

## THE GLOBAL ECONOMIC CONSEQUENCES OF THE RUSSIA-UKRAINE WAR: IMPLICATIONS FOR ENERGY, FOOD SECURITY, POST-COVID RECOVERY, AND REGIONAL ECONOMIC STABILITY

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### ABSTRACT

Ukraine's sovereignty, alongside its geopolitically important region between Europe and Russia, has seen the emergence of a Russia-Ukraine conflict which has resulted in negative prospects for global economies. This study outlines the broader impacts of this war, such as its effects on energy, food security and post-COVID growth as well as certain regional economic weaknesses. Tensions increased after the Russian annexation of Crimea in 2014 which led to active warfare in Eastern Ukraine, sparking further hostile economic activity across the globe. The war has also brought forth the deficiencies of established global supply chains and pointed out the vulnerability of several nations with their energy needs sourced out in Russia and agricultural goods from Ukraine. Global economic challenges have therefore become greater for developing economies. There is need for pro-active strategies at the international level to counter such threats, which may involve energy diversification, food sourcing strategies, and debt write offs as well as collaboration-oriented initiatives. If these challenges can be overcome, enhanced economic growth and stability shall be achievable in the continued presence of varying degrees of uncertainty.

**Keywords:** Global, Russia, Economic, Security, Regional.

### INTRODUCTION

Ukraine got its freedom as the straw that led to complete disintegration of Soviet Union and from that point forward Russia and Ukraine has been in a steady of war and strain. Ukraine's international area among Europe and Russia fills in as a reason of dispute from that point forward prompting clashing political and economic partnerships. The significant explanation of friction among Russia and Ukraine stands apart to be Ukraine's tendency towards NATO and European Union. In 2014, Russia annexed Crimea, a move rebuffed by the global community las an infringement of Ukraine's regional integrity. This move was beginning of

elevated strains, provoking persistent conflict in Eastern Ukraine (Donetsk and Luhansk regions) where favorable to Russian separatists, purportedly maintained by Russia, combat against the Ukrainian government.

The ongoing conflict between Russia and Ukraine has profound implications for the global economy, intertwining with existing challenges worsened by the COVID-19 pandemic. As two of the world's largest exporters of essential commodities, including energy and agricultural products, the war has disrupted supply chains, driven up prices, and heightened food insecurity globally. The

immediate economic fallout has been felt through volatile commodity markets, inflationary pressures, and a slowdown in post-pandemic recovery efforts. Countries heavily reliant on Russian and Ukrainian exports face significant economic strain, while the current effects extend to emerging markets where rising costs contribute to increased poverty levels. This crisis requires a comprehensive consideration of its consequences on energy security, food supply chains, regional stability, and broader economic trends.

### Research Questions

1. What were the global economic repercussions of Ukraine-Russia conflict?
2. What was the impact of Russia-Ukraine conflict on energy market, food security and regional economic vulnerabilities?

### Impact of the Conflict on Global Energy Market

The conflict between Russia and Ukraine has caused a disruption to global energy markets, exacerbating pre-existing issues such as supply shortages, price volatility, and concerns about energy security. One of the world's biggest suppliers of energy, Russia is essential to the world's supply of oil, natural gas, and coal. Vulnerability has become inevitable due to the protracted conflict and Western sanctions, which have caused energy costs to soar and energy approaches to be reevaluated globally (European Central Bank, 2023; Sun et al., 2024).

#### Russia's Role

Russia has for some time been a prevailing player in the worldwide energy sector. As the second-biggest exporter of crude oil and the biggest exporter of natural gas, it holds critical influence in worldwide energy markets. The country's immense energy reserves have permitted it to fabricate solid monetary associations with numerous regions, especially Europe, which generally depends on Russian natural gas to meet its every day energy needs (Broom, 2022). Before the conflict, Russia sent out around 5 million barrels of crude oil each day, representing roughly 12% of worldwide exchange in crude. It was additionally answerable for almost 20% of the world's natural gas export, a large portion of which moved through pipelines to

European countries. This energy relationship has been integral to Russia's monetary strength and international impact.

