



The War between Russia and Ukraine and its Impact on Bangladesh: A Comprehensive Study

Talukder M. T. I. ^{a*}, Pavel S. A. K. ^{b+++}, Islam M. Z. ^{c#},
Monwar M. M. ^d, Ahmed E. ^{e†}, Hossen M. R. ^f and Akter T. ^{g‡}

^a Department of Environmental Science and Management, Independent University,
Dhaka, Bangladesh.

^b Support Publisher, Khulna, Bangladesh.

^c Ahsanullah University of Science and Technology, Construction Management Engineer, UNOPS,
Bangladesh.

^d Department of Marketing, Bangladesh Institute of Management, Dhaka, Bangladesh.

^e Department of Research and Development, International Online Journal Hub Ltd., Dhaka,
Bangladesh.

^f Department of Economics, University of Dhaka, Dhaka, Bangladesh.

^g International Online Journal Hub-IOJH Ltd., Dhaka, Bangladesh.

Authors' contributions

This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.

Article Information

DOI: 10.9734/AJEBA/2024/v24i41279

Open Peer Review History:

This journal follows the Advanced Open Peer Review policy. Identity of the Reviewers, Editor(s) and additional Reviewers, peer review comments, different versions of the manuscript, comments of the editors, etc are available here: <https://www.sdiarticle5.com/review-history/113212>

Original Research Article

Received: 01/01/2024

Accepted: 05/03/2024

Published: 05/03/2024

ABSTRACT

This comprehensive study investigates the impact of the ongoing war between Russia and Ukraine on the Bangladeshi economy, focusing on various dimensions including trade disruptions, energy and commodity price shocks, remittances, foreign direct investment (FDI), macroeconomic stability,

⁺⁺ CEO & Epidemiologist;

[#] Bachelor of Science in Civil Engineering;

[†] Research Associate;

[‡] Director;

*Corresponding author;

and daily commodities. Drawing on an extensive literature review, the study synthesizes existing research on the economic consequences of geopolitical conflicts, with particular attention to the multifaceted effects of the Russia-Ukraine war on indirectly involved countries like Bangladesh. The analysis reveals that the conflict has led to significant challenges in areas such as trade, energy and commodity prices, remittances, FDI, and macroeconomic stability, with potential consequences for the Bangladeshi economy, including slowed growth, increased inflation, and currency fluctuations. Furthermore, the study highlights the impact of the conflict on the prices and availability of daily commodities, which can affect the cost of living, purchasing power, and overall quality of life. Based on these findings, the study offers recommendations for policymakers and stakeholders to adopt strategies that mitigate the adverse effects of the conflict, promote economic resilience, and ensure the well-being of the population. This study contributes to the understanding of the economic implications of geopolitical conflicts and serves as a valuable resource for policymakers, researchers, and practitioners interested in the broader effects of the Russia-Ukraine war on global economies.

Keywords: War; FDI; impact on Bangladesh; economy.

1. INTRODUCTION

The Russo-Ukrainian War, which began in 2014, observed a major escalation when on 24 February 2022, Russia invaded and occupied parts of Ukraine. Since this escalation, the war has had far-reaching consequences for the global economy, affecting countries both directly and indirectly involved in the conflict [1]. Bangladesh, as a rapidly developing nation with a growing economy, has also felt the repercussions of this war. This research aims to provide a detailed analysis of the impact of the Ukraine-Russia war on the Bangladeshi economy, exploring the various channels through which the conflict has influenced trade, finance, and overall economic growth. The geopolitical landscape of the world changed dramatically with the onset of the Ukraine-Russia war, disrupting global trade and supply chains [1-3]. The conflict has led to increased sanctions on Russia and measures to isolate the Russian economy, which in turn have had a domino effect on other countries [4]. As a result, international trade has become more challenging, with significant impacts on prices, supply chains, and the availability of essential goods and services [5-9].

For Bangladesh, a country that relies heavily on international trade and remittances, understanding the implications of the conflict is crucial for its economic development and stability. Several aspects of the Bangladeshi economy have been affected by the Ukraine-Russia war, including but not limited to:

- **Energy and Commodity Prices:** The war has led to a spike in global energy and commodity prices, with consequences for

import-dependent countries like Bangladesh [10,11]. This research hopes to explore how the rise in energy and commodity prices has impacted inflation, production costs, and consumer spending in Bangladesh.

