

COVID-19 pandemic drives global increase in humanitarian food assistance needs
Lasting economic impacts of the COVID-19 pandemic to adversely affect food security into 2021

FEWS NET is monitoring the multiple impacts of the COVID-19 pandemic on acute food insecurity in the countries it covers. This Global Food Security Alert is the last in a monthly series, from April to September 2020, that aims to provide an update of the effects of the COVID-19 pandemic on acute food insecurity across FEWS NET geographies, highlighting countries of greatest concern. To find out more about how FEWS NET incorporates COVID-19 into its analysis, click [here](#).

Nearly seven months since the World Health Organization’s (WHO’s) pandemic declaration, many countries worldwide have eased movement restrictions put in place in March and April that brought parts of the global economy to a halt. As laborers and goods are now able to move more freely, many economic activities have resumed, contributing to food security improvements in FEWS NET-monitored countries relative to mid-2020. However, millions of poor households are expected to continue facing difficulty meeting their basic food and non-food needs into 2021 as the global economic slowdown persists.

Status of the pandemic

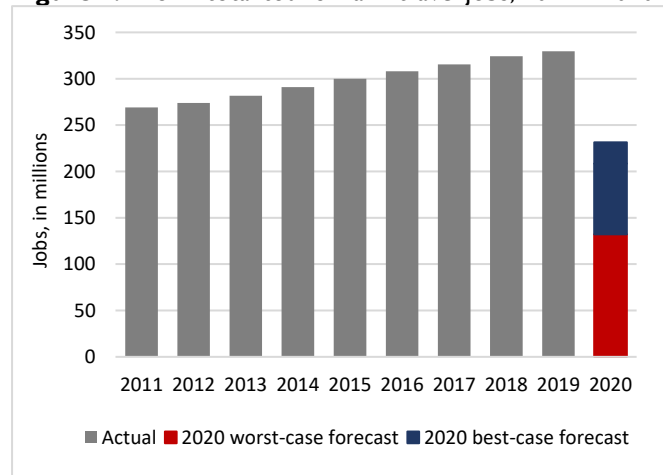
Across the countries monitored by FEWS NET, the number of reported COVID-19 cases continues to climb, though recorded cases are likely an underestimate of the true scale of the outbreak. According to WHO estimates, there have been 545,987 confirmed COVID-19 cases and 14,885 deaths in the 29 countries that FEWS NET monitors, as of September 30, 2020. Roughly 30 percent of COVID-19 cases in these countries remain active. However, the extent of testing remains extremely low, and modeling conducted by the [Institute for Health Metrics and Evaluation](#) at the University of Washington estimates the actual number of COVID-19 infections globally is nearly 10 times the number of recorded cases.

Current and anticipated impacts on food availability and access

As movement restrictions are eased, poor households will continue to face challenges earning adequate income due to border closures, limitations to public transportation, and the contracting of economic activity globally and locally. As a result of income losses during lockdowns and continued COVID-19 risk-avoidance behavior among millions of households globally, lasting economic impacts are anticipated due to changes in [household expenditure patterns](#) and corresponding reductions to travel, reduced export earnings, and changes in trade flows.

According to the [World Travel and Tourism Council](#) (WTTC), the travel and tourism sector grew by 3.5 percent globally in 2019, outpacing annual global economic growth (2.5 percent) for the ninth consecutive year. Globally, the sector formally employed around 330 million people in 2019 and accounted for [5 to 15 percent of total formal employment](#) in roughly half¹ of FEWS NET-monitored countries. The WTTC has forecast that formal employment in the travel and tourism industry will decline in 2020 by 30 to 60 percent from 2019 levels (Figure 1). While these data capture formal employment, the sector also directly and indirectly supports the informal employment of millions of people through demand for transportation services, crafts, restaurants, and more. Although the outlook remains uncertain, spending on travel and tourism, along with associated employment opportunities, are not expected to fully recover in 2021, given the progression of the pandemic and continued advisories against travel and gatherings. The loss of formal employment and subsequent decreased demand for informal services is likely to continue adversely affecting poor households’ incomes across FEWS NET-monitored countries.

