

THE CONSEQUENCES OF THE WAR IN UKRAINE ON GLOBAL ECONOMIC

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Russia's invasion of Ukraine will have long-term consequences in various areas of the economy: the number of refugees has escalated into a humanitarian crisis, the protracted conflict has severely affected the sustainability of international food and energy security and raised global security issues.

There is a threat that these consequences will not be limited only to the territory of Ukraine, but will soon trigger a chain reaction that will lead to new catastrophes in much wider areas.

Therefore, the issue of determining solutions to neutralize these problems becomes relevant.

Of particular interest are the views of the world's leading economic experts, who have now outlined such key consequences of Russia's invasion of Ukraine [1,2]:

The economic and financial sanctions already implemented will lead to a deep recession in Russia.

Targeting the Russian economy through a total ban on oil and gas imports carries a high risk of recession in European economies.

Weaponising dollar finance is likely to lead to a significant shift away from the dollar as the dominant international currency.

Rising energy prices suggest that the European Central Bank and the Federal Reserve will have to increase interest rates faster than they intended to before the invasion.

Economic damage from the shock to global commodity markets will fall disproportionately hard on low- and middle-income countries.

So we can say for sure, that the war in Ukraine has led to an increase in economic uncertainty and has sent shockwaves throughout the world economy.

Factors such as energy use, demand, trade and property are important determinants of business and the economy in conflict.

In addition, the Russian invasion of Ukraine raises questions about national sovereignty, human rights and the global world order. This means that whatever its outcome, it can be a turning point for global infrastructure.

References:

1. Economic Fallout From Ukraine. Home - IGM Forum.
URL: <https://www.igmchicago.org/surveys/economic-fallout-from-ukraine/> (date of access: 19.05.2022).
2. Ukraine - IGM Forum. IGM Forum. URL:
<https://www.igmchicago.org/surveys/ukraine/> (date of access: 19.05.2022).