- **Export and Import Dynamics:** As a major exporter of ready-made garments (RMG) and an importer of raw materials, machinery, and fuel, Bangladesh's trade balance is vulnerable to disruptions in global trade [12,13]. This study hopes to investigate the impact of the conflict on the country's export and import sectors, specifically focusing on the RMG industry and the sourcing of critical imports.
- **Remittances:** With a significant number of Bangladeshi migrant workers employed in countries affected by the war, the potential decline in remittances may adversely affect the Bangladeshi economy. This research aims to assess the extent to which remittance flows have been impacted and the implications for households and communities reliant on these financial inflows.
- **Foreign Direct Investment (FDI):** Given the volatile geopolitical situation, Bangladesh may face challenges in attracting foreign direct investment (FDI) as investors become cautious and uncertain about the region. This study aims to evaluate the influence of the conflict on FDI flows into Bangladesh and assess its potential impact on job creation and economic growth.
- **Macroeconomic Stability:** The cumulative effects of the aforementioned factors will be analyzed to understand their

implications on the overall macroeconomic stability of Bangladesh, including the potential for slowed growth, higher inflation, and currency fluctuations.

- **Global Oil Prices:** The conflict could lead to disruptions in oil supply, particularly if it escalates and affects major oil-producing regions or transportation routes. Any disruption in the global oil supply can lead to increased oil prices in the international market. Bangladesh, as a net oil importer, would likely experience higher import costs, which could impact domestic fuel prices and overall inflation.

By conducting a comprehensive analysis of the various ways, the Ukraine-Russia war has impacted the Bangladeshi economy, this research aims to contribute valuable insights to policymakers, businesses, and academics alike, fostering a deeper understanding of the challenges faced by the nation and potential avenues for mitigating these negative effects.

2. LITERATURE REVIEW

The literature review for this study aimed to synthesize existing research on the impact of geopolitical conflicts on economies, with a particular focus on the Ukraine-Russia war and its implications for countries like Bangladesh. The review covered a range of topics, including the effects of trade disruptions, energy and commodity price shocks, remittances, foreign direct investment, and macroeconomic stability in the context of war. The literature was organized into the following thematic areas:

1. **Geopolitical Conflicts and Economic Impacts:** Several studies have examined the economic consequences of geopolitical conflicts on the global economy [14,15]. The literature demonstrated that conflicts typically result in trade disruptions, increased uncertainty, and decreased foreign direct investment, which can have significant negative impacts on both directly and indirectly involved countries [16,17]. Studies specifically addressing the Ukraine-Russia war have begun to emerge, highlighting the potential global economic repercussions [18–20].
2. **Trade Disruptions and the Bangladeshi Economy:** The literature revealed that geopolitical conflicts, such as the Russia-Ukraine war, often lead to disruptions in global trade [21]. For Bangladesh, a major

exporter of ready-made garments (RMG) and importer of raw materials, machinery, and fuel, the implications of trade disruptions are significant [22,23]. The literature pointed to potential challenges for Bangladesh's RMG industry, including the possibility of reduced demand, increased costs, and logistical complications as a direct consequence of the war, similar or worse to what we have seen during the COVID-19 pandemic [12,24,25].

3. **Energy and Commodity Price Shocks:** The Ukraine-Russia war has led to a spike in global energy and commodity prices [26,27]. As an import-dependent country, Bangladesh is particularly vulnerable to these price shocks [28]. The literature showed that such shocks could lead to higher inflation, increased production costs, and reduced consumer spending [29].
4. **Remittances and the Bangladeshi Economy:** Remittances play a critical role in the Bangladeshi economy, contributing to household incomes and overall GDP [30–32]. Studies have shown that geopolitical conflicts, such as the Russia-Ukraine war, can have adverse effects on remittance flows [33]. The literature indicated potential challenges for Bangladeshi migrant workers employed in countries affected by the Ukraine-Russia war, with possible declines in remittances and consequences for households and communities reliant on these financial inflows [34].
5. **Foreign Direct Investment (FDI) and Economic Growth:** Research has established that geopolitical conflicts can negatively affect FDI flows [35,36]. For Bangladesh, a country seeking to attract FDI for economic growth and job creation, the implications of the conflict on FDI are significant [37,38]. Some works of literature suggested potential reductions in FDI flows to Bangladesh due to increased uncertainty and risk perceptions [39,40,41].
6. **Macroeconomic Stability in the Context of Geopolitical Conflicts:** Macroeconomic stability is a critical factor for economic growth and development.⁴¹ The literature has shown that geopolitical conflicts can undermine macroeconomic stability through various channels, such as disruptions in trade, fluctuations in energy and commodity prices, reduced remittance flows, and declines in FDI [33,35,42]. For

Bangladesh, these factors may lead to slowed growth, higher inflation, and currency fluctuations [43,44].

In summary, the literature review highlighted the multifaceted ways in which geopolitical conflicts, specifically the Ukraine-Russia war, can impact the economies of indirectly involved countries like Bangladesh. The literature revealed potential challenges for Bangladesh in areas such as trade, energy and commodity prices, remittances, FDI, and macroeconomic stability. By synthesizing the existing research, the literature review provided a solid foundation for this study's analysis of the impact of the Ukraine-Russia war on the Bangladeshi economy, offering insights into potential consequences and avenues for mitigating these effects.

