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IMPACT OF RUSSIA-UKRAINE WAR ON INDIAN ECONOMY -A COMPARATIVE STUDY

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Abstract : The effect of the Russa-Ukraine conflict on the India economy is examined in this academic article**.** It contrasts economic metrics including the trade balance and examines India's top five biggest imports from Russia and Ukraine. through shed light on how the conflict has affected trade trends, the study uses import-export records from the fiscal years 2014 through 2023. The research aids in a better understanding of the consequences of the conflict on the Indian economy by examining these variables and import patterns.

IndexTerms **- Russia-Ukraine war, Impact on Indian Economy, Trade balance, Imports and Exports.**

I. INTRODUCTION

The Russia-Ukraine conflict, which was sparked by territorial disputes and political unrest, has had a big impact on the Indian economy. The impact of the conflict on India's trade balance and other economic indicators from 2014 to 2023 is examined in this paper. Import and export volumes have been impacted by supply chain and trade flow disruptions, which has changed the trade balance. The conflict has also had an impact on investment trends, notably, inflation rates and also commodities like minerals, edible oils, etc.

II. SCOPE OF THE STUDY

The conflict between neighboring nations caused a significant setback to the global economy and negatively impacted growth. High inflation rates also arose as a result of price increases in important imports for the Indian economy.

III. STATEMENT OF THE PROBLEM

The ongoing conflict between Russia and Ukraine has made the price pressures for metals, gas, and crude oil worse. The invasion caused a rise in the cost of necessities, which also increased the annual inflation rate. The war has exacerbated internal economic harm to India by enhancing existing financial issues. Consumers' inability to access basic daily necessities due to supply and demand imbalances as well as growing commodities prices have hurt India's economy.

IV. OBJECTIVES OF THE STUDY

- To Study the Prevailing Economic conditions with regard to Pre and Current Situation of war by showing the balance of trade.
- To show 10 major categories of commodities imported by India from Russia and Ukraine and also to analyse 6 affected commodities by its category.

RESEARCH METHODOLOGY

The problem being investigated can be approached methodically using research methodology. This study is based on the descriptive and diagnostic analysis research method which was undertaken to find what is happening in Indian economy due to the conflict between other two countries and how this conflict shows the impact by affecting the economic indicators of India?

V. SOURCE OF DATA:

This study has been conducted with the help of Secondary data which was driven from:

- Ministry of Commerce-India
- Magazines and other websites

VI. SAMPLE

The sample size of the data is denoted for the Period of year and number of countries.

- **Period =** 2013-14 to 2022-23 financial year (i.e., 1st April-31st march).
- **Countries** = India, Russia, Ukraine.

VII. ANALYSIS

1) BALANCE OF TRADE:

Balance of trade (BOT) is a key economic indicator that represents the difference between the value of a country's exports of goods and services and its imports of goods and services over a certain period of time, usually a year. It is also referred to as the trade balance or net exports.

FORMULA:

Balance of Trade /Trade Balance = Export – Import

DATA AND SOURCES OF DATA

The datasets which are being used for this study has been aggregated and taken from the data of India-Russia and India-Ukraine individually.

RESULTS:

Export > Import - A Positive Balance - Trade Surplus

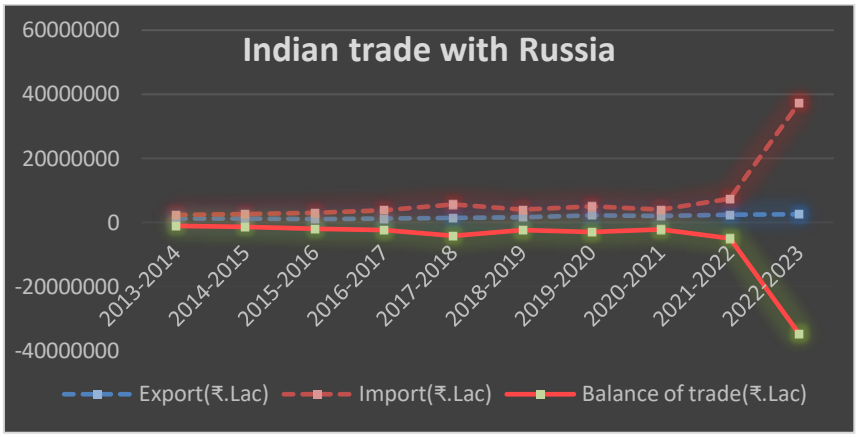
Import > Export - A Negative Balance – Trade Deficit

