shifting the high inputs costs on the consumers or leading to a lesser use of the inputs and minimizing the crops. Thus, the high costs of the fertilizers would negatively affect the food production and, hence, affect the food security worldwide. Experts of the World bank confirm that the Russian-Ukrainian war will increase the pressures and maximize the prevalent food crisis in many parts of the world (Ehui, Jenane, & Waldmann, 2022).

The probable international repercussions of this war show that the states which feel more pressures are those that rely on the imports of oil and natural gaz and those that rely on importing foods from Russia and Ukraine; mainly the states that suffer acute levels of famine and food insecurity. As a consequence, the sharp repercussions are due to the fears of an increase in the prices of the energy and primary materials –including wheat and other cereals- which would increase the inflationary pressures resulting from the rupture in the

supply chains. The shock of the prices will impact the entire world mainly the poor families whose most expenditures are on food and fuels (Georgieva, 2022). If the Russian-Ukrainian war escalates, the economic damage would be more destructive because the repercussions would manifest in (UNICEF, 2022, p. 08):

- direct repercussions due to the increase of the primary materials and energy prices which will increase inflation and lead to the devaluation and decrease of the demand
- Indirect repercussions due to the losses and damages of the European states will increase the international prices.
- The increase of the shipping fees will effect inflation in the importing states because these fees are an important engine of inflation worldwide (when the shipping fees increase, inflation increases).

The Russian-Ukrainian war led to the increase of the prices of the oil tankers in April and May 2022 with an average of 120% on the main international maritime routes. Experts of the International Monetary Fund IMF point that this war represents a strong hit to the international economy, harms the growth, and increases the prices. In addition to the humanitarian sufferance and crisis resulting from the war, the international economy will witness a slow growth and a rapid inflation (UNICEF, 2022, p. 08). Based on what has been said, we find that the Ukrainian crisis takes 04 main ways that shall destroy the world economy that are: energy, food, instability, and shipping and transportation.

3. The repercussions of the crisis on oil, gas, and phosphate:

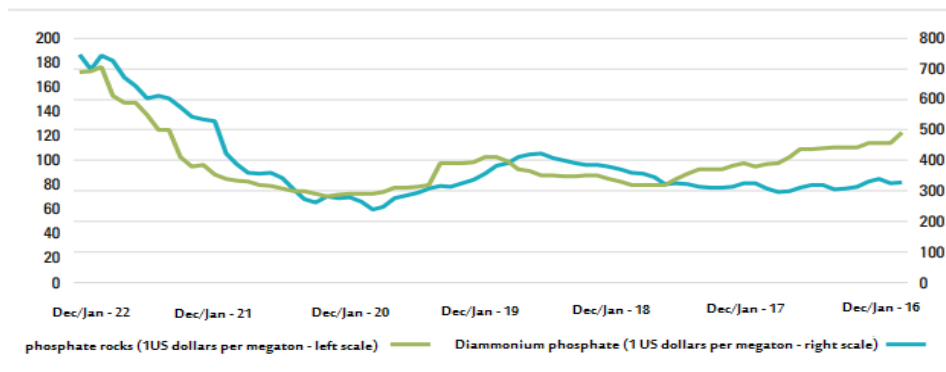
The mid April 2021 witnessed a new wave of Covid-19. The increasing number of patients reached its peak in the two last weeks of January 2022. Despite that, the International League of Energy expected an increasing demand on oil with 3.3 million barrel in 2022. This is due to loosening the health measures (ESCWA, 2022, p. 08). The effect of the crisis will be severe on the market because when the war had started, the energy prices increased and, thus, the prices of

OPEC basket increased from 96.1 USD on 23 February 2022 to more than 100 USD in the following day (around the same prices of 2014) and then to 128.5 USD per barrel on 09 March 2022 (with an increase of 30 USD per barrel in just two weeks).