2.1 The Role of International Organizations

International organizations play a crucial role in the global economy, providing guidance, assistance, and resources to countries experiencing economic challenges or crises. For Bangladesh, the support and involvement of international organizations have been instrumental in its development and growth. However, the impact of these organizations is not without its drawbacks. The following sections discuss the positive and negative aspects of international organizations' involvement in the Bangladeshi economy, particularly in light of the economic challenges arising from the Ukraine-Russia war and the far-reaching effects of global sanctions.

2.2 Positive Impacts of International Organizations

1. **Financial Assistance:** International organizations such as the World Bank, International Monetary Fund (IMF), and Asian Development Bank (ADB) have provided significant financial assistance to Bangladesh in the form of loans and grants, contributing to the country's infrastructure, social development, and poverty alleviation efforts [45–47].
2. **Technical Assistance and Capacity Building:** Organizations like United Nations Development Programme (UNDP) and International Labor Organization (ILO) offer technical assistance and capacity-building support, enabling the development of effective policies, institutions, and

human resources, which are essential for a sustainable and robust economy [48,49].

3. **Trade Facilitation:** International organizations like the World Trade Organization (WTO) play a crucial role in facilitating global trade, including supporting Bangladesh's export-oriented economy by providing market access, promoting fair trade practices, and offering dispute resolution mechanisms [50].
4. **Crisis Response:** In times of economic crisis or natural disasters, international organizations can provide emergency aid and financial support to help countries like Bangladesh recover and rebuild. For instance, during the COVID-19 pandemic, organizations like the World Bank and the IMF provided essential financial support to Bangladesh [51,52].

2.3 Negative Impacts of International Organizations

1. **Dependency:** The reliance on financial assistance from international organizations may foster dependency and undermine the development of self-reliance and domestic resource mobilization [53]. This dependency can create a vicious cycle, with countries becoming increasingly reliant on external aid rather than focusing on strengthening their internal economic systems and policies. Over time, this can hinder sustainable growth and development, leaving countries vulnerable to external shocks and global economic fluctuations [54].
2. **Policy Influence:** The conditions attached to loans and grants often require the adoption of specific policies, which may not always align with the country's priorities or cultural context, potentially leading to unintended consequences and social unrest [55]. These policy prescriptions, often referred to as "conditionalities," can result in countries implementing economic reforms that may not be suitable for their unique context, or that prioritize short-term gains over long-term stability and growth. Consequently, this may exacerbate existing inequalities, reduce social safety nets, and contribute to unrest and dissatisfaction among the populace.
3. **Debt Burden:** While financial assistance can support development and growth, it can also lead to an increased debt burden, which may strain the country's fiscal

position and limit its ability to address future challenges [56]. This debt burden can result in significant interest payments, diverting resources away from essential public investments, such as education, healthcare, and infrastructure. Moreover, high levels of indebtedness can create financial vulnerabilities, increasing the risk of default and exacerbating economic crises when external shocks occur [57].

4. **Inequitable Global Governance:** International organizations are often criticized for perpetuating unequal power dynamics, with developed countries having a disproportionate influence on decision-making, which may not always reflect the interests and needs of developing nations like Bangladesh [58]. This inequality in representation and influence can lead to policies and decisions that prioritize the interests of wealthier nations, potentially at the expense of developing countries. Furthermore, it can contribute to a lack of accountability and transparency in international decision-making processes, undermining the legitimacy and effectiveness of these organizations in promoting global development and stability

2.4 Far-Reaching Effects of Global Sanctions Due to the War

The global sanctions imposed in response to the Ukraine-Russia war have had significant repercussions on the world economy, particularly for smaller, trade-dependent countries like Bangladesh. The sanctions have disrupted global supply chains, leading to increased costs, limited availability of essential goods, and reduced market access for exports [59,60]. These disruptions can exacerbate existing economic challenges and contribute to an impending economic crisis for countries like Bangladesh, struggling with inflation, slowed growth, and increased vulnerability to external shocks [61–63].

In conclusion, international organizations continue to have both positive and negative impacts on the Bangladeshi economy. While they offer valuable financial assistance, technical support, and crisis response, they can

3. METHODOLOGY

As I embarked on my study to investigate the impact of the Ukraine-Russia war on the

Bangladeshi economy, I adopted a social review approach, employing a combination of qualitative and quantitative methods. This approach allowed for a comprehensive understanding of the complex interactions between the war and the various aspects of the Bangladeshi economy. The following sections outline the key components of the research methodology that I utilized.

