

‘Ukraine invasion: going to open a new sluice gate for the Asian continent which will help to prevent the upcoming western aggression especially for 'Major aggression against china and Bangladesh-super especially for India in terms of the current situation.’

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Abstract

The world economy has suffered greatly due to the war between the two neighbouring nations, Russia and Ukraine. It hurts growth and causes a high inflation rate. The global economy's growth could be seen as slow and high inflation rates for this crisis. It has increased the cost of a wide variety of items in one way or another around the world. After two years of a pandemic slump, it is the biggest obstacle to the world's stuttering recovery. Every country is suffering. Also, the war and its aftermath will alter trade maps in Asia. Few countries might also stand to gain the most. Western countries have imposed several sanctions in response to the Russian invasion of Ukraine. The war and the intensifying sanctions regime also considerably influence the world economy and supply chains. Also, they will have long-term effects on the geo-economics of Asia and East-West trade. This article will discuss the Ukraine invasion's different impacts on the Asian continents.

Keywords: Asia, Russia, Ukraine, war, economy, and crisis.

1. Introduction:

The Russia-Ukraine war was a major humanitarian disaster and the conflict-affected millions of people. It leads to a significant negative impact on global economic growth. More than six million Ukrainians have been forced to flee their country because of the war. According to UNHCR, 82.4 million individuals have been forcibly displaced by the end of 2020, of whom 26.4 million are refugees. The war has increased the cost of various items in one way or another. After two years of a pandemic slump, it is the biggest obstacle to the world's stuttering recovery. The developed countries are dealing with the highest level of inflation in decades and are adopting drastic measures to control spending, which would

reduce consumer demand. It would be problematic for Bangladesh, which depends on exports to these nations. The US Federal Reserve increased its benchmark interest rates by 0.75 percentage points for the first time in more than two decades because it had no choice but to combat inflation more strongly, regardless of the impact on markets.¹ Russia and Ukraine account for 60% of the world's production. Additionally, Ukraine produces 10% of the world's grain supply and 15% of the world's corn,² which is enough to feed 400 million people worldwide. Every country is suffering due to supply chain problems.³ Also, the war and its aftermath will alter trade maps in Asia. Few countries might also stand to gain the most. Western countries have imposed several sanctions in response to the Russian invasion of Ukraine. The war and the intensifying sanctions regime considerably influence the world economy and supply chains. However, they will also have long-term effects on the geo-economics of Asia and East-West trade. This article will discuss the Ukraine invasion's different impacts on the Asian continents.

2. Ukraine invasion's impact on the Asian continent:

The Russian economy was forced into economic isolation due to the Russian-Ukrainian war and unprecedented Western sanctions, which also impacted its Asian countries.⁴

2.1 China's Position

China's international position has been impacted by the Russian-Ukrainian war in both positive and negative ways. First, it sparked a highly toxic scenario that risked Beijing's reputation and economic stability. Second, the massive "One Belt, One Road" project of China, in which Beijing has already spent more than USD 4 trillion and expects to receive USD 2 trillion, has been affected by Western sanctions and Russia's isolation. Many transit routes that ran through Russian territory are no longer in use. Due to the breakdown of logistics chains, China is being compelled to spend on alternate routes, like those that go through Turkey, Iran, and Pakistan. Alternative routes and a shift to maritime trade, which is more reliant on other countries, including

¹Russia-Ukraine war must end for the sake of humanity and development: ICCB (July 07, 2022). <https://thefinancialexpress.com.bd/trade/russia-ukraine-war-must-end-for-the-sake-of-humanity-and-development-iccb-1657186321>(accessed on 27/10/2022).

²Five facts on grain and the war in Ukraine, <https://www.dw.com/en/five-facts-on-grain-and-the-war-in-ukraine/a-62601467>(accessed on 03/11/2022).

³The global food crisis looms as Ukraine struggles to export its grain after the Russian invasion. <https://www.euronews.com/2022/06/19/global-food-crisis-looms-as-ukraine-struggles-to-export-its-grain-after-russian-invasion>(accessed on 01/11/2022).