As for the natural gaz prices, they are expected to increase due to the increasing demand and decrease of supply internationally. With the beginning of the sanctions imposed on the Russian exports, the natural gaz prices reached their highest levels since July 2008. Russia threatens to stop the gaz exports if the sanctions are enlarged to cover its oil exports. These tensions increase the uncertainty and the oil and gaz prices (ESCWA, 2022, p. 09).

As for phosphate, its prices increased sharply in 2021 and are expected to keep increasing in 2022. The price of Diammonium phosphate increased with 66% between December/January 2021 and December/January 2022. On the other hand, the price of phosphate rocks increased to more than the double in the same period. Despite that the increase of the prices of the main goods will save the budgets of the states that export these goods, it will increase inflation in 2022. The following figure shows the prices of Diammonium phosphate and phosphate rocks:

Figure 02. the prices of Diammonium phosphate and phosphate rocks



Source: (World Bank, 2021).

4. The economic position of the Maghreb states internationally:

4.1. The exporting states:

4.1.1. Algeria: It is among the biggest exporters of Gaz to Europe through transcontinental pipelines. Thanks to its resources and neighborhood with Europe, it can take advantage of the new European orientations in finding alternatives to the Russian gaz. Here, we must point that the Algerian gaz exports increased with 43% in 2021 and reached 55 billion m³, more than 80% of it is to Europe (MEES, 2022).

Algeria transported the biggest part of its gaz through 03 pipelines. The 1st is Midgaz that is from the waters of the Mediterranean to Spain; its operating power has been increased lately to 11 m³ annually (Business Monitor Online, 2022). The 2nd is Transmid which goes to Italy through Tunisia. In addition, there is a 3rd line that is being put in service which is the pipelines of the Maghreb-Europe gaz that go to Spain through Morocco. However, it has been closed since the diplomatic relations with Morocco have been cut in 2021 (MEES, 2022).

The economic reports show that Transmid that goes to Italy through Tunisia has a energy reserve that reaches 9 billion m³. In addition, there are around 13.6 million unexploited tons of liquefied gaz (around 17.1 m³ of gaz); which means in total 26 m³ additional unexploited gaz in 2021. However, the question is: can the Algerian production keep up with this unexploited energy?

In fact, the Algerian production of gaz reached a standard level with 100 billion m³ in 2021. Nevertheless, the local consumption increased to 45% of the total production. Theoretically, Algeria may be able to increase its gaz production, but it needs more foreign investments, rationalizing the local demand, and changing some quantities through more investment in renewable energies. Besides, it

needs developing new fields to replace the natural retreat of the Algerian fields (MEES, 2022).

4.1.2. Libya: It is another exporter of Gaz through Green Stream pipelines whose size is 8 billion m³ this year. Nonetheless, its exports decreased last year to 3.2 billion m³ which is the lowest level since a decade with the increasing local demand and the natural decrease of the quantities meant for exportation. Indeed, Libya has reserves. However, it still lacks stability to start new projects because even the current exports are still in danger (MEES, North Africa Gas Exports To Europe Fall Amid Russian Uncertainty, 2022).

4.2. Oil importing states:

4.2.1. Tunisia: It lives an unprecedented economic crisis which manifests through the increase of the public debt that reached 107 billion in the end of 2021 and the increase of the unemployment rate to more than 18% in the 3rd quarter of 2021. It is indicated that Tunisia gets 80% of its needs from the cereals imported from Ukraine and Russia. It imports annually around 984000 tons of wheat from Ukraine and 111000 tons from Russia. The cost of 100 kg of the imported wheat reaches more than 110 TND. The importation amounts up to more than 1600 million TND annually paid in hard currency (Chaabani, 2022).

The increase of the international prices of cereals, plant oils, and fuels will deepen the budget deficit and increase the level of the external debts. Tunisia devoted a sum of 762 million TND to subsidize the fuels, public institutions, and food in accordance with the Finance Law of 2022. The increase of the international prices negatively affects the subvention. Tourism is one of the pillars of the Tunisian economy. Its revenues witnessed a decrease since 2011 mainly with Covid-19. Tourism witnessed a sharp decrease in 2020 with around 80%. The Russian tourists boosted the Tunisian tourism as around 750000 Russian tourists visited Tunisia in 2019. In 2021,

the Tunisian Ministry of Tourism wanted to attract Russian tourists to save this sector (Chaabani, 2022).

