

Russian-Ukraine 2022 War: A Review of The Economic Impact of The Russian-Ukraine Crisis on The Several Developing Countries

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Abstract

The war between Russia and Ukraine is one of the international tragedies that burden many countries today—affected countries incident war, Of course in Europe. Supply energy in Europe is almost half more originates from Russia, so war makes the area of Europe and around No stable. Another problem is war. It also involves many countries, not only Russia and Ukraine, directly. War Russia opposes Ukraine has caused enhanced consumption of energy and food on the ground in Europe. The rupture crisis economy causes enough inflation high in several countries. Therefore appearance challenges the economy in modern times. Peace and stability in the world economy should be maintained, now ravaged by war. War raises Lots of dire consequences for the world community. Among other things, the raw material price rose sharply and changed the global energy trading system. Plus, with the increased price of energy and items, attacks Russia to Ukraine, the supplier country food. As a result, food shortages threaten and influence hunger in the global community. Wartime has influenced many countries, such as increasing food and fertilizer prices. In condition this kind is necessary, there is an action real from the United Nations to complete the organization's most extensive international at this time. Due to the war between Russia and Ukraine in 2022, a crisis economy happened, plus there is Covid 19. Several impacts price of commodity oil and gas rebound high, a threat to food, and stock market shocks.

Keywords

Russian Ukraine War, Economic Impact, Crisis

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1. INTRODUCTION

War is an incident-specific that will inspect several aspects of human behavior and life every day in this area of the world; events usually happen with reason exists meeting in various interests, acceptable That interest politics will want to expand of territory and expropriation source Power nature, etc. Rising war is constantly torturing grief for those who are forced lost relatives and family. Because falling victim to malignancy war, material, and financial losses are not priceless. Like a cold war between Russia-Ukraine February 24, 2022, Russia launched an action invasion attack in the region of East Ukraine; Ukraine is one of its neighbors in the southwest. This invasion was sudden appearance



return events in the war between Russia- Ukraine that started in 2014. The Ukraine crisis is the only international problem most important at this time.

Conflict involves Crimea, a dominant community in a manner autonomous region in the Southern Mountains that are on the brink of destruction, which chose to join the federation of Russia. On March 17, 2014, the Battle of Donbas began when protest massively pro-Russia started taking over the building. Crimea is currently below the authority of Russia, and they succeed in breaking through guard police. Then go in and destroy, pro-Russian people request collection voice on government new in structure necessary. After it, the government of Ukraine started to react hard and sent troops to end violence. The conflict between the government of Ukraine and the pro-Russia majority, who demanded a referendum, began the moment it. Conflict the known as the "Donbas war " because happening in the region of the Donbas industry, which includes the cities of Donetsk, Luhansk, and Kharkiv in Ukraine (Asiru Oyeniran Fatai, 2022). The war resulted in more than 14,000 lives disappearing. The Russia-Ukraine stage an agreement on Minsk peace to stop conflict, and in early 2021 situation returned No under control. Ukraine urged the United States to allow Ukraine united in NATO. This triggered President Russia's anger, and he started exerting troops nearby the border of Ukraine.

Then the United States and other countries accused Russia of preparing an invasion of Ukraine. Russia denied invading and claimed delivery troops. It is for practice. President Russia criticizes post-1997 NATO expansion as a threat to security in his country and the development of this conflict and demands that Ukraine be forbidden to join NATO. February 24, 2022, Federation Council Russia allowed to deploy strength military outside the border, then Russia sent troops (Highfield, T., Harrington, S., Bruns, A., Tuk, W., Shim, D., Lee, S. J., ... Lin, 2023). Operation military outside usual in Eastern Ukraine has been announced. Some minutes then, an attack missile started at the mother city of Ukraine. Two hours after the troops landed, Russia started to advance to the territory of Ukraine, and the service border Ukraine reported that A attack had happened at the border post with Russia. In response, President Ukraine enforced an emergency military, decided connection diplomatic with Russia, and declared mobilization mass. (S et al., 2016)