Europe, specifically, was vigorously subject to Russian natural gas, getting around 40% of its supply from Russia before the conflict. Nations like Germany, Italy, and a few Eastern European countries were profoundly dependent on Russian energy exports, making them helpless against any disturbances in supply. The solidness of these energy streams was essential to keeping up with reasonable energy costs and guaranteeing industrial and household energy security (Nguyen and Khominich, 2024).

Russia's domestic economy also heavily relies on the oil sector. Exports of gas and oil have typically increased a significant portion of the nation's government revenue. Oil and gas accounted for 45 percent of Russia's federal budget forecast in 2021 alone. Russia has ever since been using its energy resources as a political tool while also fulfilling its economic needs. This has come into concentration because of the annexation, as Russia has tried to keep up with its energy abilities notwithstanding sanctions and isolation geopolitically (Russian Supplies to Global Energy Markets – Analysis, n.d.).

### Sanctions on Russia

Russia's energy trades, banking organizations, and significant monetary areas have been the objective of broad sanctions imposed by Western countries in response to Russia's attack of Ukraine. The motivation behind these sanctions is to segregate Russia from the world economy and hinder its ability to support the war economically and politically (Portela et al., 2021). Be that as it may, given Russia's vital job in worldwide energy showcases, the sanctions extensively affect energy-importing countries, particularly in Europe.

The West's sanctions on Russian oil and gas was perhaps of its most critical move. The European Union, the US, and a few different partners endeavored to confine or forbid imports of Russian crude oil and natural gas. The European Union, which had recently been reluctant to execute such measures because of its dependence on Russian gas, ultimately declared plans to diminish its dependence on Russian energy by 66% toward the

finish of 2022 and deliberately transition away from Russian oil and gas imports in the following years (Portela et al., 2021).

Aside from forcing direct limitations on energy exports, Western countries have additionally designated Russia's monetary establishments, which has made it challenging for Russian organizations to globally lead business. On account of bank sanctions, prohibition from the SWIFT installment framework, and limits on foreign trade reserves, Russia's ability to exchange energy with Western business sectors has been altogether reduced (Hufbauer and Jung, 2021). These actions have added to supply interferences and market vulnerability by raising a tangled organization of strategic and monetary impediments for Russian energy exports.

The sanctions have been fruitful in financially isolating Russia, yet they have likewise made serious blow-back the world's energy markets. The sanctions have expanded global demand of Russian gas and oil by decreasing its accessibility, which has raised energy costs and exacerbated inflationary tensions internationally. Because of the sanctions, nations that import energy, particularly those in Europe, presently critically need to find substitute energy sources to forestall deficiencies all through the colder time of year (Prokopenko, 2024)

### **Europe Energy Security**

The contention and ensuing sanctions have uncovered Europe's weakness with regards to energy security. For quite a long time, Europe had fostered a nearby energy relationship with Russia, depending on Russian gas to meet a lot of its energy needs. However, due to the crisis in Ukraine, and following the sanctions that were put in place, Europe has been forced to rethink its supply system and look for other less conventional sources (Gross and Stelzenmüller, 2024).

Europe's overweight reliance of Russian gas was a double-edged sword. On the one hand, it ensured a stable and predictable supply of energy while on the other hand, it ended the mainland with capability to sustain and respond to the current development and financial requirements. On the other hand, it had rendered Europe extraordinarily vulnerable to provide shocks, especially for strains

with the international counterparts. The Russia-Ukraine war has taken this weakness to the extreme, with Russia occasionally cutting or reducing gas deliveries to Europe to retaliate against sanctions by the U.S (Di Bella et al., 2024). Thus, European countries put on intensified attempts to reduce the dependence on Russian energy. This has included increasing need for imports of LNG from the US, from Qatar and from other providers. Some European countries have also reignited coaly-worked power stations despite environmental concerns to ensure they have enough power (Kotek et al., 2023). The EU has also launched missions to invest in renewable electricity, such as wind and solar energy in the long term plan to meet its electricity requirements. Germany- one of the key importers of Russian gas have done everything possible to decentralize there energy sources. Germany unveiled the construction of new LNG terminals throughout the country, the creation of an orderly sustainable energy system, reduction of gas use. However, Poland and the Baltic states are somewhat more sensitive to Russian energy and demand stronger sanctions against Russia as well as more energy diversification in their countries (Lutz, 2024).