4.2.2. Morocco: The Moroccan economy shifts towards retreat this year compared to the expectations due to a decrease in the performance of the agricultural sector after the worst drought since years and the repercussions of the war in Ukraine. Morocco expected achieving a growth rate of 3.2% this year. However, the sudden external circumstances and the unstable climatic changes were against. The growth expectations turned into between 1.5% to 1.7% according to the government, and 1.1% according to IMF (Roya, 2022).

Despite the efforts by Morocco in the previous years to develop industry and bring international car manufactures mainly, this development is still unable to make a change in the economic structure according to an official report about the growth model in Morocco. The growth average is still affected greatly by the results of the agricultural season which is related to the level of rains which retreated with 42% compared to the average of the last 30 years (Roya, 2022).

4.2.3. Mauritania: Mauritania works hard to improve its situation. It has Arabic financial support mainly by the Gulf states, from UAE and Saudi Arabia more precisely. It has good relationships with the neighboring states mainly Algeria and Morocco. However, it is in the last ranks of the Arab economies. A report of the expectations of the IMF in December 2021 showed that the Mauritanian economy will rank 17 in the list of the Arab economies in 2022, and that its economic value will reach 9.3 billion USD (Ben Quffa, 2022).

In this regard, IMF expected in a report that the Mauritanian economy will whiteness inflation with 141% in 2022 with a growth rate of 1.1%. IMF had pointed in the last October that it would achieve a growth rate of 5% in 2022 (Ben Quffa, 2022).

5. Repercussions of the Ukrainian crisis on some economic indices of the Maghreb states:

5.1. Repercussions of the Ukrainian crisis on the growth of the GDP and inflation in the Maghreb states:

In the light of the escalation of the Ukrainian crisis and its impact on the world economy mainly the European economies, the economic horizons of the Maghreb states shall be affected due to their relation with the European countries based on 03 scenarios. The baseline scenario simulates the course that would have been taken by the economic horizons if the war had not been declared, supposing that the average price of the oil is 70 USD per barrel. The two alternative scenarios show the effects of the crisis. The 1st is based on the hypothesis that the struggle will be short and end in June 2022 (something that did not happen) and that the average price of oil will be 100 USD per barrel. The 2nd is based on the hypothesis of a long term struggle where the oil prices will be 170 USD per barrel. It is expected that the GDP of the Arab region will grow with 5.18% in 2022 under the short-term struggle scenario (i.e. 0.2 percentage point of the pre-crisis expectations) and with a rate of 4.78% under the scenario of the long-term struggle (i.e. with 0.42 percentage point of the pre-crisis expectations, with a loss of around 11 billion USD) (ESCWA, 2022, p. 11).

The following table shows the growth of the GDP and inflation in the Maghreb region in 2022 in the light of the repercussions of the Ukrainian crisis according to the 03 scenarios.

Table 01. The growth of the GDP and inflation in the Maghreb region in 2022

	Baseline scenario		Scenario of short-term struggle			Scenario of long-term struggle		
	GDP	Inflation	GDP	Gains or losses from the struggle (billions of USD)	Inflation	GDP	Gains or losses from the struggle (billions of USD)	Inflation
Average incomes Maghreb states								
Tunisia	3.89	5.5	3.47	- 0.2	6.9	2.50	- 0.6	9.0
Algeria	4.70	5.0	6.23	2.7	5.4	7.89	5.5	6.3
Morocco	3.52	1.5	2.24	- 1.4	2.4	- 0.52	- 4.5	3.8
Maghreb states affected by the crisis								
Libya	8.71	3.5	9.10	0.1	3.9	9.37	0.2	4.5
Less developed Maghreb states								
Mauritania	4.29	4.2	4.29	0.0	5.3	5.00	0.0	6.9

Source: (ESCWA, 2022, p. 13).