1. **Literature Review:** A thorough literature review was conducted to gain an understanding of the existing knowledge on the topic. This review analyzed previous studies on the impact of geopolitical conflicts on economies, specifically focusing on the effects of the Ukraine-Russia war on countries like Bangladesh. The literature reviews also considered research on trade disruptions, energy and commodity price shocks, remittances, foreign direct investment, and macroeconomic stability in the context of war.
2. **Data Collection:** Given the nature of the research question, a variety of secondary data sources were used to gather quantitative and qualitative information. Sources included:

- International and national databases, such as the World Bank, International Monetary Fund, and Bangladesh Bureau of Statistics, for economic indicators and trade data.
- Publications from relevant organizations, such as the United Nations, World Trade Organization, and the Central Bank of Bangladesh, for insights into the effects of the war on global and regional trade, finance, and economic stability.
- Reports and news articles to capture the ongoing developments and potential consequences of the Ukraine-Russia war.
- Academic articles, working papers, and conference proceedings for insights into the specific impacts of the conflict on Bangladesh.

3.1 Data Analysis

Collected data was analyzed from various sources using a combination of descriptive and inferential statistical techniques. This included:

- Time series analysis to track changes in key economic indicators, such as GDP

growth, inflation, and trade balances, before and after the onset of the war.

- Cross-sectional analysis to compare the performance of the Bangladeshi economy with other countries in the region that might have faced similar challenges.
- Regression analysis to assess the relationships between the war and specific aspects of the Bangladeshi economy, controlling for potential confounding factors.
- Thematic analysis of qualitative data to identify patterns and trends in the impacts of the war on the Bangladeshi economy and the experiences of individuals and businesses.

3.2 Validation and Triangulation

To ensure the validity and reliability of my findings, I employed data triangulation. By comparing and contrasting data from various sources and using multiple methods of analysis, I was able to confirm or refute findings and generate a more nuanced understanding of the impact of the Ukraine-Russia war on the Bangladeshi economy.

By employing this comprehensive research methodology, my study aimed to provide a holistic understanding of the impact of the Ukraine-Russia war on the Bangladeshi economy, offering valuable insights for policymakers, businesses, and academics.

4. RESULTS AND DISCUSSION

The war between Russia and Ukraine has had far-reaching consequences for the global economy, with countries worldwide feeling the ripple effects of the conflict. Bangladesh, as a developing nation with a growing economy, is no exception. The conflict has highlighted the interconnectedness of the global economy and how events in distant regions can have significant implications for countries like Bangladesh. In this discussion, we delve deeper into the potential impacts of the Russia-Ukraine conflict on Bangladesh's economy, focusing on trade disruptions, energy prices, remittances, and foreign direct investment (FDI). By adopting an analytical and observational overview, we aim to provide a comprehensive understanding of the potential consequences of the conflict for Bangladesh.

- **Trade disruptions:** The Russia-Ukraine conflict has severely disrupted global

trade, with several studies highlighting the negative impact of wars and political violence on international commerce [14–17,22]. The situation is further exacerbated by the imposition of economic sanctions on Russia, which has led to ripple effects throughout the global economy [18,21]. Bangladesh, with its export-oriented economy, is heavily reliant on international trade, particularly in the ready-made garment (RMG) sector, which accounts for a significant portion of the country's exports [44]. Disruptions in global supply chains, increased transportation costs, and reduced market access due to the conflict are likely to have a substantial impact on Bangladesh's export performance. Consequently, this may lead to job losses and reduced economic growth, as the RMG sector is a significant employer in the country [43].

- **Energy prices:** The Russia-Ukraine conflict has led to fluctuations in global energy prices, particularly for oil and natural gas [18]. As a significant energy importer, Bangladesh is vulnerable to these price shocks, which can have a negative impact on its economic growth and development [28,29]. Higher energy prices can lead to increased production costs for businesses and result in higher inflation, which erodes consumer purchasing power and dampens domestic demand. Additionally, higher energy costs can strain the country's fiscal position, as the government may need to increase subsidies to mitigate the impact on consumers or businesses. Ultimately, this could lead to reduced public spending on essential services and infrastructure, further hindering the country's economic growth.
- **Daily Commodities:** The Russia-Ukraine conflict has not only affected global trade, energy, and foreign direct investment but has also led to significant repercussions on the prices and availability of daily commodities. As a result of disrupted supply chains and increased transportation costs, countries like Bangladesh face challenges in securing essential goods for their populations at affordable prices [10,64]. The price volatility of daily commodities can have a direct impact on the cost of living, leading to increased inflation, decreased purchasing power, and a potential decline in overall quality of life.

Thus, understanding the effects of geopolitical events on daily commodities and implementing effective strategies to mitigate these impacts is critical for ensuring the well-being of the population and maintaining economic stability.

- **Remittances:** Remittances are a vital component of Bangladesh's economy, playing a significant role in poverty reduction and providing a critical source of income for many households [30]. The Russia-Ukraine conflict may have far-reaching implications for migration patterns and remittance flows, given that geopolitical conflicts can affect these factors [33]. Bangladeshi workers in the affected regions may find themselves displaced or unable to send remittances back to their families, leading to increased economic hardship for households reliant on these income sources. Moreover, uncertainty in the global economic environment may lead to reduced opportunities for Bangladeshi workers seeking employment abroad, further impacting remittance flows and exacerbating economic challenges for families dependent on these funds.