Critics worldwide against invasion resulted in sanctions and embargoes placed on Russia. This war will cause a financial crisis and sanctions on trading with other countries. The effect of the conflict between Russia through Ukraine and E.U. sanctions on Russia is possible through various methods, including spike mark commodity (Culache, O., & Obadă, 2014b), spike mark energy, and supply chain shocks. Prospects inflation worldwide is necessary to calculate due to the conflict between Russia and Ukraine because this is the truth that will happen. Remember, beginning the fight's objective is to disturb the global network supply, disrupt the recovery process, and moderate the economy worldwide. Thus, the global development economy will indeed slow down, and the rest will impact slow down

investment and consumption consequence of the international disturbance of current goods and services, which will negatively impact the performance sector export-import. The invasion of Russia into Ukraine, Of course, bothered the prolonged global economy plus the consequence of the COVID-19 pandemic.(Culache, O., & Obadă, 2018)

Although a number of the country's economy has risen and returned fast after COVID-19, in war, Russia and Ukraine caused pressure inflation and disrupted the chain of excellent supply. This is related to the contribution enhancement price of energy and food, which raises crisis Because governments from various countries reduced support or followed a mix related to the war between Russia and Ukraine. Of course, The crisis between Russia and Ukraine impacts field economics and sure conflict with the restructuring of trading internationally. However, No is known When restructuration happened. However, of course, the country connected with Russia or Ukraine will own an influence significant to the national crisis economy. Based on the explanation of the connection economy between countries worldwide that have the same influence on the war, Russia, Ukraine, and one of the countries in the Southeast Asian region. Kindly absolute on the war that happened increased price influential world oil economy. It is known that several increased price commodities like oil, natural gas, natural gas, and products imposed mining all over the world. Southeast Asia region to be dependent area to Russia in commodity oil earth besides location geographic no too Far If compared with the United States. Russia has a role in the Southeast Asian region. (Oyetunbi, 2021)

2. METHODS

The study Influence War Russia – Ukraine To This is a developing country economy study with a qualitative descriptive approach (Creswell, 2012). Studies qualitative studies literature with the use of books and literature as reference. Study qualitative research aims to understand phenomena experienced by the subject research. In responding to ending the COVID-19 pandemic and amid the conflict military Russia-Ukraine, Indonesia faces related energy problems (Creswell, 2014). This study aims to analyze the influence of the war Russia-Ukraine on developing country economy post the COVID-19 pandemic—data collection techniques through study-related libraries with research, journals, news in the mail, and others. The influence of the war between Russia and Ukraine on developing country economies in Southeast Asia restricts this research.

3. FINDINGS AND DISCUSSION

Southeast Asia's economy heavily depends on imports; only a few countries can become exporters of energy net worldwide. This makes proof that Southeast Asian countries should do a surplus of energy and should endure a spike in the price of energy; the war between Russia and Ukraine is happening Because the source of energy is in Russia. Moreover, Ukraine blocked or avoided, which resulted in the

state having to do substitution supply others. The war happened to influence the increased price of oil on the invasion of Russia into Ukraine so which caused challenges new in the global economy. It is known that Russia and Ukraine own significant market share from supplying oil, gas, and other commodities, so the invasion has increased the price. It can be felt directly in Southeast Asia, especially in the economy, primarily through an increased price of commodities. Because the area is the importer of clean commodities, oil, and gas. Even before the invasion, the economy in Southeast Asia has increased to competitors in the global market so dependency in commodity oil, and gas is higher in Southeast Asia than elsewhere. Impact straight to the hike price commodity affects the growth of the economies of the countries involved. This makes the economy in Southeast Asia will be caught impacted by the war that happened. Besides that, the weight of Western sanctions against Russia and response policy to Russia become a blow to each of the Southeast Asian countries that depend on the relationship economy Russia. More Western sanctions heavy on Russia caused increased prices of commodities and persistent global inflation. (Aburime, 2022)

It will impact global growth badly and cause high demand in Southeast Asia. The possibility of requesting commodities in Southeast Asia will greatly increase after the pandemic, increasing inequality in income and driving many people into poverty. Ongoing conflict can drastically affect Southeast Asia (Estrada, et.al, 2020). Impact war between Russia and Ukraine is influential on Southeast Asian economies and will more harm than impact the COVID-19 pandemic. This is because relating to the global economy inside the field is essential. The impact of the war on Russia and Ukraine is powerful in Southeast Asia. Russia become partners with trade biggest ninth for the Southeast Asian region since the year 2019.

