

An Empirical Study on Ukraine-Russia War and Overall Impact of It on Global Economy All Across the Globe

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Abstract-

Ukraine & Russia's geographical conflicts which latter leads both the countries to a drastic war on 24 February 2022. And in this situation independent countries choose their respective sides to support Russia and Ukraine. But the focusing part of this war is not the reason behind the war but how the globe is responding to this ongoing war which is happening just after the covid-19 global pandemic, which was shake the economy of not only least developed & under developing country but also hit the well developed countries economy. And just after the covid-19 out break it is very difficult for all the countries to witnessing a war in modern era where every small and big countries is dependent on each other on different sector for fulfilling their wants and needs so in this time even a small conflicts between two countries can also impact the global economy and push the global economy in a backward direction. It is very difficult for the 21st centuries world to imagine here self in early 90s again because of war.

KEYWORDS- WAR, GLOBAL RESPONDS & ECONOMY, INFLATION.

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What is the conflict & why that became a war for both the nation?

Russian president Vladimir Putin wrote a article on July 2021 in which he take a dig at close cultural & historical similarities between Ukrainians & Russians and there is nothing wrong about it but on February 2022 he gave a statement that Ukraine is historically a undivided part of Russia and president Vladimir Putin announced the republics of Donetsk and Luhansk as independent nation and not a part of Ukraine and take the control of these region to his hand and 1/3rd of the region are controlled by Russia and 2/3rd are controlled by Ukraine. It is the most recent conflict of Russia and Ukraine but there are a lot of conflicts between both the countries regarding the power and territory in past decades but it was the very first time after two or more decade that both countries involved in ugly war.

What does Russia's motive behind this?

The basic or most primary but unsatisfied reason given behind the invasion of Russia is the safety of the Russian speaking population of Donetsk and Luhansk. Later on Putin declare that he wants to demilitarise Ukraine for the safety of the locals. But in a way the Russian militarise bombing across various city of the Ukraine it is more of seems like Russia wants to weaken the Ukraine in such an extent that it can never be a security threat for Russia in future. And another hidden motive behind this is Russia wants to force US and NATO to take Russian objections and concerns seriously. And after the support of China towards Russia there is another motive came to the focus that is in 21st century China want to be the global super power in economy and in every field so China providing economy support to Russia for the invasion and keep US and Europe busy in this war.

Europe and US Pressurising India amid Russia-Ukraine conflict –

India abstains from Ukraine vote in UNSC and asked for protecting legitimate security interests of all countries. The UNSC took up this issue for voting on 30th January 2022 and India remain neutral. It is actually Russia vs the west (EUROPE & USA), so it is difficult for India to choose between one of these two. 86% of Indians weapons come from Russia. and Russia is a long term allies of India. and in other hand the relation between USA and India improved lately. we are making new strategic allies through the QUAD (Quadrilateral security dialogue). By the help of USA and QUAD India are making strategies and planes to counter the China. QUAD is a important group for India because we are threatened by Chinas expansionist plans. for India it is a situation like stock in the middle neither we can support RUSSIA nor to USA. And now after still neutral in the

UNSC several European countries like USA, Germany and France pressurising India to choose a side and warn India by threatening of imposing sanction on India. From past ten years India tried very hard to improve his foreign trade and improvement on foreign relation with all the developed nation by frequent visiting and making new foreign exchange policies and bonds. So in every expect it is matter of worry for developing countries like India, mostly when they are need the support from all the developed countries.

Impact on Stock market in India and Russia

on 24th march the sensex was crashed by 2700 points with in few minutes after opening of the market because of starting of the war. people start panic selling of there stocks, in a few minutes 7.5lakh cr. of investor wealth was wiped out from the markets. and there are millions of Russia and Ukrainian people with a pension whose savings are invested in the stock market, High values falls in share prices are likely to be bad news for pension savers because the value of their savings is influenced by the performance of investments. The total days of this war is going to decide the fate of the market for upcoming months or year. The Russian stock exchange fell by 50% in one day. And the impact was felt by all Asian markets. LIC also delayed their IPO lanching which is India's highest ever financial service provider after HDFC Bank.