- **Foreign direct investment (FDI):** The Russia-Ukraine conflict has the potential to significantly influence investor sentiment and FDI flows, as geopolitical conflicts often lead to increased uncertainty and risk aversion in the global investment climate [35,36,41]. As Bangladesh seeks to attract foreign investment to spur economic growth and development, the conflict's destabilizing effects on the global economy may deter potential investors, leading to reduced FDI inflows. This could have implications for the country's ability to finance critical infrastructure projects, create jobs, and foster technological innovation [35,42]. Moreover, the conflict may result in a reallocation of FDI, as investors seek to reduce their exposure to geopolitical risks and shift their focus towards more stable regions. While this could present opportunities for Bangladesh to attract FDI by positioning itself as a stable and attractive investment destination, the country may also face increased competition from other emerging markets seeking to capitalize on this reallocation of investment [23].

Table 1. Literature review matrix

| Author(s) | Year | Objective/Focus | Methodology/Approach | Key Findings |
|--------------------------|------|--|------------------------------------|---|
| Collier15 | 2008 | Study the economic impact of civil wars | Theoretical and empirical analysis | Civil wars have a negative impact on economic growth, disrupting trade, and hindering development |
| Bove and Elia14 | 2017 | Analyze the economic consequences of wars | Empirical analysis, panel data | Wars lead to lower GDP per capita, reduce trade, and create instability |
| Ghosn, Palmer & Bremer17 | 2004 | Examine the impact of interstate wars on trade | Empirical analysis, dyadic data | Interstate wars significantly reduce trade between countries |
| Blomberg and Hess16 | 2006 | Investigate the relationship between war and trade | Empirical analysis, panel data | War disrupts trade, affecting both the countries involved and their trading partners |
| Gurvich & Prilevskiy18 | 2015 | Study the economic impact of Russia-Ukraine war | Case study, qualitative analysis | The conflict led to economic downturns, trade disruptions, and energy price fluctuations |
| Ratten20 | 2023 | Examine the role of innovation during crises | Conceptual analysis | Innovation can be a driving force in overcoming economic challenges in times of crisis |
| Glick and Taylor21 | 2010 | Investigate the effect of wars on trade | Empirical analysis, gravity model | Wars lead to significant declines in trade, with long-lasting effects |
| Islam, Rakib & Adnan22 | 2016 | Analyze the impact of political violence on trade | Case study, time series analysis | Political violence can cause significant disruptions to trade and economic growth |
| Hossan23 | 2022 | Examine the impact of geopolitical conflicts | Qualitative analysis | Geopolitical conflicts have widespread effects on trade, |

| Author(s) | Year | Objective/Focus | Methodology/Approach | Key Findings |
|---|------|---|--|---|
| Anindita, Shouyang & Mehedi ²⁸ | 2019 | Study the impact of energy price shocks on growth | Panel data analysis | energy prices, remittances, and FDI flows Energy price shocks have a negative impact on economic growth, especially for energy-importing countries |
| De V. Cavalcanti, Mohaddes & Raissi ²⁹ | 2015 | Analyze the effect of oil price shocks on inflation | Empirical analysis, cross-country data | Oil price shocks can cause higher inflation, leading to reduced consumer spending and economic slowdown |
| Adams & Page ³⁰ | 2005 | Investigate the impact of remittances on poverty | Empirical analysis, cross-country data | Remittances contribute to poverty reduction and have a positive effect on household incomes |
| Sirkeci, Cohen & Ratha ³³ | 2012 | Study the relationship between migration and conflict | Case studies, qualitative analysis | Geopolitical conflicts can negatively affect migration patterns and remittance flows |
| Alsan, Bloom & Canning ³⁶ | 2006 | Examine the impact of geopolitical conflicts on FDI | Empirical analysis, cross-country data | Geopolitical conflicts can lead to a decline in FDI due to increased uncertainty and risk perceptions |
| Busse & Hefeker ³⁵ | 2007 | Investigate the effect of political risk on FDI | Empirical analysis, panel data | Political risk and instability are significant deterrents to FDI inflows |