TRADE BETWEEN INDIA-RUSSIA

DATA IN TABLE VIEW

S.No	Year	Export(₹. Lac)	Import(₹.Lac)	Balance of trade(₹.Lac)
1	2013-2014	₹ 1282879.18	₹ 2356986.29	₹ -1074107.11
2	2014-2015	₹ 1282356.07	₹ 2592365.74	₹ -1310009.67
3	2015-2016	₹ 1040893.46	₹ 2998646.78	₹ -1957753.32
4	2016-2017	₹ 1298532.37	₹ 3718033.59	₹ -2419501.22
5	2017-2018	₹ 1362201.76	₹ 5528708.98	₹ -4166507.22
6	2018-2019	₹ 1672679.25	₹ 4081679.05	₹ -2408999.8
7	2019-2020	₹ 2139987.8	₹ 5029106.63	₹ -2889118.83
8	2020-2021	₹ 1964970.34	₹ 4063240.52	₹ -2098270.18
9	2021-2022	₹ 2423279.79	₹ 7365491.43	₹ -4942211.64
10	2022-2023	₹ 2546269.52	₹37400329.73	₹ -34854060.21
	TOTAL	₹17014049.54	₹75134588.74	₹-58120539.2

GRAPHICAL REPRESENTATION :



INTERPRETATION:

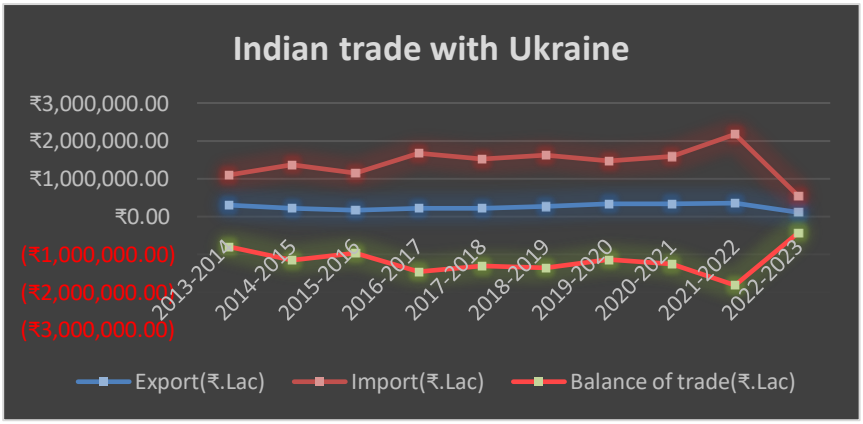
The above presented Line chart shows that India's export to Russia states that the values climbed steadily from 2013–2014 to 2021–2022, but import values fluctuated significantly. Every year but 2018–2019 saw a negative trade deficit. Due to a significant spike in import prices as of 2022-23, India's trade imbalance with Russia has hit a record high of -₹ 34854060.21lakh which is Trade deficit.