Europe's reaction to this war and Russia's counter-

After the invasion Financial penalty has been imposed on Russia, Moscow stock exchanges has been shout for two days now. investors also withdrawing them selves from Russia. the borrowing cost of Russian government have been doubled by 17%. A number of multinationals are cutting their relation with Russia this includes energy companies, tech giants, banks, production houses, sporting body. France, USA, Australia and European countries imposed financial sanction. United States President Joe Biden signed an executive order today to impose trade sanctions on the two breakaway regions – Donetsk (DNR) and Luhansk (LNR) in eastern Ukraine that were recognised by Russia on Monday. This executive order ban in any new investment in these regions by Americans from wherever they are based. Besides this, it also forbids any importation and/or exportation, re-exportation, sale or supply of goods, services or technology from the DNR and LNR regions of Ukraine directly or indirectly into the United States. This order also ban in any approval of financial trade by an American. Besides the US, other countries like Japan and the EU are also mulling punitive action either in the form of sanctions or orders. Russia is the worlds 3rd largest crude oil producers. 1/3rdoil that's comes in to Europe is from Russia. because of the sanctions the crude oil/natural gases coming into Europe will reduce. impact of this oil hits seven-year high and shares sink. and national and there are a chance of price hike of 25% to 45% in internationals flights services. When ever fuel cost increases inflations also rises because as a result of fuel price hike transportation cost increases and that's hurt a business profit margins.so all the business related to transportation are going to be more costlier. Inflation, which measures how fast the cost of living rises over time, hit 7.5% in January in the US - the highest level seen there since February 1982 - and rose by 5.5% in the UK. But it could rise up to 10% in Western economies if the cost of energy and food is rise up by the Russian-Ukraine conflict.

Impact of the war on India's Economy-

Already in India last year petrol and diesel prices hits 100rs or above and because of Russia invasions may be the fuel price again go up by 8 to 10 rupees. India import worth of 2.05\$ billion oil and minerals, \$832 millions stones and metals and \$609 million of fertilizer. After the sanctions there is a chance of disturbance in this trade but it will provide a opportunity to domestic producers and competing countries to fill the gap. Ukraine imports pharmaceutical products from India and some well establish pharma companies have their offices and lab on Ukraine their will be a negative impact on their sales. Ukraine and Russia are the two major wheat grains suppliers in the world and the vacuum created by this conflict also provide a great opportunity to India to fill the gap by selling wheat in international market. Wheat prices are also at 9years high and the other impact is on edible oil India's 70% of sunflower oils come from Ukraine, we import 2lakhs to 3lakhs tons of sunflowers oil every months. Russia is not in a economically position to afford a war even if Russia win it will be a loser the stock market is a proof of it. As philosopher says there are no winners in a war. for common man war is not a good news.

Impact on Automobiles sector-

Russia has manufacturing hubs for several Automobiles brands like Toyota. The car industry was already in trouble during the pandemic from a chip shortage and supply chain problems. Russia is one of the world's largest suppliers of metals used in car manufacturing, such as nickel, which is used in lithium-iron batteries. If it decided to cut off supplies of these metals in retaliation to sanctions, the supply problems could more drastic, in that case car firms have no choice to find alternative sources where the manufacturer have no choice other then highly depending on Countries such as South Africa and Zimbabwe for the raw materials but demand has been increasing and prices could rise as a result. Russia is also home to manufacturing hubs for

brands like Volkswagen and Toyota. Factories in the Russia also face struggle to operate under implementation of sanctions.

Impact of the conflict on food and fuel energy across the globe-

Europe gets nearly 40 percent of its natural gas and 25 percent of its oil from Russia, and the countries already facing problem regarding supply of fuel and gas bills, which are already in pick. Natural gas reserves are at less than a third of capacity because Russia reducing supplies to gain a political edge. And food prices also reaches to their highest level in more than a decade because of the global pandemic. Russia is the world's largest supplier of wheat, and together with Ukraine they supplies 1/4th of total global exports. For some countries, the dependence is too high, like Turkey; which is already in the middle of an economic crisis and struggling with inflation that is running close to 50 percent, with high pricing of food, fuel and electricity prices. And as usual, the impact is highly on the poor common man. Poorer people spend a higher share of incomes on food and fuel. Ukraine, is also known as the "breadbasket of Europe," because Ukraine sends more than 40 percent of its wheat and corn exports to the Middle East or Africa and now because of the conflicts and war the possibility in disturbance of grains and wheat supply is very high.

Conclusion

As philosopher says there are no winners in a war. And after all the burden is on common man for whom war is not a good news. In this time where maximum countries have the nuclear weapons and many advance war machines with high and advance technology it is a reason of afraid for all the world to witnessing a war. If for this moment we neglect the nuclear war then also we don't have any thing to be rebuild the countries economy or global economy. You can imagine the situation of war how it could be even with out a war the global pandemic hit the globe in a way that the global economy is still struggling to get settle. And in this situation just after the pandemic imagining of a war also fearing all the developed and under developed countries.