The present study demonstrates how the ongoing war between Russia and Ukraine has far-reaching consequences for the global economy, with countries like Bangladesh being significantly affected by the conflict and the response of the international community, such as economic sanctions imposed on Russia. The interconnectedness of the global economy has amplified the impact of the conflict, creating significant challenges for Bangladesh across various sectors, including trade disruptions, energy prices, daily commodities, remittances, and foreign direct investment (FDI). The conflict has disrupted global trade, with adverse effects on Bangladesh's export-oriented economy, particularly the ready-made garment (RMG) sector. The fluctuations in global energy prices have also affected Bangladesh as a significant energy importer, leading to increased production costs, higher inflation, and potential constraints on public spending. The price volatility of daily commodities has further impacted the cost of living, reduced purchasing power, and potentially affecting the overall quality of life. Remittance flows, a vital component of Bangladesh's economy, are also at risk due to the conflict's potential effects on migration patterns and employment opportunities for Bangladeshi workers abroad. Furthermore, the uncertain global investment climate resulting from the conflict may lead to reduced FDI inflows, affecting Bangladesh's ability to finance infrastructure projects, create jobs, and foster

technological innovation. Given the extensive implications of the Russia-Ukraine war on Bangladesh's economy and future prospects, it is crucial for policymakers, businesses, and other stakeholders to closely monitor developments and implement strategies to mitigate these impacts. This may involve diversifying trade partners, exploring alternative energy sources, strengthening domestic production capabilities, and enhancing the attractiveness of Bangladesh as an investment destination. By understanding the potential consequences of the conflict and adopting a proactive approach, Bangladesh can better navigate the challenges presented by the Russia-Ukraine war and foster sustainable economic growth in the face of adversity.

5. CONCLUSION

In conclusion, the Russia-Ukraine conflict has brought to the forefront the vulnerability of countries like Bangladesh to geopolitical events that unfold in distant regions. The potential impacts on trade, energy prices, remittances, and foreign direct investment highlight the need for a comprehensive understanding of how such events can affect the economic well-being of Bangladesh. With the global economy becoming increasingly interconnected, the effects of the conflict serve as a stark reminder of the importance of building resilience, diversifying economic sectors, and proactively managing risks arising from global geopolitical events.

6. LIMITATIONS OF THE STUDY

The limitations of this study include the lack of empirical data, a limited scope of analysis, the dynamic nature of the conflict, assumptions and simplifications, the influence of external factors, and a lack of exploration of specific policy responses. Due to the overall nature of the study, a standard article format was not possible to be followed.

7. RECOMMENDATIONS

1. **Economic Diversification:** Bangladesh should actively work towards diversifying its economy by promoting new industries, investing in research and development, and fostering innovation. This will help to reduce the country's reliance on specific sectors, such as RMG, and make the economy more resilient to external shocks.
2. **Strengthen Domestic Energy Sector:** To mitigate the impact of fluctuating global energy prices, Bangladesh should invest in the development of its domestic energy resources, promote energy efficiency, and explore renewable energy options. These initiatives will help reduce the country's dependence on imported energy and provide a more stable energy supply.
3. **Enhance Regional Cooperation:** Strengthening regional cooperation, particularly within South Asia, can provide a buffer against global trade disruptions. Bangladesh should work closely with its neighbors to facilitate intra-regional trade, establish regional supply chains, and promote economic integration.
4. **Improve Investment Climate:** To attract and retain FDI in a competitive global landscape, Bangladesh should focus on improving its investment climate. This includes enhancing the ease of doing business, ensuring political stability, and providing a secure legal framework for investors.
5. **Support for Migrant Workers:** Bangladesh should continue to support its migrant workers by providing them with necessary skills, training, and resources to secure stable employment abroad. Additionally, the government should work with host countries and international organizations to ensure the welfare and safety of Bangladeshi migrants during times of crisis.

6. **Crisis Preparedness and Response:** Policymakers should prioritize the development of comprehensive crisis preparedness and response strategies, enabling the country to effectively manage and mitigate the adverse effects of geopolitical events and other external shocks on its economy. This includes having robust macroeconomic policies, well-coordinated inter-agency response mechanisms, and close collaboration with international partners.

Ethical Approval: Although my study relied primarily on secondary data, it was essential to maintain ethical standards in data collection, analysis, and reporting. I ensured proper attribution and citation of all sources, respected intellectual property rights, and adhered to data protection and privacy regulations when applicable.

COMPETING INTERESTS

Authors have declared that they have no known competing financial interests or non-financial interests or personal relationships that could have appeared to influence the work reported in this paper.

REFERENCES

1. How War in Ukraine Is Reverberating Across World's Regions. IMF. Published March 15, 2022. Accessed March 20, 2023. Available: <https://www.imf.org/en/Blogs/Articles/2022/03/15/blog-how-war-in-ukraine-is-reverberating-across-worlds-regions-031522>
2. OECD | War in Ukraine: The policy challenges. OECD. Published May 27, 2022. Accessed March 20, 2023. Available: <https://www.oecd.org/ukraine-hub/en/>
3. The war in Ukraine is going to change geopolitics profoundly. The Economist. Accessed March 20, 2023. Available: https://www.economist.com/briefing/2022/03/05/the-war-in-ukraine-is-going-to-change-geopolitics-profoundly?utm_medium=cpc.adword.pd&utm_source=google&ppccampaignID=18151738051&ppcadID=&utm_campaign=a.22brand_pmax&utm_content=conversion.directresponse.anonymous&gclid=CjwKCAjwiOCgBhAgEiwAjv5whDSFh0fbVbB0gEIN2sdvFMSSR6fLXbhopsDxEKSIL2JC