From the table above, it is expected that the Maghreb states with average incomes will witness a remarkable recovery in 2022 thanks to removing the restrictions of Covid-19 and the resume of the natural economic activity worldwide. Algeria will take advantage of the high increase of oil prices and have a growth rate of 2.7% under the short-term scenario (with an increase of 1.52 percentage point compared to the pre-crisis expectations), and a higher growth rate with 5.5% under the long-term scenario (with an increase of 3.18 percentage points compared to the pre-crisis expectations; the increase of the oil prices will increase growth with 2.2 percentage points).

If the struggle goes on, the effect will be negative on the growth rates of Tunisia and Morocco due to the sharp increases of the energy, metals, and main goods prices such as oils and wheat. Besides, the increase of energy prices shall decrease the growth rate of Morocco with 4.05 percentage points and the concerns about the food insecurity shall increase due to the economic sanctions imposed on Russia and the troubles in the supply chains resulting from the military activities. The increase of the food prices will cause the decrease of the growth with around 0.1 to 2.6 percentage points in these states.

As for the countries affected by the struggle, they will benefit from the crisis in Ukraine under the short-term scenario. The growth rates in Libya will increase. In addition, Libya will take advantage of the increase of the oil prices and gain 200 million USD under the long-term scenario. As for the less developed Maghreb states, the social economic troubles will increase due to the increase of energy prices and the main goods. In addition to the difficult socioeconomic circumstances these states suffer, they face now the risk of decreasing the official developmental aids after devoting more aids to Ukraine and the states that host the refugees.

5.2. The effect of the changes of the prices of the oil and the food on the growth (percentage points) in the Maghreb states in 2022:

The Ukrainian crisis affected the prices of the oil and food worldwide. This led to the change of expectations regarding the rates of the economic growth mainly in the case of the scenario of the long-term struggle. This is shown in the following table:

Table 02. The effect of the changes of the prices of the oil and the food on the growth (percentage point) 2022

	The scenario of the long-term struggle		
	The effect of oil prices change	The effect of foods prices change	The total effect of the Ukrainian crisis on growth
Average incomes Maghreb states			
Tunisia	-0.6	-0.6	-1.1
Algeria	2.2	0.5	2.6
Morocco	-1.2	-2.6	-3.8
Maghreb states affected by the crisis			
Libya	0.5	0.1	0.6
Less developed Maghreb states			
Mauritania	0.0	0.7	0.7

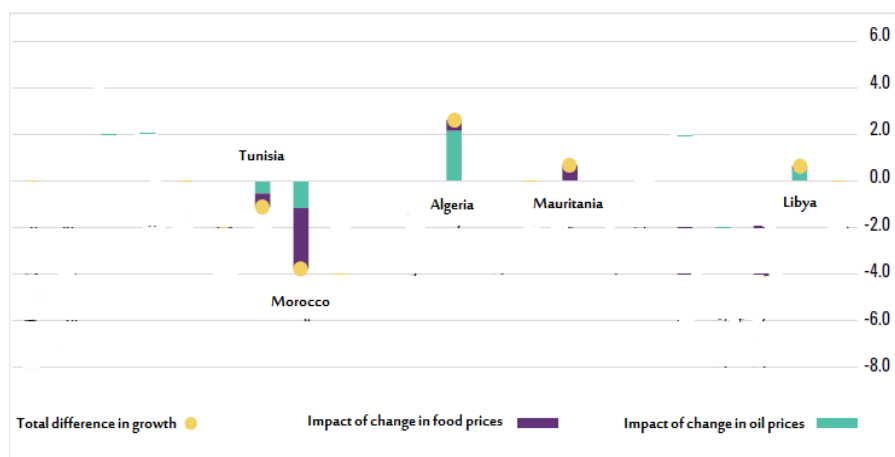
Source: (ESCWA, 2022, p. 13).

We see from the table that the changes in oil prices will negatively affect the average income states of the Maghreb as Tunisia and Morocco are expected to achieve -0.6 and -1.2 percentage point respectively because they are oil importing states unlike Algeria and Libya which produce it and are expected to achieve 2.2 and 0.5 percentage point respectively. Algeria is considered the most benefitting state in the Maghreb from the change of oil prices. However, the effect on Mauritania is null.

