

RUSSIA, UKRAINE INK GRAIN DEAL

It is expected to ease acute hunger faced by 47 million people because of the war

ISTANBUL

UKRAINE and Russia on Friday signed a landmark deal aimed at relieving a global food crisis caused by blocked Black Sea grain deliveries, ending months of negotiations and sending wheat prices tumbling to levels last seen before Moscow's invasion.

The first major deal between the warring parties since the February invasion of Ukraine should help ease the "acute hunger" that the United Nations says faces an additional 47 million people because of the war.

The hostility between Moscow and Kyiv spilled over into the signing ceremony — delayed briefly by disputes about the display of flags around the table and Ukraine's refusal to put its name on the same document as the Russians.

The two sides eventually inked separate but identical agreements in the presence of UN secretary-general Antonio Guterres and Turkish President Recep Tayyip Erdogan at Dolmabahce Palace here.

"Today, there is a beacon on the Black Sea — a beacon of hope, a beacon of possibility, a beacon of relief," Guterres said moments before the signing.

Erdogan — a key player in the negotiations who has good relations with both Moscow and Kyiv — said the deal would "hopefully revive the path to peace".

But Ukraine entered the ceremony by bluntly warning that it would conduct "an immediate military response" should Russia violate the agreement and attack its ships or stage an incursion around its ports.

Ukrainian President Volodymyr Zelenskyy later said the responsibility for enforcing



Ukraine Infrastructure Minister Oleksandr Kubrakov (standing, left) and Turkish Defence Minister Hulusi Akar (standing, right) attending a signing ceremony of the grain shipment agreement between Turkey-United Nations, Russia and Ukraine in Istanbul, Turkey, on Friday. With them are Turkish President Recep Tayyip Erdogan (seated, right) and United Nations secretary-general Antonio Guterres (seated, left).

EPA PIC

the deal would fall on the UN, which along with Turkey, is a co-guarantor of the agreement.

The agreement includes points on running Ukrainian grain ships along safe corridors that avoid known mines in the Black Sea.

Huge quantities of wheat and other grain have been blocked in Ukrainian ports by Russian warships and landmines. Kyiv has laid out to avert a feared amphibious assault.

Zelenskyy said that around 20 million tonnes of produce from last year's harvest and the current crop would be exported under the agreement, estimating the value of Ukraine's grain stocks at around US\$10 billion.

Following the deal, wheat prices tumbled to levels last seen before Russia's invasion, even as some analysts expressed scepticism about the accord.

In Chicago, the price of wheat for delivery in September dropped 5.9 per cent to US\$7.59 per bushel, equivalent to about 27 kg. Prices in Europe fell by a similar amount.

Russian Defence Minister

Sergei Shoigu told Kremlin state media that he expected the deal to start working "in the next few days".

He pointed out that Russia had managed to secure a separate pledge from Washington and Brussels to lift all restrictions on its own grain and other agricultural exports.

The United States, Britain and the European Union hailed the Istanbul agreement and urged Moscow to abide by its rules.

The African Union also lauded the deal, and reiterated a call for "an immediate ceasefire" yesterday.

Diplomats expect grain to only start fully flowing by mid-August.

The four sides must first set up a joint command and control centre in Istanbul that monitors the ships' passage and addresses disputes.

They have yet to finalise how the ships will be checked for weapons before returning empty to Ukrainian ports.

Ukrainian farmers who have been watching their silos fill up

with grain that they cannot sell met the Istanbul deal with guarded hope.

"It gives some hope but you can't believe what the Russians say," said farmer Mykola Zaverukha.

His silos were already filled with 13,000 tonnes of grain and in danger of overflowing because this year's harvest was beginning to come in.

"Russia is unreliable. They have shown themselves to be year after year," he said.

Global alarm about that grain has been accompanied by European fears that Russia is starting to use its stranglehold on energy exports as a geopolitical weapon in its standoff with the West.

The grain deal was signed one day after Russia's restart of the Nord Stream natural gas pipeline eased concerns in Europe of a permanent shut off after a 10-day maintenance suspension.

Analysts said that the partial resumption of gas supplies was insufficient to ward off energy shortages in Europe this winter.

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