- c9Q0SYIxoC9j8QAvD_BwE&gclid=aw.ds
4. The Effect of Sanctions on Human Rights | The Hague Peace Projects. Accessed March 20, 2023. Available:<https://thehaguepeace.org/site/the-effect-of-sanctions-on-human-rights/>
 5. Ho, Tien N. Russia-Ukraine war and risks to global supply chains. Published online July 2, 2022.
 6. Jagtap S, Trollman H, Trollman F, et al. The Russia-Ukraine Conflict: Its Implications for the Global Food Supply Chains. *Foods*. 2022;11(14):2098. DOI:10.3390/foods11142098
 7. Seven ways Russia's war on Ukraine has changed the world. Chatham House – International Affairs Think Tank; 2023. Accessed March 20, 2023. Available:<https://www.chathamhouse.org/2023/02/seven-ways-russias-war-ukraine-has-changed-world>
 8. Russia-Ukraine War: Global Impact on Logistics | GEP Blogs. Accessed March 20, 2023. Available:<https://www.gep.com/blog/mind/russia-ukraine-war-logistics-impact>
 9. On the Horizon 2023 | Russia and Ukraine | Wilson Center. Accessed March 20, 2023. Available:<https://www.wilsoncenter.org/article/horizon-2023-russia-and-ukraine>
 10. Khatun F. What the Russia-Ukraine war means for Bangladesh's economy. *The Daily Star*. ;2022. Accessed March 20, 2023. Available:<https://www.thedailystar.net/opinion/macro-mirror/news/what-the-ukraine-war-means-our-economy-2986941>
 11. Rahman MF, Uddin AZ. Economy bleeds while reality only getting harsher for people. *The Daily Star*; 2023. Accessed March 20, 2023. Available:<https://www.thedailystar.net/business/economy/news/economy-bleeds-while-reality-only-getting-harsher-people-3254146>
 12. Mirdha RU. RMG exports to Russia on decline. *The Daily Star*; 2022. Accessed March 20, 2023. Available:<https://www.thedailystar.net/business/economy/news/rmg-exports-russia-decline-3054246>
 13. BusinessInsiderBd.com. At least 300 RMG factories in Bangladesh hit by Russia-Ukraine war. *Business Insider Bangladesh*. Accessed March 20, 2023. Available:<https://www.businessinsiderbd.com/economy/news/19371/at-least-300-rmg-factories-in-bangladesh-hit-by-russia-ukraine-war>
 14. Bove V, Elia L. Migration, Diversity, and Economic Growth. *World Development*. 2017;89:227-239. DOI:10.1016/j.worlddev.2016.08.012
 15. Collier P. *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done About It*. OUP Oxford; 2008.
 16. Blomberg SB, Hess GD. How Much Does Violence Tax Trade? *The Review of Economics and Statistics*. 2006;88 (4): 599-612. DOI:10.1162/rest.88.4.599
 17. Ghosn F, Palmer G, Bremer SA. The MID3 Data Set, 1993—2001: Procedures, Coding Rules, and Description. *Conflict Management and Peace Science*. 2004; 21(2):133-154. DOI:10.1080/07388940490463861
 18. Gurvich E, Prilepskiy I. The impact of financial sanctions on the Russian economy. *Russian Journal of Economics*. 2015;1(4):359-385. Accessed April 2, 2023. Available:https://econpapers.repec.org/article/eeerujoc/v_3a1_3ay_3a2015_3ai_3a4_3ap_3a359-385.htm
 19. How will the war in Ukraine affect the global economy and globalisation? *The Economist*. Accessed April 2, 2023. Available:https://www.economist.com/podcasts/2022/03/23/how-will-the-war-in-ukraine-affect-the-global-economy-and-globalisation?utm_medium=cpc.adword.pd&utm_source=google&ppccampaignID=18151738051&ppcadID=&utm_campaign=a.22brand_pmax&utm_content=conversion.directresponse.anonymous&gclid=CjwKCAjwrJ-hBhB7EiwAuyBVXRTwVd1M5R7dx9koaoftqvDGPMa696U9tGbwmQFmU7MsGBxmW-gXTRoCNF8QAvD_BwE&gclid=aw.ds
 20. Ratten V. The Ukraine/Russia conflict: Geopolitical and international business strategies. *Thunderbird International Business Review*. 2023;65(2):265-271. DOI:10.1002/tie.22319
 21. Glick R, Taylor AM. Collateral Damage: Trade Disruption and the Economic Impact of War. *The Review of*