⁴The impact of the Russian-Ukraine war on the Central Asian economy <https://www.geopolitica.info/impact-russian-ukraine-war-on-central-asian-economy/>

those who are allies of the United States, and are also in part reliant on Russian seaports, are more complex solutions. China's biggest rival, the United States, has been able to strengthen alliances in Europe and Asia because of the war. Additionally, the USA has boosted its influence over elite groups that support it abroad. Additionally, it made an effort to gain the support of those countries that the USA needs to form a new anti-China alliance globally while still trying to retain fairness and neutrality.⁵

However, China has benefited significantly from the Ukrainian conflict. First, the weakening of Russia brings it closer to the status of China's "junior partner" in regional and international affairs, a model that China has long desired, rather than the formation of a robust regional state capable of challenging the West but also the region. Because of this, China needs a Russia that will be receptive to Beijing's exterior influence. Russia plays a role in the region as a player, a raw material provider, and a situational partner in terms of regional security rather than as a global force. Second, the conflict compelled the West to respond, exposing how they exert pressure and control, especially in trade, economic, financial, and technological domains. Western sanctions made China aware of any future conflicts with the US. China will likely boost its planning for a potential confrontation with Taiwan by learning from Russia's experience in the Ukraine war. The scope of Chinese control over the global financial system can now be evaluated due to Western sanctions against Russia. China will utilize the current crisis to protect bilateral trading systems, transforming them into national currencies and convincing other countries to raise the share of gold and foreign exchange reserves in yuan.⁶ Due to rising prices for necessities like food and energy, the war may worsen the socioeconomic situation around the world. Because the countries that have joined the sanctions will not want to engage in a conflict with China, sanctions worsen these issues, giving China more opportunity to expand its influence and even more freedom for manoeuvre. Due to Russia's isolation from the West, China will have the opportunity to strengthen its economic presence in Russia (for example, by replacing Visa and Master Card with Union Pay) and increase Moscow's dependence on Beijing.⁷ Furthermore, Russia's

⁵ UA: Ukraine Analytica, https://ukraine-analytica.org/wp-content/uploads/UA_Analytica_28_2022.pdf

⁷ HOW DOES THE RUSSIAN-UKRAINIAN WAR CHANGE ASIAN GEOPOLITICS?
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economic and political isolation presents an opportunity for its political and economic opponents to open strategic business routes in Central Asia. China, Turkey, and NATO are particularly interested in replacing Russian rule in the area. For instance, China accounts for one-third of all trade in Central Asia; it is already establishing itself as a significant arms supplier and strategic ally. Although China's power spread would support the area to some extent, it holds 40% of the federal loans of Kyrgyzstan and Tajikistan. However, more is needed to compensate for Russia's abrupt withdrawal from the region's market.⁸ At this point, it is clear how China's influence is growing in the Asian continent.

2.2 India's Position

India formally maintained its neutrality as the Russian invasion of Ukraine started. The country does not publicly support Russian aggression and urges an immediate halt to hostilities and a diplomatic solution to the crisis. On the other hand, India refrains from publicly criticizing Russia's activities and declines to support or enact its own sanctions. Such an impartial stance brought a negative response from the West. India has been wisely using the term "national interest." India sees the Russian-Ukrainian conflict as a chance to show leadership while preserving its "strategic autonomy" in international affairs. As a result, India's standing among its small neighbours has increased. The war also significantly impacted India's economy, energy, and food security. Finally, the Russian-Ukrainian war made the Sri Lankan crisis worse since it led fuel prices to rise, even though many other reasons drove the Sri Lankan crisis. India is actively contributing to the crisis' resolution by giving Colombo financial and humanitarian aid, and this will also positively influence Delhi's importance as a regional leader.⁹

However, India's diplomatic approach to the war between Russia and Ukraine has developed into a worldwide mystery and subject of attention. The phrase "maintaining strategic autonomy" refers to Delhi's refusal to support the West, particularly the US and its NATO allies. In this new geopolitical environment, India also pursues a full-scale self-reliance drive. India's reliance on Russia for defence is well known, and its defence stock is attributed to Russia over 70%. Russia supplied 66.5 per cent of India's

⁸Russia's War in Ukraine Spells Disaster for Neighboring Central Asia (March 10, 2022). <https://time.com/6156524/russia-ukraine-central-asia-impact/>(accessed on 01/11/2022).

⁹ UA: Ukraine Analytica (fn5)

weapons imports between 2000 and 2020. Of the 53.85 billion dollars India spent on weapons imports during that period, \$35.82 billion went to Russia. The value of imports from Israel was \$4.1 billion, while imports from the United States totalled \$4.4 billion. According to reports, the United States is considering providing India with military assistance worth \$500 million to lessen its reliance on Russia.

Additionally, Indian Prime minister Modi and French President Emmanuel Macron discussed enhancing defence alliances during their most recent European trip. These declarations imply that despite Delhi's continued shift toward Moscow, the USA and its allies still keep an eye on India's particular circumstances. India's actions since the start of the war have been even more remarkable in terms of energy. India is increasing its purchases of Russian oil at discounted prices as the European Union (EU) considers lowering its reliance on Russian oil and gas. This rejects US pressure that aims to financially and economically isolate Russia. According to reports, India has already purchased at least 13 million barrels in the month that followed Russia's invasion of Ukraine, compared to 16 million barrels for the full year 2021.¹⁰ The current crisis demonstrates India's multi-alignment strategy, which allows it to maintain strategic autonomy over its choices and prioritize its interests.