Due to the changes in the food prices, we find that the negative effects will affect Tunisia and Morocco which shall achieve -0.6 and -2.6 percentage points respectively. Nonetheless, the recovery of the oil and gaz prices can cover the increase of the food prices in Algeria and Libya in the light of the scenario of the long term struggle with 0.5 and 0.1 percentage point respectively. As for Mauritania, it is expected to make a positive result of the food prices change with 0.7

percentage point. However, despite this, the foods prices will keep high in the states under study due to the ruptures in the international supply chain of foods mainly the agricultural crops such as maize and wheat. In return, this shall affect the purchasing power and the growth rates which will be slow in all the Maghreb states. In addition, the growth rates may be negative in Tunisia and Morocco. The latter will be more damaged according to the expectations in the light of the scenario of the long-term struggle. However, the total effect of the crisis would be slight on Algeria compared to the rest of the states as it is expected to achieve a growth average of 2.6%. Algeria can take advantage of the exceptional revenues of gaz and oil of 2022 to cover and face the increasing prices of foods through increasing the wages of the employees and subvention on the necessary consumption goods. Besides, Libya can have the same case through increasing its oil production to benefit from the revenues in the average-term. As for Mauritania, the growth average may be slow, but positive, in the scenario of the long-term struggle. The following figures shows what has been said so far.

Figure 03. The effect of the changes in the prices of food and oil on the growth of the Maghreb states 2022.



Source: (ESCWA, 2022, p. 15).

From this figure, we see that the expectations in the light of the scenario of the long-term struggle put Algeria as the less impacted state and show that the changes in the oil and gaz prices can cover the negative changes of food prices. However, the economic growth average will be slow in all the economies of the world mainly in the average-income states and the less developed ones. It will be difficult to achieve the expected economic recovery in the light of the inflationary recession the world is witnessing due to Covid-19 and the Ukrainian crisis. Consequently, the Maghreb governments will be obliged to adapt its economic situations with the international developments and the biggest challenge which is protecting the purchasing power in the light of inflation.

5.3. Repercussions of the Ukrainian crisis on the financial situation and debts in the Maghreb states:

It is expected that the financial situations of the Maghreb states would be affected due to the Ukrainian crisis mainly that the 3rd World states have to deal with the increasing prices of energy and the decrease of the supply with the main foods. Despite the continual work towards the economic recovery from Covid-19 effects, the financial situations of the Maghreb states have been affected by this crisis. This manifests in the financial deficit and debts as a rate of the GDP. The following table shows the 03 scenarios of the financial situations of the states under study:

Table 03. the financial deficit and debts as a rate of the GDP in the Maghreb states 2022

	Baseline scenario		Scenario of short-term struggle		Scenario of long-term struggle	
	Financial balance 2022	Governmental debts 2022	Financial balance 2022	Governmental debts 2022	Financial balance 2022	Governmental debts 2022
Average income Maghreb states						
Tunisia	-8.3	90.2	-8.8	89.3	-9.4	88.1
Algeria	0.8	39.8	0.3	39.5	-0.5	39.5
Morocco	-5.4	82.3	-5.9	81.7	- 6.5	80.7
Maghreb states affected by the crisis						
Libya	-117	n/a	-117.7	n/a	-118.6	n/a
Less developed Maghreb states						
Mauritania	3.9	48.7	3.6	48.4	3.3	47.9

Source: (ESCWA, 2022, p. 17).

The Maghreb states that export oil like Algeria and Libya will benefit from the increase of the energy prices. Hence, the rate of the debts to the GDP will decrease in the light of the two scenarios. On the contrary, the financial range of the average income states is expected to be narrower mainly of those that import oil like Tunisia and Morocco because they shall suffer the increase of the energy prices. Expectedly, the financial deficit shall increase as a rate of the GDP to 9.4% in Tunisia and 6.5% in Morocco. In addition, it is expected that Libya and Mauritania shall witness deterioration in the financial situations of 2022 with maintaining relatively stable levels of debts. The scenario of the long-term struggle shows that the financial deficit as a rate of the GDP shall reach 118.6% in Libya.