Trading Russia in the Southeast Asian region has reached €17 billion, and some investments in big Russia can be threatened by the heavy European sanctions imposed on Russia's economy. If studied back, there is one partner's history in the Southeast Asian region for Russia, namely Vietnam, a Southeast Asian country that abstained deeply resolution Assembly General UN. It can be said that these countries are most at risk in matter economy. It is supported by words management Vietnam investment, Thu Nguyen that Vietnam has not felt the impact of the war between Russia and Ukraine, particularly in the finance sector. However, other Southeast Asian countries feel direct impacts from warlike disturbance chain global supply and increased energy and food prices. Besides that price of material burn has increased in several countries. This makes an impact from the war between Russia and Ukraine own significant influence from various sectors, raising restructuration global economy.

When the war between Russia and Ukraine peaked on February 24, 2022. Russia started to enhance world oil by 10%. This increases oil, followed by increased commodities like wheat, oil earth, and results processed industry mining other. Of course, this impact will be felt by Southeast Asian countries that

depend on oil, gas, and wheat in Russia. The war that happened will give influence significant growth and the global economy. Indonesia is the affected country, impact the consequent war that happened feared will impact Indonesian trade with both countries (Jaquelin & Abdullahi, n.d.). Not only Indonesia but in part Most ASEAN countries also feel the impact of war, specifically in increasing oil for industry transportation. It is known that the price of non-subsidized fuel in Singapore is IDR 28,500/liter, Thailand IDR 19,300/liter, Laos IDR 19,200/liter, the Philippines IDR 18,500/liter, Vietnam IDR 16,800/liter, Cambodia IDR 16,500/liter, and Myanmar IDR 15 .300/liter.³⁰ This makes an impact from war Russia and Ukraine own great potential _ in increase price commodity. Thus, the influence of the war on Russia and Ukraine directly impacts Southeast Asian economies, in particular in oil earth Because Russia has become an exporting country of more than 10% of the world's total oil. The influence spread by Russia on the war happened big Enough that influence the interests of other countries nationally (Abushov, 2019).

War Russia opposes Ukraine has caused enhanced consumption of energy and food on the ground in Europe (Albrecht et al., 2021). The rupture crisis economy causes enough inflation high in several countries. Therefore appearance challenges the economy in modern times. Peace and stability the world economy should maintain now ravaged by war (Wirba, 2021).

War raises Lots of dire consequences for the world community. Among other things, the raw material price rose sharply and changed the global energy trading system. Plus, with the increased price of energy and items, attacks Russia to Ukraine, the supplier country food. As a result, the food shortage threatens and influences hunger in the global community. Its wartime has influenced many countries by increasing food and fertilizer prices. (Simou, 2014)

United Nations sanctions against Russia on his actions have forced Russia to limit export energy and even Possible stop export to Europe. Russia is a major global supplier of commodity energy like oil, coal, and gas. This is the primary weapon in Russia's economy (Ruhl, 2022). European countries' dependence on energy Russia make part big industry No will endure last night. It forces the government to emit budget billions to maintain itself and compete, fighting over new sources of energy (Bertram, 1992).

Moreover, all this deep One year Where impact change climate can be seen and felt by the global community. News is exhilarating from sector upstream oil and gas in the middle Still height price world oil is invention field oil and gas new in 2022 which is increasingly Lots compared to years before. Achievement of reserve replacement ratio (RRR) in 4 (four) years final reach above 100% indicates that backup oil and gas national can be guarded with sound and be a strong foundation for enhancement production deep oil and gas period long (Marcin Grawtjisky, 2022).

One month of conflict in Ukraine has made global oil soar, some foreign companies go out from Russia, and Russia's government faces worries of failing to pay (default) national debt. The following are the impact economy and how the war between Russia in Ukraine shook the global economy.