2.3 Impacts on Bangladesh:

The global economy will suffer significantly if the war continues for a long time. This is something Bangladesh will not be free from this. The Ukraine crisis will also throw chaos into the country. The Bangladeshi garment industry might be in danger if the war between Ukraine and Russia lasts a long time and expands to Europe because 64% of the country's textile exports and 58% of the total exports are designed for the European market.¹¹ In the meantime, the ongoing war is already hurting Bangladesh's economy. State-owned Bangladesh Petroleum Corporation estimated a loss of approximately €2 million per day at the beginning of March. Exporters reported increased shipping and associated costs, particularly from the ready-made garment exporters, who make up 80% of Bangladesh's export earnings. The sanctions imposed on Russian banks also hurt trade between Bangladesh and Russia. Exporters from Bangladesh have discovered a different route to

¹⁰How the Russia-Ukraine war impacts India's self-reliance campaign <https://www.atlanticcouncil.org/blogs/southasiasource/how-the-russia-ukraine-war-impacts-indias-self-reliance-campaign%EF%BF%BC/>(accessed on 27/10/2022).

¹¹Russia vs Ukraine War: Impact on Bangladesh's Economy. <https://businessinspection.com.bd/ukraine-vs-russia-impact-on-bangladesh/>(accessed on 02/11/2022).

continue doing business with Russia through China.¹² Also, Bangladesh imports wheat from both Russia and Ukraine. The global economic downturn will threaten it. Overall, the situation is alarming. As the price of fuel oil rises, so does the price of gas. Hence, fertilizer prices are expected to rise. If fertilizer prices go up at the time of the Boro crop, it will be regarded as a terrible disaster. Subsidies will take more work to manage the problem. Low-income people will see their living costs rise due to inflationary pressures. The investment will be reduced as well. All this creates the collateral impacts of the Ukraine and Russia war.¹³

3. Conclusion and Recommendation:

The war between Russia and Ukraine has damaged the world economy and increased trade ambiguity. It significantly influences crude oil, cooking oil, and other commodities like wheat and corn. These two countries are the major producers and exporters of commodities like wheat, cooking oil, and other goods worldwide. Thus, the conflict between Russia and Ukraine significantly affects these items' supplies. It also leads a significant impact on the Asian continent. Asia and the Asian political system will change if this war continues in terms of economy, politics, and diplomacy. The European security system is one of many issues in the Ukraine situation. It has significant effects on how Asia's future order will develop. The economy's immediate impact is the most noticeable. Prices for grain, wheat, and oil have risen. These import-dependent nations in Southeast Asia, including Thailand, Vietnam, and Singapore, have experienced shortages and felt the effects on transportation, energy, and petroleum. The Association of Southeast Asian Nations (ASEAN) has thought about improving ties with Venezuela and West Asian nations to secure alternative oil sources.

Politically, the Russian war created a division in Asia. Japan and Korea joined the US in denouncing Russia because they were concerned about China and territorial sovereignty. Finally, the war's diplomatic implications could change the Asian political order. The Myanmar junta, which is friendly with the Russian government, has, on the one hand, welcomed Moscow's initiatives. Singapore, which has always been concerned with finding a balance between China and the US in the Asia Pacific, has chastised Moscow. However, there are other nations that fall somewhere in the middle. For example, Vietnam, like India, is heavily dependent on Russian weaponry and defence exports, has a close relationship

¹²Asia feels the economic brunt of Ukraine conflict (March 21, 2022) <https://www.dw.com/en/ukraine-war-asian-nations-feel-economic-brunt-of-conflict/a-61201302>(accessed on 28/10/2022).

¹³ Russia-Ukraine war: Towards a new world order? <https://thefinancialexpress.com.bd/views/views/russia-ukraine-war-towards-a-new-world-order-1657811503>(accessed on 01/11/2022).

with Ukraine and has refrained from denouncing Russia at the UN. Thus, the conflict in Ukraine's repercussions could change the Asian political order.¹⁴ Overall, it is clear that the war has benefitted a few Asian countries in terms of trade and political influence. China has recently been quite active in seeking to assemble possible allies, both in Southeast Asia and in Oceania, in order to counterbalance Western alliances. Some less powerful countries on the world stage aim to maintain good relations with China and the West. However, because of the war, fuel and cooking oil prices have increased worldwide due to supply shortages. The international community should start peaceful negotiations to end the current war and save the world economy, especially emerging economies.

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¹⁴ How The Ukraine War Will Impact Asian Order (May 12, 2022) <https://www.cfr.org/article/how-ukraine-war-will-impact-asian-order>

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