5.4. Repercussions of the Ukrainian crisis on the labor market and poverty in the Maghreb states:

It is expected that the labor market in the Maghreb states shall be affected by the Ukrainian crisis. According to these expectations, unemployment rates shall keep high in the Maghreb states mainly in Algeria, Tunisia, and Libya. The following table shows the unemployment and poverty rates in the states under study according to the expectations of 2022.

Table 04. unemployment and poverty rates in the Maghreb states

	Unemployment rate	Rate of the poor (the national poverty line)
Average income Maghreb states		
Tunisia	17.2	15.37
Algeria	18.8	3.04
Morocco	10.7	2.42
Maghreb states affected by the crisis		
Libya	18.1	n/a
Less developed Maghreb states		
Mauritania	10	27.72

Source: (ESCWA, 2022, p. 19).

We notice from the table that the unemployment rate in Tunisia, Libya, and Algeria is high and are expected to reach 17.2%, 18.8%, and 10.7% respectively. This is due to Covid-19 effects. Moreover, the Ukrainian crisis will complicate the living conditions worldwide. The expectations show that Tunisia records a high number of the poor with a rate of 15.37% due to the lockdown imposed by Covid-19 and the stop of most of the craftsmen of their works in the last 03 years. The decreasing purchasing power shall increase the number of the poor in the Maghreb states in the scenario of the long-term struggle. Considering that Mauritania is among the less developed countries, poverty will increase considerably with 27.72%.

6. The future horizons of the Maghreb states economies:

The future vision in the short-run to the international prices of gaz and oil draws an optimistic image of the new developments in the field of gaz and oil that can convince investors to invest in Algeria. For instance, Italy, which is the main market of the Algerian exports, has signed a convention with Algeria to increase the gaz exports to 40% in the 1st big convention to find alternative supplies after the Russian invasion of Ukraine. On another hand, many companies pointed to the potentials of the Algerian solar energy to feed the green hydrogen works that can take advantage of the current pipelines.

Moreover, Algeria agreed with Niger and Nigeria to build a gaz pipeline through the Sahara whose length is 4128 Km that shall cross the three states to reach Europe and transport 30 billion m³ of gaz annually. However, the project shall cost 11 billion USD. In case the three states manage to convince the European buyers to fund the project, this shall be an important economic gain for Algeria (Tamimi, 2022). In the long-run, Libya can supply Europe and others with gaz as the Companies Inne and British Petroleum work hard to discover gaz and help Libya establish a strategy for gaz (Tamimi, 2022).

To face the repercussions of the crisis, the Moroccan government declared this year an allocation of 01 billion USD to support the farmers and redoubled the allocations of gaz and flour subvention to 3.2 billion USD till the end of April without resorting to credits. In addition, there is another exceptional subvention to the workers of the maritime transportation and a commitment to raise the rhythm of the public investments to refresh the employment and take measures on behalf of the local companies such as granting priority in public transactions (Roya, 2022).

In the light of the current conditions imposed by the Ukrainian crisis, Tunisia works to sign a new funding program with IMF to cover the deficit in return of centering the structural reforms that

include the gradual cancellation and rationalization of the subvention, reforming the public institutions that suffer indebtedness and bankruptcy through selling parts of them, reviewing the fiscal system to achieve justice in all the sectors, and laying-off employees and reducing the wages mass in the public sector. The previous governments faced the refusal of the unionist centralization to these reforms due to their impact on the social situation of the employees and their purchasing power. This leads to outsourcing some public institutions according to the organization which pushed the donors to condition the pre-agreement of the societal partner (Antar, 2022).

