

IMPORT WHEAT TENDERS AND THE EFFECTS OF THE RUSSIAN INVASION

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ABSTRACT

Trading in many commodities is highly risky, the elements of prices are extremely volatile and in many cases non-transparent. Risk and volatility escalated sharply following the Russian invasion of Ukraine, having impacts on numerous uncertainties for trading firms and importers, particularly about logistical costs, execution and performance risk. The purpose of this study is to analyze bidding behavior in Egypt's wheat import tenders in the pre- and post-invasion period. The 4-firm concentration ratio, Herfindahl index, Optimal bids were determined for a prototypical bidder competing against incumbent rivals. The results indicated that the bid functions changed following the invasion.

Keywords: auctions; bidding models; Russian invasion of Ukraine