TRADE BETWEEN INDIA-UKRAINE

DATA IN TABLE VIEW:

S.No	Year	Export(₹.Lac)	Import(₹.Lac)	Balance of trade(₹.Lac)
1	2013-2014	₹ 293111.47	₹ 1089543.27	₹-796431.8
2	2014-2015	₹ 212804.09	₹ 1366193.89	₹-1153389.8
3	2015-2016	₹ 169664.43	₹ 1146451.62	₹-976787.19
4	2016-2017	₹ 207969.76	₹ 1665692.39	₹-1457722.63
5	2017-2018	₹ 212813.94	₹ 1519449.37	₹-1306635.43
6	2018-2019	₹ 273602.82	₹ 1627960.51	₹-1354357.69
7	2019-2020	₹ 328622.13	₹ 1461868.82	₹-1133246.69
8	2020-2021	₹ 333835.2	₹ 1586497.89	₹-1252662.69
9	2021-2022	₹ 351750.41	₹ 2171693.46	₹-1819943.05
10	2022-2023	₹ 106501.87	₹ 531603.52	₹-425101.65
	TOTAL	₹2490676.12	₹ 14166954.74	₹-11676278.62

GRAPHICAL REPRESENTATION :



INTERPRETATION:

The above presented Line chart shows that the India's import from Ukraine indicates, while export values have stayed comparatively stable, import values have progressively climbed over time. The trade balance has always been negative, with the exception of the years 2013–2014 and 2018–2019. The trade imbalance was substantially smaller at -₹425101.65 lakh as of 2022-2023,as a result of reduced import values.

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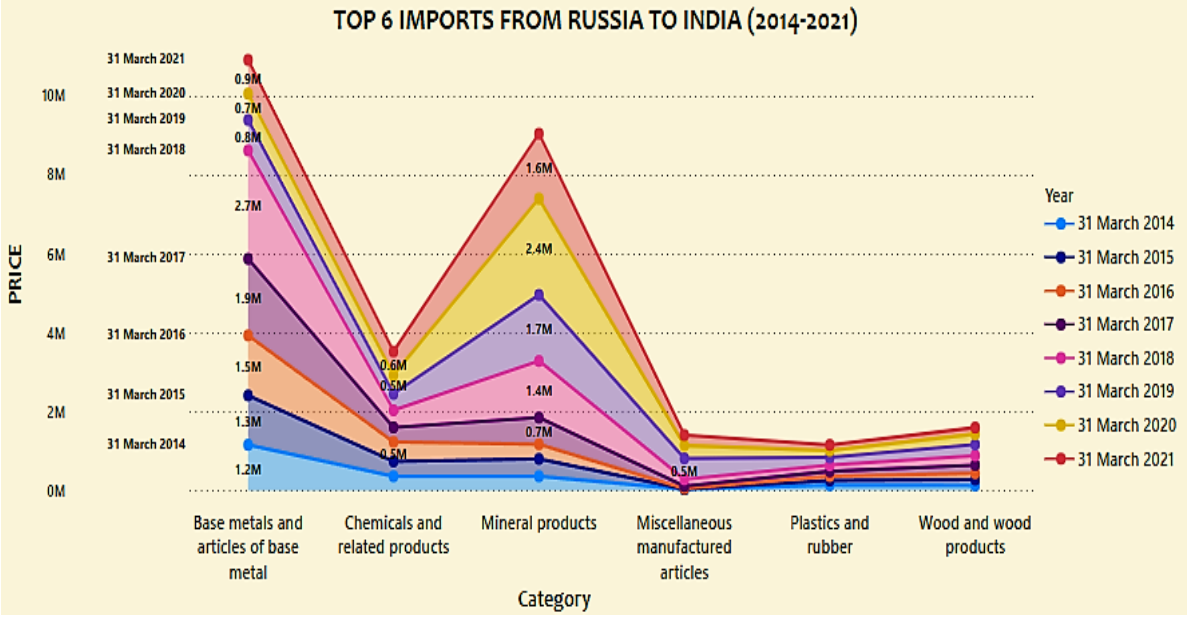
2) 10 MAJOR COMMODITIES IMPORTED FROM RUSSIA AND UKRAINE BY INDIA

