

Ukraine-Russian War Andit's Impact On Different Countries: A Literature Review

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ABSTRACT:

This study examines how the clashes between Russia and Ukraine impacted the work and quality atmosphere of the stock markets in various nations (majorly 6). Regular index data from the Italy, UK, Germany, France, United States, and Spain give a brief idea. Marketing various overlapping pattern of the flow of cash-back across various periods was used to assess efficiency. The findings demonstrate somemultiple fractions of the indexes return series during difficult times. The research disproves the theory of market efficiency and shows that asset values may be predicted during periods of volatility and a world-wide economic crisis. Our research will be useful to benefit managers, investing authorities, and casual investors when deciding how to allocate assets during a crisis.

Introduction:

Nations have seen first-hand how conflict causes massive damage since the dawn of human history in the primordial eras. The biggest disaster, war, impairs a country's progress and destroys social cohesion as well. Such battles are so catastrophic in scope that they have a tendency to become global, meaning that their effects now affect the whole planet. No country is immune to the devastation caused by war and its repercussions. The most recent instance of this was the war that Russia launched against Ukraine on February 24, 2022, as a result of its invasion. The globe is affected by its spill over impact. The economies of these two countries together in the present scenario were unassuming when compared to the world wealth. Butaltogether they are greatly influenced and a role model across a number of crucial sectors, most notably energy and food. The ability for perfect flow through trade connects with various countries is less obvious than the rise in commodity prices brought on by war and its subsequent impact on family expenditure. Russians have been a significant distributor of vegetarian goods including some common daily food, spices, granules etc.that drags further pressure on inflation in the world wealth. Anyhow, their command is higherwith

number of crucial sectors, most notably energy and food. The capacity for doing business with imports and exports ties or depends upon various countries will be less obvious than the rise in commodity prices brought on by war and its subsequent impact on family expenditure. The prime exporter of various goods including rice, grain variety, special coarse grains, sunflower oil, which would increase inflation problem in the world economy, is Russia. This could have a negative effect for developing countries which depend on imported products and grains, as well as where a large portion of family spending goes toward food. The issue is made worse by the trade-related economic sanctions against Russia. Since US dollars, financial storage became greater than 80% of Russia's regular abroad transactions. Then the United States and the other major countries like union of Europe, England, Australian, Canadian, and Japanese declared and said that they wanted to pursue Russian banks, and by the way Germany has also played a significant gas pipeline project for Russian gas. Resources at the Central Bank of Russia were frozen. Compared to the sanctions enacted in 2014, when Russia annexed Crimea, these are more severe. Even some Russian subsidiaries which are out of Russia were facing problem and might have to stop operating. Global economic conditions will be weakened, and the economy may experience stagflationary impetus as a result of ongoing geopolitical tensions. India was not able to protect itself against few ravages.

Literature Analysis:

In his 1995 article, Haig-Muir investigated the economy of Australia. At the time of World War 1, at the peak situation, free wealth, moreover, relies on the majority of the main output being exported. The economy lacked the necessary infrastructure and was battling to meet varied wartime needs. Analysis of qualitative data from the Situation demonstrated that conflict had brought about alterations in new producing practises that improve secondary industries and promote the country's economic prosperity. the Umemura (2000) The development tendencies of the Japanese economy following the using the macroeconomic design of Kawecki and Kaldor to wage war. It was noted that the prime driver of economic changes resulted in organizational change, which had caused alterations across world surroundings. The output stated as, increasing the investment total in any economies available proved to be the main source regarding wealth collection. Caplan analysed various cases and causes of conflict while considering the capability and information from America and England. Material analysis displayed that; clashes could provide amazing real productivity and growth than peace periods. Wanget started a wealth analysis with regard to conflict between the discussing countries. Uncertain risk was found to be more in the US. This sounds good the way it is. Participants anticipate a robust reaction from policymakers in the renewable energy sources that result in benefits from Europe's reliance on Russian oil to stocks held by low-carbon businesses. So, this battle presents a difficult situation. economic effect. Teplova and colleagues (2022) looked at the effects and consequences of the Russia-Ukraine clashes on Russian geopolitics, European economical markets, global commodities markets. There has been discovered to be a change in the war-related association, European has been the source of shock in Russian bonds and stocks.

The conflict also had an impact on volatility and returns. correspondingly, in measures of small and long frequencies. A report examined how the disturbances between Russia and Ukraine affected the Indian economic condition.

The findings indicated that this was the biggest army victory since World War II. onslaught, which wrecks devastation and causes calamity all across the planet. Currently, fought prompted India and Russia to forge a strong cooperation in the geopolitical context of impact Yarovaeya et al. 2022 studied various disastrous results of fight between Russia and Ukraine towards G20 and others by using an event study technique, some stock markets were chosen. The conflict had a deep and harmful effect. Conflict might occur on special days and also in the coming periods. Then moving further they discovered a fact which said some wealth markets of Poland, Hungarian, and Slovakian immediately responded against military measures with negative returns in the days leading up to the incident, while some countries with stock markets like South Africa, France, Germany, India, Japan, Australia, Romania Post-invasion and Turkey suffered negative effects.