However, as it is observed the journey toward reducing dependence on Russian energy is not a walk in the park. Europe's energy prices have been inflated and its energy prices rose sharply due to an unforeseen reduction in Russian gas import. The region has problems of energy scarcity, even more so during the winter when heater has to be used. These difficulties suggest the necessity for describing advanced, realistic energy structure that would meet the current energy requirements and enhance effective long-term strategies for reducing emissions of greenhouse gases and addressing climate change.

### **Price Volatility**

Increased oil and gas costs have raised inflation bearish sentiments around the world thus raising the cost of transport, assembly, and family energy bills. In numerous nations, rising energy costs have prompted political and social agitation, as customer's battle to adapt to the increasing cost for many everyday items. Organizations, the unpredictability in energy costs has made critical

vulnerability, making it challenging to anticipate what's in store. Energy-intensive businesses, like manufacturing and transportation, have been especially hard hit, as they face rising creation costs and diminished productivity (Adjemian et al., 2024).

The drawn-out standpoint at energy costs stays unsure, as the contention gives no indications of subsiding. As worldwide energy markets keep on changing in accordance with the deficiency of Russian supplies, cost unpredictability is supposed to stay a critical test. The change to alternate energy sources, will take time, and meanwhile, consumers and business owners will keep on enduring the worst part of rising energy costs (Sekarsari Sugihartono, 2024)

### **Food Security and Agriculture Destruction**

The war between Russia and Ukraine has caused extreme disturbances in worldwide food security, with especially destroying influences on food production. Ukraine assumes an essential part on the food supply, and the obliteration brought by the conflict has set off an expanding influence in business sectors all over the globe.

#### **Ukraine Role in Agriculture**

For significant involvement in the agricultural known as the rural sector, Ukraine is fondly called “the breadbasket of Europe”. It is the biggest exporter of cereal and cereal preparations including wheat, corns, barley and food oils especially sunflower oil used in cooking. Ukraine used to provide a larger part of staple foods to countries in Europe, Africa and Asia, which play a major role in feeding the world. However, the conflict significantly weakened Ukraine’s potential to perform this task. Some farms have been burnt or leveled; movement to fields has been blocked; farmers have been evacuated or pushed out by the war. Ukraine received the nickname “the breadbasket of Europe” due to its significant position as the member of the world rural sector engaged in agriculture. It is one the biggest cereal exporter with products such as wheat, corn and barley as well as sunflower oil which is a very popular cooking ingredient across the world. Before the conflict, Ukraine contributed only staple food to countries in Europe, Africa and Asia to support the global food market. Nevertheless,

this conflict dramatically hampers Ukraine’s capability to perform this role. Crop production facilities have been affected and in some cases destroyed; farmers have not or cannot get to their fields; farms are abandoned or occupied by the military. This has brought about a huge decrease in farming commodities produced in Ukraine, compounding a lack of basic foods in many areas (Tarek Ben Hassen & Hamid El Bilali, 2024)

### **Supply Chain Interruption**

In the war structure, critical bottlenecks to the global food stores have been shifted from production to distribution. The disturbance in Ukraine’s commodities solidly impacts Nations who are actively vulnerable to Ukrainian grains as well as other agrarian products such as those in the Middle East & North Africa. These locales were at that point helpless because of prior financial difficulties, and the conflict has just compounded the situation. Worldwide supply chains were at that point under tension from the Coronavirus pandemic, which had stressed global transportation and logistics. The conflict has added one more layer of interruption, especially for food items (Hussein and Knol, 2023). As transportation networks separate, food that would regularly move flawlessly across borders has become more earnestly and more costly to ship.

Notwithstanding calculated issues, the conflict has additionally prompted deficiencies of fertilizers, a large number of which are delivered by Ukraine and Russia across different regions. This has made it hard for farmers in different areas to keep up with their standard degrees of creation. Thus, worldwide yields have been impacted, worsening the general supply emergency.