S.No	COMMODITIES BY CATEGORY	COMMODITIES BY SUB CATEGORY
1	BASE METALS AND ARTICLES OF BASE METAL.	• Natural or cultured pearls, precious or semiprecious stones, pre. metals, clad with pre.metal and artcls thereof;imit.jewlry;coin. • Iron and steel • Articles of iron or steel • Copper and articles thereof. • Nickel and articles thereof. • Aluminium and articles thereof. • Lead and articles thereof. • Zinc and articles thereof. • Tin and articles thereof. • Other base metals; cermets; articles thereof. • Tools implements, cutlery, spoons and forks, of base metal; parts thereof of base metal. • Miscellaneous articles of base metal.
2	CHEMICAL AND RELATED PRODUCTS.	• Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, or radi. Elem. Or of isotopes. • Organic chemicals • Pharmaceutical products • Fertilisers. • Tanning or dyeing extracts; tannins and their deri. Dyes, pigments and other colouring matter; paints and ver; putty and other mastics; inks. • Essential oils and resinoids; perfumery, cosmetic or toilet preparations. • Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, polishing or scouring prep • Albuminoidal substances; modified starches; glues; enzymes. • Explosives; pyrotechnic products; matches; pyrophoric alloys; certain combustible preparations. • Photographic or cinematographic goods. • Miscellaneous chemical products.
3	MINERAL PRODUCTS	• Salt; sulphur; earths and stone; plastering materials, lime and cement. • Ores, slag and ash. • Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.
4	MISCELLANEOUS MANUFACTURED ARTICLES.	• Works of art collectors' pieces and antiques. • Project goods; some special uses. • Miscellaneous goods.
5	PLASTICS AND RUBBER	• Plastic and articles thereof. • Rubber and articles thereof.
6	WOOD AND WOOD PRODUCTS	• Wood and articles of wood; wood charcoal. • Cork and articles of cork. • Manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork. • Pulp of wood or of other fibrous cellulosic material; waste and scrap of paper or paperboard. • Paper and paperboard; articles of paper pulp, of paper or of paperboard. • Printed bookds, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans.
7	ANIMAL OR VEGETABLE FAT AND OILS.	• Animal or vegetable fats and oils and their cleavage products; pre. Edible fats; animal or vegetable waxes.
		• Live trees and other plants; bulbs; roots and the like; cut flowers and ornamental foliage.

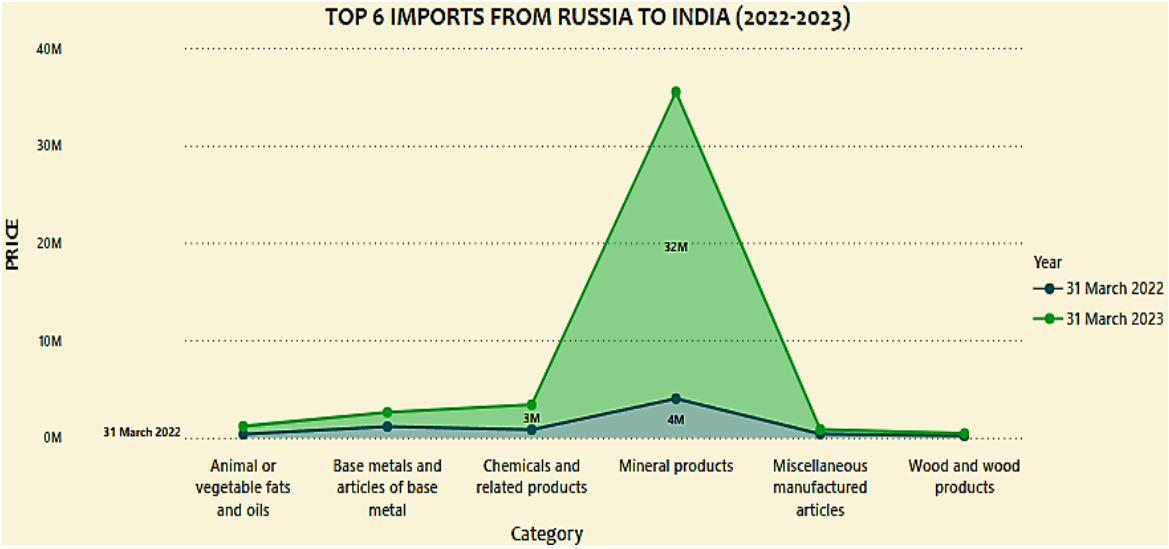
8	**VEGETABLE PRODUCTS**	• Edible vegetables and certain roots and tubers. • Edible fruit and nuts; peel or citrus fruit or melons. • Coffee, tea, mate and spices. • Cereals. • Products of the milling industry; malt; starches; inulin; wheat gluten. • Oil seeds and olea. Fruits; misc. Grains, seeds and fruit; industrial or medicinal plants; straw and fodder. • Lac; gums, resins and other vegetable saps and extracts. • Vegetable plaiting materials; vegetable products not elsewhere specified or included.
9	**MACHINERY AND MECHANICAL APPLIANCES**	• Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof. • Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.
10	**TRANSPORTATION EQUIPMENT**	• Railway or tramway locomotives, rolling-stock and parts thereof; railway or tramway track fixtures and fittings and parts thereof; mechanical • Vehicles other than railway or tramway rolling stock, and parts and accessories thereof. • Aircraft, spacecraft, and parts thereof. • Ships, boats and floating structures.