Figure 1. World total tourism and travel jobs, 2011 – 2020



Source: World Travel and Tourism Council; Oxford Economics

¹ Cameroon, Ethiopia, Guatemala, Honduras, Haiti, Kenya, Lesotho, Madagascar, Mali, Mozambique, Malawi, Nicaragua, Rwanda, El Salvador, and Uganda

Reductions in export earnings also remain a concern, particularly in countries heavily dependent on crude oil export earnings, including Nigeria, South Sudan, Sudan, and Chad. While the price of crude oil has rebounded since March, the price in August remained more than 30 percent lower than the price on average between 2018 and 2019. The prices of key exported metals have also recovered since May (Figure 2), though a lag in the recovery of overall revenue from these exports is still anticipated. Guatemala and Haiti have also seen reduced export earnings from textiles. The United States' textile imports from these countries and Mexico between January and July of this year are around 20 to 35 percent lower than the same period last year (Figure 3). Declines in textile exports are also anticipated from [Kenya](#) and [Ethiopia](#). Other exporting sectors have partially recovered, including the [flower sub-sector in Kenya](#), or fully recovered, such as the [tropical fruit subsector in Guatemala](#). Reductions in export earnings are anticipated to drive local currency depreciation and lower the capacity of governments to provide safety nets.

Staple food marketing systems continue to operate at near-normal levels in most of FEWS NET's countries, though food prices in several countries are higher than February 2020 levels. There also remains a risk of continued increased informal taxes, which are commonly put in place during official trade bans and periods of volatility. Given the potential for periodic trade disruptions and higher operating costs, occasional supply and price volatility are anticipated.

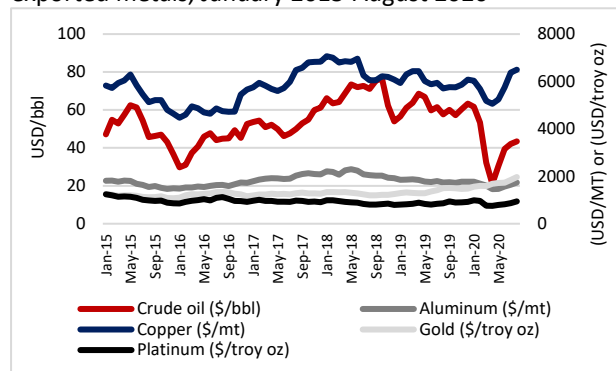
While a shift in household expenditure patterns has negatively affected several sectors of the global economy, evidence suggests many households in remittance-sending countries may have redirected available resources to assisting kinship abroad. Data from [Guatemala](#), [El Salvador](#), [Kenya](#), [Mexico](#), and [Colombia](#) suggest formal global remittance flows have not declined as sharply as initially forecast, and in some cases, have increased relative to 2019. Remittances from Gulf countries to Bangladesh and Pakistan also recovered in May and June, according to the [World Bank](#), which suggests formal remittances to Yemen (which depends on remittances from Saudi Arabia) may have also recovered, though corroborating data is limited. These data also do not account for informal remittances, which may contribute more than formal remittances in many countries and for which information remains limited. The outlook for remittances hinges on continued economic recovery in the United States, Europe, and Gulf countries, and it is possible households are increasingly [drawing on savings to send remittances](#), which may not be sustainable.

Unemployment at levels higher than early 2020 and changes in household expenditure patterns are likely to continue through at least early 2021. As the pandemic persists, economic activity both globally and locally is anticipated to remain at lower levels. As [The Economist](#) observes, while global economic recovery is occurring, the return to economic functioning at pre-pandemic levels will be slow and likely uneven depending on a country's industrial composition and financial capacity to stimulate the economy, which points to slower recovery for many FEWS NET-monitored countries. This will have lasting impacts on poor households' capacity to earn income and meet their basic food and non-food needs. While poor households' access to income is expected to be higher than it was at the height of global movement restrictions in March and April 2020, access will nevertheless remain lower than normal into 2021.

Projected humanitarian food assistance needs

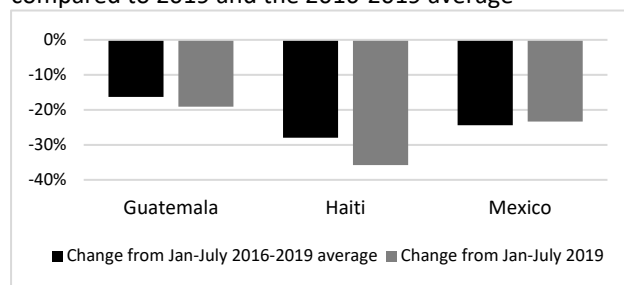
Millions of poor households are expected to continue to experience reductions in income due to the lasting impacts of the COVID-19 pandemic. Across the 29 countries monitored by FEWS NET, 90 to 100 million people are likely to face Crisis (IPC Phase 3) or worse outcomes in 2020 and need urgent humanitarian food assistance (Figure 4). FEWS NET also provides a peak global needs estimates for an additional 17 countries that it does not directly monitor. The combined estimated peak global needs for these 46 countries in 2020 is 113 million people. The high level of need is also driven by conflict and macroeconomic and weather shocks, including droughts and floods, and the desert locust upsurge. These drivers, including the longer-term economic impacts of the pandemic, are anticipated to continue to negatively affect food security into 2021.