### **Rise of Food Prices**

One of the most prompt and noticeable effects of the war has been a sharp ascent in worldwide food costs. As supply has dwindled, costs for fundamental items like wheat, corn, and cooking oil have seen a significant amount of rise. For some nations, particularly those in the creating scene, these rising costs have been horrendous, prompting expanded hunger, destitution, and social turmoil. Food inflation has raised a ruckus in the poor regions. In many non-industrial countries, where a

huge piece of pay is spent on fundamental groceries, even a little increase in costs can make a staggering difference. For these networks, the sharp increase in food costs has implied that more families are going hungry or are a victim to malnutrition. Simultaneously, higher food costs are adding to inflation in numerous nations, as the average cost for most everyday items rises and families are compelled to spend more on essential necessities. Governments are attempting to moderate these impacts, with some presenting cost controls, sponsorships, or crisis food help. Nonetheless, these actions are frequently inadequate to address the size of the emergency completely (Algieri et al., 2024; Glauber et al., 2023).

The more extended the war stays, the more elevated these issues are probably going to turn into. As the worldwide food supply stays shaky, costs might proceed to climb even more high, and the effects on food security could develop considerably more serious consequences. The conflict has clarified exactly how interconnected the world's food frameworks are, and the way they are vulnerable enough that they can be to cause global disturbance.

### **Challenges of post-COVID recovery**

When the Russia-Ukraine conflict broke out, the world was just beginning to recover from the severe economic setbacks caused by the COVID-19 pandemic, bringing with it a whole new set of problems. The global economy, already weakened by the pandemic, now faces the additional pressures of rising energy costs, supply chain disruptions and rising inflation (Deo and Gunduz, 2024). These problems make recovery more difficult for countries, especially in sectors such as energy, transportation and food, where the impact of the two crises has been acutely felt.

- Fragile Global Economic Recovery
- Economic Vulnerability of Countries

#### **Fragile Global Economic Recovery**

Before the war, the post-COVID recovery was uneven and fragile. Many countries had struggled to regain economic stability after months of lockdowns, reduced consumer spending, and rising unemployment. Bail out packages that were given by governments at the time of the pandemic

enabled economies to survive their worst but came with a huge subsidized debt. Even the pockets of restrained growth in some parts of the globe after the worst of the pandemic, especially in the developed world, were never sustainable in the first place (Havrylyuk et al., 2023).

The Russia-Ukraine conflict soon spoiled most of the progress that had been made. Commodity producing sectors such as energy, transportation and food have gotten the raw end of the stick given that such industries were already in trouble before the outbreak of the war. A major has been observed in the energy markets and this has been known to be one of the most instantaneous effects. The conflict has led to high energy prices and Europe has been among the worst hit, mainly because Russia supplies it with natural gas. As a result of invasion, Russia has either reduced or threatened to reduce gas supply to many European countries due to sanctions, leaving the continent facing an energy crisis as it proceeds to the winter season. This has not only led to the development of fuel prices but has also led to development of transport and manufacturing costs in the economy.

To those sectors that have high energy consumption, for example the manufacturing or transportation industries, these costs have been prohibitive. Almost every organization is now bearing the brunt of paying for the energy they require for production, which cuts into their margins and compel them to adjust their prices up. As a result, these increases in prices have led to inflation implying that, the business community and the consumers have struggled to solve the problems occasioned by the virus leading to the pandemic. International movement sector that was previously affected by pandemic turmoil, has faced additional challenges to its functioning by growing fuel prices and additional complication of supply chains.

Food industry has also been badly hit. Subject to the ongoing armed conflict, Ukraine – a global player in grain exports- has experienced an untimely decline in agricultural productivity and export. Crops have been threshed and coastal areas sealed off thus denying the world food and much more. At the same time, disruption of the fertilizers, many of which are originating from Russia and Ukraine, has exacerbated and raised

cost of production to farmers across the globe. As a result, the global prices of food have continued to skyrocket placing even more pressure to economies struggling with inflation rates (Sertyesilisik and Sertyesilisik, 2024).