7. Conclusion:

Through what has been presented in this paper, we find that the Ukrainian crisis impacted the economies of the Maghreb states like the other states of the world in a short time due to the sensitivity of the sectors touched by the struggle. Russia and Ukraine represent an important axis in the international food supplies. This resulted in fluctuation of the supply chains and change of energy prices. If the struggle goes on, instability may prevail in the rest of the world mainly Europe due to its geographic neighborhood with the two struggling parts. The biggest challenge today is containing the crisis by the Maghreb governments mainly that the lockdown imposed by Covid-19 on the economies of the world is still on. The reports issued by the international bodies and organizations such as ESCWA and IMF expect a slow economic growth worldwide mainly in the average income states and the less developed ones in the scenarios of the short and long terms struggles.

The Maghreb states are among this classification which means the economic situations will deteriorate in the future. The first manifestations of this deterioration are the increase of the prices and the decrease of the purchasing power mainly that these states have suffered rarity of the financial sources even before the crisis such as Tunisia, Morocco suffers drought, and Libya suffers insecurity which

may make it difficult to contain the situation , organize and structure oil exports, and take advantage of the increase of oil prices to make up for the increase of food prices.

The economic situation in Algeria seems the best in the Maghreb. Nevertheless, its government must be careful in dealing with the crisis mainly that its economy relies on oil and gaz which are the most fluctuated goods what makes the future of their prices more blurry even if the increase of the prices is currently on the behalf of the government to face inflation whose rates increased more than the expected. Regarding the economy of Mauritania, it is the less developed in the Maghreb and the most subject to the risk of collapse due to the scarcity of the financial resources and the non exploitation of the state's resources optimally.

Findings of the study:

In the end, we reached a set of findings that serve our research. We sum them up saying that:

- The Ukrainian crisis increased the pressures and maximized the prevailing food crisis in many parts of the world.
- The repercussions of the Ukrainian crisis redoubled directly due to the increase of the prices of foods and energy. This led to the increase of inflation. The indirect repercussions are due to the losses and damages to the European states which increase the international prices.
- The Algerian gaz production increased to standard levels. However, the local consumption increased to 45% of the size of production.
- The gaz reserves in Libya still lack stability to be translated into new projects. Even the current production and exports are in danger.
- The unprecedented economic crisis in Tunisia manifests in the increase of the public debts to standard levels.

- The growth rate in Morocco retreated considerably due to the decreasing performance of the agricultural sector after the worst drought in years and due to the repercussions of the war in Ukraine.
- The Mauritanian economy may witness an unprecedented inflation due to the crisis. It is in the bottom of the list of the Arab economies.
- The Ukrainian crisis has negative consequences on the GDP and inflation in the Maghreb states in the light of the scenarios of the short and long terms struggles.
- The changes in the oil prices are positive for the Algerian and Libyan economies, and negative for the rest of the Maghreb states. The changes in the prices of foods are negative for the Maghreb states in the light of the scenario of the long-term struggle.
- The oil exporting states of the Maghreb (Algeria and Libya take advantage of the increase of energy prices. Thus, the rate of the debts to the GDP decreased in the light of the scenarios of the short and long terms struggle unlike the rest of the Maghreb states.
- The unemployment rates shall keep high in the Maghreb states due to the crisis.
- The increase of the international prices of cereals, plants oils, and fuels led to deepening the deficit of the public budgets of the Maghreb states. In addition, it will increase the need to external debt such as in Tunisia.

Recommendations:

In the light of the findings, we recommend:

- Increasing and enlarging the agricultural production and food security in the Maghreb states.
- Orienting the governmental subvention of the Maghreb states to increase the food production, the faunal wealth, and the

diversity of incomes of the needy families through the monetary activities including monetary transfers and aids.

- Orienting the plans of the Maghreb governments of the agricultural sector to rehabilitate the agricultural and infrastructure and the irrigation systems through restoring the sites and facilities and providing the requirements of plastic houses and the solar pumps.
- Designing and executing the governmental initiatives that aim at achieving clear results in the decisive sectors such as tourism and agriculture to recover economically.
- Attracting more foreign investments, rationalizing the local consumption, or changing quantities of it through more investments in the renewable energies.

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