1. ANALYSIS FOR TOP 6 RUSSIAN IMPORTS TO INDIA

IMPORTS DURING 2014-2021

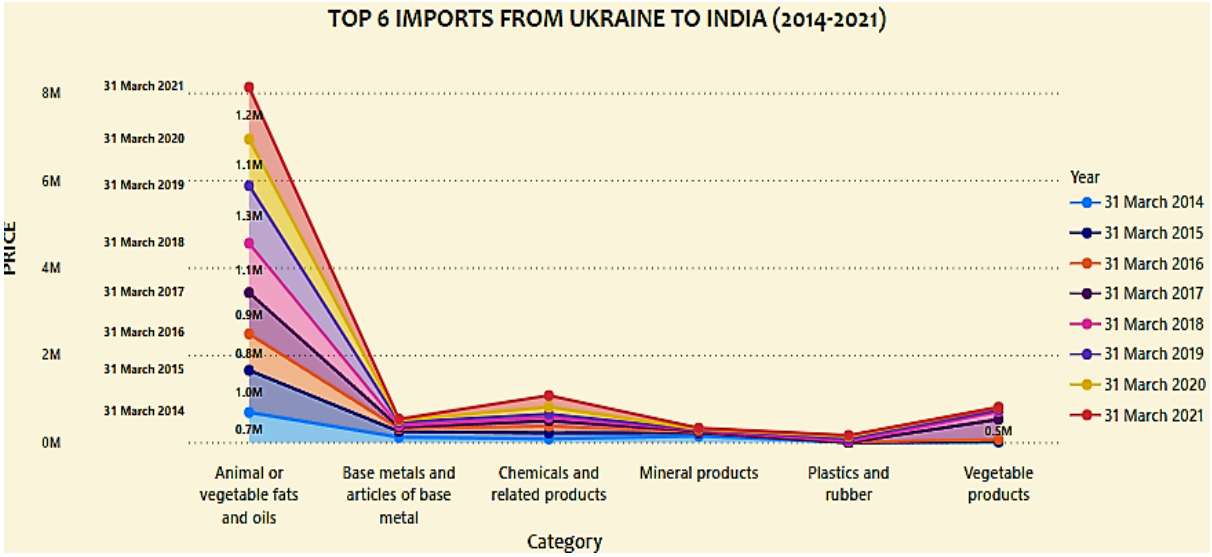


IMPORTS DURING 2022-2023

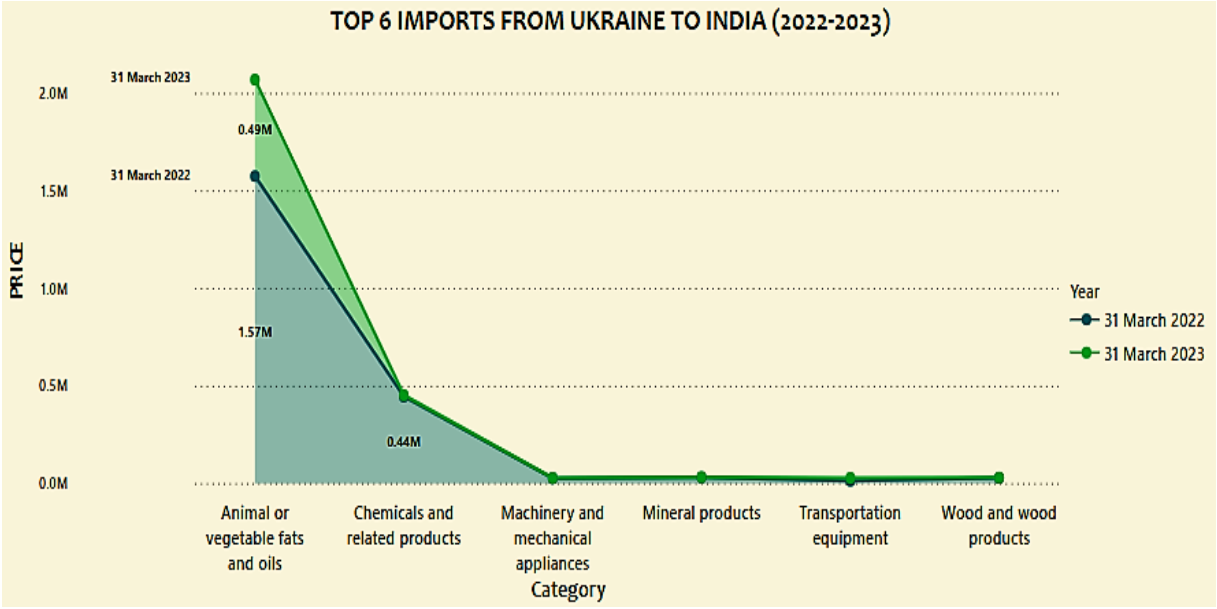


2. ANALYSIS FOR TOP 6 UKRAINE IMPORTS TO INDIA

IMPORTS DURING 2014-2021



IMPORTS DURING 2022-2023



FINDINGS

The conflict between two neighbouring countries made an Impact on imbalance of trade varies from ₹ -34854060.21with Russia which reaches to an extent from the previous years and ₹-4,25,101.65 with Ukraine which is comparatively less compared to previous periods of Ukraine.

As a Import from Russia, Mineral fuels, mineral oils, and products of their distillation, bituminous substances, and mineral waxes had the highest price sums between 2014 and 2021, followed by natural or cultured pearls, precious or semiprecious stones, pre-metals, clad with pre-metal, and articles thereof, and fertilisers whereas, Natural or cultured pearls, precious or semiprecious stones, pre-, clad with pre-metal, and articles thereof were the next most expensive items in metals the period of 2022–2023, followed by fertilisers and bituminous substances, mineral waxes, and products of their distillation.

Import from Ukraine the export value of fertilisers, inorganic chemicals, machinery, and mechanical appliances increased from 2014 to 2021. Animal or vegetable fats and oils also exhibited an upward trend. In contrast, the export value of inorganic chemicals, nuclear reactors, and project goods decreased during this time, while the export value of ships, boats, and floating structures, as well as wood and articles of wood, remained largely stable. In 2022–2023, on the other hand, the export value of animal or vegetable fats and oils showed a significant increase, whereas the export value of these other items declined. From 2022 to 2023, the export value of ships, boats, floating structures, timber and timber products increased slightly.

CONCLUSION

The Conflict between two neighbouring countries made a tremendous impact and which may be due to the lack proper manufacturing or cultivation in places or changes in exchange. it is also important to note that there could be many factors contributing to these changes in imports, including changes in exchange rates, changes in trade policies, changes in supply and demand. It is unclear how the ongoing crisis between Russia and Ukraine will develop in the future, but it may have a variety of effects on India's imports from the area.

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