Commodity Prices soar

Because of worries about supply, oil, and gas prices have soared; Russia is one manufacturer and exporter of material-burning fossil the biggest in the world. Oil Brent North Sea raw, benchmark international, reached US\$ 90 per barrel in February 2022. On March 7, 2022, the price soared to \$139.13, near a 14-year high, and remains highly volatile. Gas prices have also skyrocketed, concerning Europe. The Dutch TTF soars to its highest price, 345 euros, on March 7, 2022. The United States (U.S.), Canadian, and United Kingdom governments have announced the prohibition of oil in Russia. (McWilliams et al., 2022) While the European Union (E.U.) has avoided penalties to sector energy Russia because countries like Germany heavily depend on Russian gas supplies. Other commodities produced in a manner massively in Russia have soared incl, including nickel and aluminum. Chain supply industry automotive face disturbance Because ethnic group spare main originating from Ukraine. (Aburime, 2022)

Threat Food

Secretary General Union The United Nations (U.N.) Antonio Guterres has warned that conflict can impact way outside Ukraine, causing a storm famine and destruction system global food," he said. Russia and Ukraine are the world's food granaries, accounting for 30% of global wheat export. Prices of cereals and cooking oil since That have increased. Organization U.N. Food and Agriculture or FAO said that the number of people lacking nutrition could increase by eight to 13 million people during this year and year. Ships No leave Ukraine, and there are worries about season planting that will come in that country. U.S., Indian, and European governments can cover the lack of wheat. However, replacing oil flower sun and corn can be more complicated because Ukraine has become an exporter number one and four worldwide. (Pasichnyk, 2020)

Escape Company Self

Hundreds of Western companies have closed shops and offices in Russia since the war started Because of sanctions, pressure on politics, or the opinion public. The list covers famous names such as Ikea, Coca-Cola, and MacDonald's. Temporarily, President Russia Vladimir Putin has lifted the threat of nationalization company owned by foreign. Some companies have chosen to live in Russia for a reason not quite enough to answer social them not to leave employees locally.

Market Shaken

The stock market started this year on good note Because the economy recovered from the Covid-19 pandemic, and the company booked healthy results. However, war has brought volatility to the market. Meanwhile, the stock exchange in Moscow closed for three weeks and only opened return Partially. Western sanctions have disabled sector banking and systems finance Russia, marking the ruble collapse. (Kuzmarov, 2021)

4. CONCLUSION

The invasion of Ukraine by Russia on February 24, 2022, became a global event that had significant implications for all countries. Russia and Ukraine are essential actors in the global oil, gas, grain, energy, food, and fertilizer markets. Russia is the largest oil supplier country, accounting for 37 percent of oil and gas imports to Southeast Asia. In 2017, Russia ranked eighth among significant trading partners, with total bilateral trade accounting for only 0.66% of total trade turnover. The war between Russia and Ukraine certainly impacted the economic sector, and of course, the conflict led to a restructuring of international trade, and countries that have relations with Russia and Ukraine will significantly influence their country's national interests. It is known that Southeast Asia has felt the direct effects of the war, such as disruption of global supply chains and increases in energy and food prices. In addition, fuel prices have increased in several countries. This made the impact of the Russian and Ukrainian wars significantly influence various sectors, causing a global economic restructuring. It is known that the price of non-subsidized fuel in several Southeast Asian countries has increased, such as in Singapore, which has increased by IDR 28,500/liter, Thailand IDR 19,300/liter, Indonesia IDR 12,750/liter, Laos IDR 19,200/liter, Philippines IDR 18,500/ liter, Vietnam IDR 16,800/liter, Cambodia IDR 16,500/liter, and Myanmar IDR 15,300/liter. The impact of the war between Russia and Ukraine has great potential to increase commodity prices. Thus, the influence of the wars between Russia and Ukraine had a direct impact on the economies of countries in Southeast Asia, especially in petroleum. Thus, the war between Russia and Ukraine has been directly felt in Southeast Asia, especially in the economy, primarily through rising commodity prices because the region is the largest net importer of oil and gas commodities. The direct impact of rising commodity prices affects economic growth in the countries involved. This makes the economy of developing countries in Southeast Asia will be affected by the war that occurred.

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