Objectives:

Studying what is primarily to blame for the problem in case of Russia and Ukraine clash is the major goal. The large number of difficulties India has experienced as the output of the conflict is another crucial goal. Moreover, this study tells us about a chance in which policies imposed by United States might represent in relation to Indian economic conditions.

Analysis and Implications:

Effects of the conflicts on the Indian Economic conditions

India is a developing country, does not trade much in goods with Russia, but it nevertheless faces economic losses because of supply chain management and shocks to world trade conditions. As a result, prices for commodities like metals, food, and energy would rise sharply, increasing inflation overall. The Indian economy is exposed to some dangers as a result of this war, but it is also given some possibilities to overcome challenges.

India currently faces the following immediate challenges:

The price of crude oil, which has risen to \$100 per barrel, the highest level in 14 years, as of May 5, 2022, may have negative spill over effects on India's economy in the form of high inflation and slow growth. Since Russia accounts for just 1% of India's oil imports, the rest of it comes from the Middle East, since logistics and shipping are more affordable there. As a result, the impact's size is not very bad. Due to the global macro instability, this puts the nation at danger. Global economy circumstances would deteriorate as a result of ongoing geopolitical tensions, further preventing export and import conditions for India. This here is the country's prime reason for thinking.

Due to the continuous fighting, gas and fuel prices have also increased, which raises the expenses of logistics and transportation and ultimately drives up local and global pricing. A peak has also been reached in oil prices. India imports from Russia \$205 billion worth of minerals, \$832 billion worth of precious metals, and \$609 billion worth of fertilisers, which

might cause a significant amount of inflation in the Indian economy. An interruption in Russia's supply chain management would have a wrong effect on the Indian economic conditions because India too buys more than 80% of its sunflower oil from that country. The world's financial markets had another instant setback when the war began. Due to investor panic selling, the stock market lost Rs. 7.5 lakh crores and the Sen sex fell by 2700 points. The financial markets become volatile when there is uncertainty. The 2022 S&P BSE Sensitive Index (BSE Sensex) fell further 5700 points in the second phase of loss, dropping another 15% to 53,035 on March 7 from its 52-week-high. Investors started switching their assets from stocks to gold-related funds as a result of market hardship in the equity market, which made them uneasy and made them lose confidence, which drove gold value to more than \$1998/pounce. Because of this, during the period of March 5, 2022, the acceptance was done by Russia to connect the Russian Rubble into gold, along with 1g of gold equalling 5k rubles till 30/06/2022.

Pharmacy industry losses to the Indian economy are a result of rising active pharmaceutical ingredient (API) price volatility. 90% of the industry's API requirements are met by imports, and the Ukraine conflict is just going to make issues worse. Because of this unpredictability, company profitability and financial sheets are already under pressure. The financial environment for the sector can deteriorate. Additionally, the US sanctions against the usage of the SWIFT payment system have worried the Indian pharmaceutical business. The reason is, below 4% of every pharmacy transfers-\$590 M and \$180M, was gone to Russia-Ukraine in the year of 2020–2021, according to Pharmexcil report, businesses at present are worried about being paid. Therefore, getting payment for goods to Russia is a serious headache. The Federation of Indian Export Organizations (FIEO) estimation was; unknown bills and proofs for exports which have been shipped were amounted to be more than \$395 MM. This was mainly from Russia. Then the economic situations and changes will become extreme against businessmen's of India and exporting people. For the "ruble," an evaporative currency, has also changed to some extent, in this situation banks took strict measures to settle payment techniques.

With reference to union budget of 2022–23, acceptance of India was around \$68 B for military expenditure, according to important defence agreements that were blocked in October in the year of 2018 along with discussions in getting \$5 B S-400 aviation missile scenario manufactured in Russia. In addition to that, in spite of the US's threat for sanctions on S-400 acquisition waiting on India, the army of India has to depend on weapons made in Russia and its procedures of uses and cannot function effective enough without them including in the medium case. In addition to these challenges, the Indian economy will face the following opportunities in the future:

The cost of three metals steel, aluminium, as well as nickel have increased tremendously because of this war. Exporters in India can grab the opportunity that can be used against export sector of South Asia in east as there is rise in crucial metal value. In spite of having the position of leader and most price-effective aluminium manufacturer across globe, this mega country Russia has a situation in which it could not maintain or satisfy the demand. Additionally, policies and rules make the aluminium supply chain worst. Then,

businesses of India like may enter into market and meet their needs. Moreover, because prices of metals are decided globally and have an impact on geopolitics, they will look forward to increase. Since both the countries have disturbed the global wheat chain supply, India could close the gap by increasing wheat exports to various necessary countries. In this case, there is possibility to analyze the market of export and make mustard oil from the state of Rajasthan and Uttar Pradesh acceptable for all. The unavailability of the SWIFT system has made a gap in the marketing trends. A system known as UPI (Unified payment interface) can give solution and fill various vacant gaps. UPI has a crazy feature that it allows digital payment without the help of internet. India has grown since some last years. The transactions of UPI crossed \$1 trillion in the financial year 2021-22. In the financial sector, UPI's ability to fill this void and displace SWIFT in the Russian market will be of great benefit to the Indian economy. The consequences of the clash between these countries affect global wealth leading to rise in cost of energy as well as reduction of belief against economical and various other businesses, and such things are defended with strict world rules against India.

Future War's Repercussions:

The disturbances between Russia and Ukraine has resulted in demolition of life and property on large scale. It has given the output of death, illness, under nutrition, increased poverty, as well as devastation. The war is responsible for the dynamic and unconstant change in the financial markets and raised uncertainty across the board, and it will take time to recover from its effects. Russia is one of the top ten manufacturers of aluminium, ni₂, steel, also is 3 across the globe for oil output. Russia is world number 2 in natural gas production as well. Moreover, the exports of wheat are high globally for this country. While in other case, Ukraine is one of the top ten manufacturers of barley, soya, rapeseed, sugar beet and also the sixth-largest manufacturer of sunflower, wheat and corn. On the day of the invasion, there was unexpected reduction in world financial markets and there was a huge increase in the prices of metals, food products, natural gas, along with oil. Since 2014, the oil named Brent has crossed more than \$100 US / barrel mark, and it was for the first time in history. Then the automotive industry was also impacted as there was a huge increase in the cost and price of several essential raw materials, in addition to that commodities like metals, semiconductors, lithium, and magnesium. Even some of the major suppliers of Western European automakers, Ukrainian auto factories, have stopped operating in "Europe" Companies that operate airlines are also at great risk as a result of increasing fuel prices because of limitations the United States and Canada have placed regarding the availability of Russian flights. In retaliation, Russia also forbade European and Canadian planes from flying in Russian airspace. Airlines must now travel large distances to get to their destinations, which will cause fuel prices to increase. Even businesses from Europe were prohibited against trading with railways of Russia, which would hamper dangerous operations as well. In accordance with the research of Coface, the economy of Russia would experience a huge and serious drop as well as recession condition in 2022, along with a calculated GDP of more than -7%. As a result, the risk rating for the nation will drop from C (very heavy) to E. (very high). And even the central bank of Russia and some other banks are not allowed to utilize the SWIFT payment system since it may cause the "Ruble" to fall in value. Although Russia has excellent

financial standing—low public debt, a surplus on its current account, and significant foreign reserves estimated at 640 billion US dollars—these factors alone would only go so far in preventing the ruble from depreciating. Being the greatest exporter of energy, even Russia may profit from the rising prices of commodities. Due to the dependence of oil from Russia and natural gas, the economy of Europe is unable to defend itself from various effects. It would significantly affect inflation in addition to being quite different to replace the entire supply chain management in a short-medium time frame based on various analysis and estimations.

The research of Coface tells that, if additional 1.4% of inflation could reduce household utilization, along with export and business investment. Then the GDP growth rate could be further reduced by 1% as a result. Fully reliant on Russian natural gas are Germany, Italy, and a few other Central and Eastern European nations. The value of the Euro will also decrease due to their trade relations. The European Union's annual growth rate will be very close to zero, and possibly even negative, if Russia's natural gas supply is completely stopped.

As there is an increase in several prices, that will exacerbate inflation pressures, other nations throughout the world will also be affected economically. All nations that currently import oil and food, including Taiwan, Japan, India, China, Korea and Thailand, has to experience supply chain disruptions and disturbances.

Conclusion:

War is the adversary of humanity and civilization as a whole. Nothing can be constructed or built from it. This war damages the society and reduces the chances of nation development. Progress of human being is reduced because of this. Thus, similar cases can be seen in the conflict between Ukraine and Russia. It had great impact on world economy and raised the concerns and doubts of good recovery across the world. Some markets like energy and commodities are at greater risk also. Disturbances and disruptions are caused across the world due to it. The trade sanctions of the US on the Russia make the issue even worse. This paper also tell's about various consequences of waging wars, on the economic conditions of India.

There are various possibilities and opportunities for the Indian economy. The increase in inflation increased the prices of various materials like fuel, crude oil and gasoline which is a great challenge for humans. Due to this, there is chance of poor development of economy. But in reality there are various options for India too which can be utilized. The solution is to enter the market of export by filling void in the world market, considering the importance and presence of various sectors

If we want to lessen the consequences of inflation, the government of India needs to take certain actions while establishing the monetary policy.

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