Therefore the rate of economic recovery has reduce across the world . The world thought that the pandemic was enough to overcome, relaxation we get now a war which makes it even more challenging for countries more so the developing countries to get back up and running economically. Economic Vulnerability of Countries

The present two revolutions – the COVID-19 ailments and the Russia-Ukraine conflict – have flared up the economic risks across the world. Although all countries in the world have not been spared these crises, the impact has been worst in the developing countries. Before the emergence of the pandemic, most of these countries were either burdened with high levels of debt, had poor healthcare infrastructure, and quite vulnerable economy on the regional and international arena. The pandemic placed them on the edge, and the current conflict has taken them deeper into the economic cliff.

In many developing countries the economic recovery from COVID-19 was hesitant to start with. Unlike developed countries these countries lacked the financial strength to implement big-bang-style stimulus measures or extend support to business and closure affected populace in wake of pandemic. Consequently, most businesses especially S&M Enterprises fell or barely stood a fighting chance of survival. Travel and leisure, an important economic activity in many developing countries, virtually ceased during the pandemic and has only slowly restarted since (Havrylyuk et al., 2023).

Now, with exacerbated from the Russia Ukraine conflict, the aforementioned countries are feeling the pinch of performing their economic responsibilities. They include an increase in the prices of food and energy as the collapse of the Lehman brothers indicates, in that most of them cannot afford to insulate their populace from these adverse effects. Ukraine and Russia supply many developing countries with foods which have become scarce due to the war hence the high food prices. For the countries in Africa, Middle East and

some part of Asia, this has been catastrophic. People who were barely able to feed their families earlier are further being burdened with high prices of pretty much everything including bread and cooking oil (Ozturk and Faizi, 2023).

Energy vulnerability has also been one of the major challenges faced by most of the developing countries. With increase in the global prices of oil and gas these countries are forced to spend more on energy importation thus having razor thin money to spend on other important sectors such as health, education and general development. For energy starved countries where energy infrastructure has not been developed to the optimum level, such a situation could lead to energy insecurity, where industries may struggle to work and society struggles to gain access to efficient power.

The conflict also exercising pressure on the international financial markets and now it has become challenging for the developing nations to borrowed fund at a reasonable rate. Most of these countries were already in a fairly deep debt due to the pandemic, the war only aggravated the situation. Across the globe, interest rates have gone up, meaning that costs of borrowing have also gone up thus making it even more difficult for the developing countries to source for funds to finance efforts to revive their failing economies or fund some important infrastructure projects (Watkins et al., 2024).

Third, poor countries have been felt the impact of inflation more than the developed countries have been feeling it. As a majority of people in the developing countries, the largest share of the household expenditure is given to food and energy, which means that an increase in the price of these necessities has a deeper effect. In other areas people have to sacrifice, education, and especially health, and overall living standards go down. This has caused a squeeze on the economy in some areas, making it associated with political unrest; people are taking to the streets to protest against high costs (Ghosh, 2023).

On that note, it is critical to understand that the whole world is grappling with the economic repercussion of the Russo-Ukraine conflict, and the combined effect of COVID-19 and war has revealed and aggravated pre-existing structural weaknesses, mainly in the developing economies.

As these nations try to come to grips with the fact that they are part of the world that must pull through two major calamities at once, the future will remain uncertain unless these countries are given the full support they require to get back on their feet through debt relief mechanisms, along with strategic planning for economic resilience in the future shocks.

### **Regional Economic Vulnerabilities**

The social and economic impact that the Russia and Ukraine conflict has had to the global economy is has unfolded diversified and revealed some areas of weakness depending on the geographical, political and economic structures. Every region has its own problems as they are coping with both, the post COVID effect and war in the background. In many instances, the conflict has aggravated existing frailties, and therefore, countries find it hard to regain their economic stability.

### **Europe**

Europe may have been the most effected by the economic consequences of the conflict in real time. Since the start of the war, Europe is facing high energy prices, disruptions of the supply chain, and a refugee crisis. The continent heavily relies on Russian natural gas, this put the continent on the vulnerable side when Russia started restricting their energy exports due to sanctioning (Helwig, 2023). And the major European countries had relied on Russia as a major supplier of a large part of their need for energy, and respectively, apart from the summer period.