Figure 2. The monthly average price of crude oil and key exported metals, January 2015-August 2020



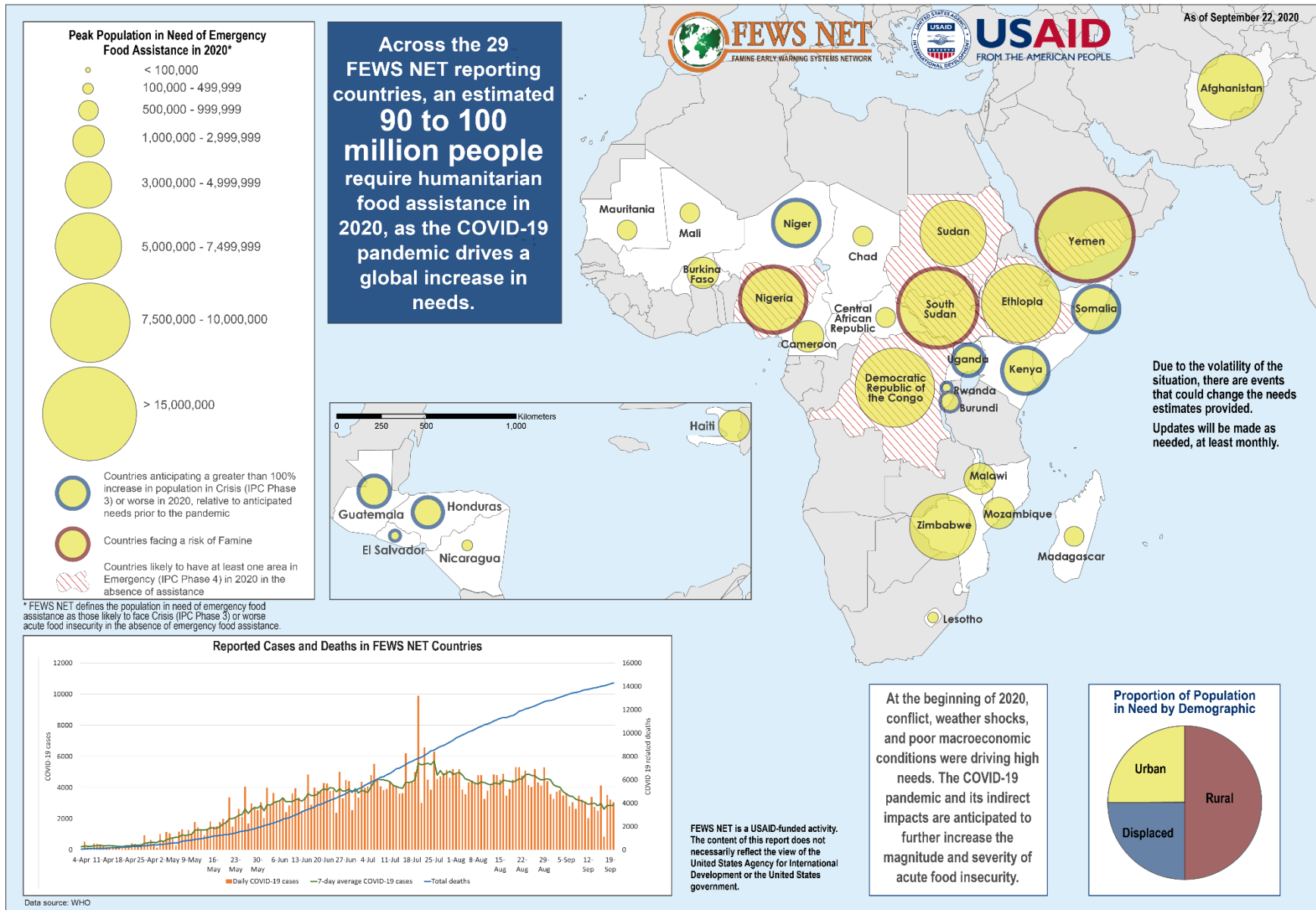
Source: World Bank commodity price data

Figure 3. Change in United States imports of textiles from Guatemala, Haiti, and Mexico, January-July 2020 compared to 2019 and the 2016-2019 average



Source: The United States International Trade Commission
*Jan-July 2016-2019 are estimates based on expected seven-month imports from annual data

Figure 4. FEWS NET’s anticipated peak needs in 2020 across 29 countries, including the impacts of the COVID-19 pandemic on food security, September 2020



Source: FEWS NET

For more detail on each country, please see FEWS NET’s country-specific reporting at [fews.net](https://www.fews.net)