Some of the worst affected countries during the energy crisis months were Germany, Italy and other Eastern European countries. Natural gas prices experienced an unprecedented hike, and so did the price of electricity and heating for homes and companies. A number of industries have been affected with high costs of energy today for example the manufacturing related industries have been hindered due to high energy costs. Governments have been pressured into putting into place things like energy price controls and subsidies to protect consumers, yet this has been dangerous for public finances and created the worry of economic stability over the long-term.

Europe is also facing an upsurge of refugee influx. Several millions of Ukrainians have left for neighbor countries and the pressure on public services and amenities in Poland and Hungary etc. Despite the fact that many European countries accepted refugees, migration puts the pressure on the disturbed societies in terms of availability of housing, health care, and education at a times when budgets are stretched thin. Inflation is now a problem throughout Europe, both food and fuel costs are growing quicker than incomes. This has raised concern that the continent's growth could slow down because people are buying lesser products and companies are shying away from buying capital equipment. The European Central Bank has had to increase the interest rate to help curtail inflation but the move may temper economic activity even more for countries that are yet to recover from the effects of COVID-19 (Kammer et al., 2022).

### **Eurasia and Central Asia**

Eurasia and Central Asian economies are highly connected with Russia and Ukraine, and thus are most vulnerable to consequences of fighting. These areas are economically and politically linked to Russia, and the majority of their people work or rely on Russia markets for their income. These relationships have been disrupted by the war, and are unsure, and economically insecure (Engvall, 2023).

In Kazakhstan, Kyrgyzstan, and Uzbekistan both foreign and domestic migrant workers in Russia offer a major inflow of remittance income. Sanctions and a recession in the Russian economy, for instance, have reduced the flow of remittance to Central Asian nation which has in turn reduced the household income. Furthermore, trade with those countries has been affected by sanctions which resulted to the Russian inability to import or export goods (Engvall, 2023).

Beyond their own borders, the region has also been affected by the weakening of the Russian ruble. Most of the states of the Eurasian area use the ruble as a means of settling payments, and with the help of a ruble, they had to increase the cost of imports. On the same note, the war has created more need for new trade corridors, with countries such as China and Turkey [emerging to] replace Russia in

terms of its previous participation in the global market.

However, some countries of the region have also identified opportunities Amid these constraints. Due to the Russian isolation of many of the Western markets, some of the Central Asian countries have been able to experience growth in the exportation of goods such as oil and natural gas, as fueled by the enlargement of the world market prices. But the general unpredictability of the conflict has limited strategic planning for the long-term, thus admitting many countries in the region regarding direction in this area (Kammer et al., 2022).

### **The Global South**

The economic fallout from the conflict has been devastating in the Global South, and in Africa in particular, and parts of the Middle East in particular. Already, they were struggling to bounce back from the pandemic in these regions, which, in part, were already struggling with high levels of poverty, poor healthcare, and unstable food security. These vulnerabilities have only become more pronounced, particularly when it comes to food and energy prices, and the war has only exacerbated the worst—and quickest—way to gain control of that money.

Ninety percent of imports of wheat and other grains from Ukraine and Russia are important to many African countries. But as the war disrupts the supply, food prices have risen through the roof, and there have been shortages in some of the world's poorest countries. The instability has added political and social tensions as nations like Egypt, the biggest importer of Ukrainian wheat, struggle to keep bread prices down. The Global South is also suffering from an energy crisis. Global oil and gas prices have soared, making it difficult, especially for many developing nations, to buy the fuel they need to run their economies. Countries that power their homes or use fuel for industry and transportation by importing the fuel have had their energy costs skyrocket, forcing governments to cut subsidies or raise prices on consumers. It has triggered protests in several countries, with more and more households on the brink as rising costs of living has thrown people under (Lin et al., 2023; Snow, 2023).

At the same time, countries in the Global South are suffering the fallout from rising levels of debt. During the pandemic, many of these nations borrowed heavily to pay for recovery efforts, and now find themselves with rising interest rates and limited access to fresh financing. These debt challenges have only grown worse amid the war in Ukraine, with inflation and currency devaluation reducing governments' ability to pay their debts (Kammer et al., 2022).

### **Asia-Pacific**

The Russia-Ukraine conflict has had its economic impact in the Asia-Pacific region in large majority through rising commodity prices and disruptions in the global trade. Many countries in the region are in fact geographically far from the conflict but have not been immune to its effect. Because the war has caused uncertainty in the global supply chains of major economies, such as China, Japan and South Korea that supply energy and raw materials, the war has created uncertainty. Like Russia's other major trade partner, China, has taken advantage of partners paying low or even discounted Russian oil and gas, but has also been forced to curb some trade with Europe and the United States due to sanctions and the tit-for-tat geopolitical tensions now surrounding the war.

In Southeast Asia, smaller, developing economies, like Vietnam and Indonesia, have also had to contend with rising inflation, higher food and fuel prices, which have slowed economic growth. And this was another new layer of complexity for countries that are trying to recover from the post COVID economy – both at home and abroad. The war has made the region vulnerable because it relies on global trade, and disruption in shipping and logistics is affecting it. For the Asia-Pacific region, which relies heavily on the Black Sea shipping routes, and with global freight costs inflated, businesses have struggled to keep stable supply chains. But it has specifically affected industries such as electronics and textiles, that depend on efficient, global logistics networks to move goods from one country to another (Kammer et al., 2022).



### **Latin America**

Russia's war on Ukraine has also had a devastating effect on Latin America's economies. The war had begun while Latin America, like many other regions, was still struggling to come back from the pandemic. The region has been hit hard by rising food and energy prices, especially countries that import food from Ukraine and energy from Russia. In Brazil and Argentina food costs have soared, pushing low income families further away from basics. Meanwhile, the energy crisis has driven up fuel costs as transportation and manufacturing costs have risen due to higher prices, and these elevated prices have raised inflation all across the region.

A higher price on oil has helped some Latin American countries, such as Venezuela, but the economic situation remains in question for the entire region. As governments have been unable to implement effective recovery strategy due to high levels of debt, political instability and weak economic growth, it has been difficult. Given this, a lot of Latin American nations are caught in an uphill climb as they seek to recover from the post COVID complexities and the fallout of the Russia/Ukraine war in the economy (Kammer et al., 2022).

### **Policy Recommendation**

Short term stabilization and long-term resilience is extremely important and to address these global economic repercussions several policies are recommended to mitigate the impact on different sectors of the society.

Diversification of energy sources shall be done especially in Europe which will include discovering renewable energy sources and making alternative energy partners.

Subsidaries shall be provided to the households with high energy costs and energy-intensive industries.

There should be debt relief mechanism for countries with weak economic structure.

Multilateral trade agreements will improve logistics and the disruption in supply chain will also be reduced.

### **Conclusion**

Hence, the Russia-Ukraine struggle has had sweeping financial repercussions, compounding existing weaknesses in global energy markets, food security, and post-pandemic recuperation. The conflict has featured the delicacy of worldwide supply chains; the reliance of numerous countries on Russian energy and Ukrainian rural products, and the financial tensions looked by non-industrial nations. As the contention proceeds, proactive measures are fundamental to relieve these effects, including expanding energy sources, fortifying food security, supporting obligation help, and improving worldwide participation. By tending to these difficulties, the global local area can pursue more prominent monetary steadiness and strength notwithstanding continuous vulnerabilities.

The conclusion of this analysis emphasizes the urgent need for coordinated international responses to diminish the adverse effects of the Russia-Ukraine war on the global economy. As nations contend with rising inflation and food insecurity, strategic policy measures are essential to stabilize markets and protect vulnerable populations. The conflict not only threatens immediate economic stability but also poses long-term risks to regional security and global trade dynamics. Moving forward, fostering resilience in supply chains, spreading energy sources, and enhancing food security will be critical in navigating the complexities introduced by this war. Ultimately, addressing these challenges requires a unified global effort to promote peace and stability, ensuring that the lessons learned from this crisis inform future economic policies and international relations.

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