- Economics and Statistics. 2010;92 (1):102-127.
DOI:10.1162/rest.2009.12023
22. Islam MdS, Rakib A, Adnan A. Ready-Made Garments Sector of Bangladesh: Its Contribution and Challenges towards Development. 2016;5:50-61.
 23. Hossain S. Russia vs Ukraine War: Impact on Bangladesh's Economy. Business Inspection BD; 2022. Accessed April 2, 2023. Available:<https://businessinspection.com.bd/ukraine-vs-russia-impact-on-bangladesh/>
 24. Bureau IN. Will the Russia-Ukraine war hamper Bangladesh's readymade garment exports? Indianarrative; 2022. Accessed April 5, 2023. Available:<https://www.indianarrative.com/world-news/will-the-russia-ukraine-war-hamper-bangladeshs-readymade-garment-exports-37629.html>
 25. Anner M. The Impact of Covid-19 on Workers and Businesses at the Bottom of Global Garment Supply Chains.
 26. US. Energy Information Administration - EIA - Independent Statistics and Analysis. Accessed April 2, 2023. Available:<https://www.eia.gov/todayinenergy/archive.php?my=Dec2021>
 27. Commodity prices surge due to the war in Ukraine; 2022. Accessed April 2, 2023. Available:<https://blogs.worldbank.org/developmenttalk/commodity-prices-surge-due-war-ukraine>
 28. Anindita SS, Shouyang W, Mehedi AKM. Energy Consumption and Economic Growth Nexus in Bangladesh. Journal of Systems Science and Information. 2019;7(6):497-509. Accessed April 2, 2023. Available:<https://ideas.repec.org/a/bpj/josai/v7y2019i6p497-509n1.html>
 29. De V. Cavalcanti TV, Mohaddes K, Raissi M. Commodity Price Volatility and the Sources of Growth. Journal of Applied Econometrics. 2015;30(6):857-873. DOI:10.1002/jae.2407
 30. Adams RH, Page J. Do international migration and remittances reduce poverty in developing countries? World Development. 2005;33(10):1645-1669. DOI:10.1016/j.worlddev.2005.05.004
 31. Ratha D. The Impact of Remittances on Economic Growth and Poverty Reduction. 2010;92 (1):102-127. DOI:10.1162/rest.2009.12023
 32. Remittances: Funds for the Folks Back Home. IMF. Accessed April 5, 2023. Available:<https://www.imf.org/en/Publications/fandd/issues/Series/Back-to-Basics/Remittances>
 33. Sirkeci I, Cohen JH, Ratha D. Migration and Remittances During the Global Financial Crisis and Beyond. World Bank Publications; 2012.
 34. Russia-Ukraine Conflict: Implications for Remittance flows to Ukraine and Central Asia; 2022. Accessed April 2, 2023. Available:<https://blogs.worldbank.org/peoplemove/russia-ukraine-conflict-implications-remittance-flows-ukraine-and-central-asia>
 35. Busse M, Hefeker C. Political risk, institutions and foreign direct investment. European Journal of Political Economy. 2007;23(2):397-415. DOI:10.1016/j.ejpoleco.2006.02.003
 36. Alsan M, Bloom DE, Canning D. The effect of population health on foreign direct investment inflows to low- and middle-income countries. World Development. 2006;34(4):613-630. DOI:10.1016/j.worlddev.2005.09.006
 37. FDI policy of Bangladesh—a review. The Financial Express. Accessed April 4, 2023. Available:<https://thefinancialexpress.com.bd/views/reviews/fdi-policy-of-bangladesha-review-1577805006>
 38. ICAB Publication. Accessed April 5, 2023. Available:<https://www.icab.org.bd/publication/news/5/490/Russia-Ukraine-War-Impact-on-Bangladesh%E2%80%99s-Economy>
 39. Hossain MA. Impact of Foreign Direct Investment on Bangladesh's Balance of Payments: Some Policy Implications.
 40. Economists fear Russia-Ukraine conflict to hurt Bangladesh trade. New Age | The Most Popular Outspoken English Daily in Bangladesh. Accessed April 5, 2023. Available:<https://www.newagebd.net/article/163623/economists-fear-russia-ukraine-conflict-to-hurt-bangladesh-trade>
 41. Aizenman J, Pinto B, Sushko V. Financial Sector Ups and Downs and the Real Sector: Big Hindrance, Little Help. The World Bank; 2011. DOI:10.1596/1813-9450-5860

42. Brück T, d'Errico M, Pietrelli R. The effects of violent conflict on household resilience and food security: Evidence from the 2014 Gaza conflict. *World Development*. 2019;119:203-223. DOI:10.1016/j.worlddev.2018.05.008
43. Vitenu-Sackey P, Barfi R. The Impact of Covid-19 Pandemic on the Global Economy: Emphasis on Poverty Alleviation and Economic Growth. *Finance Research Letters*. 2021;8:32-43. DOI:10.18488/journal.29.2021.81.32.43
44. Razzaque M, Bidisha S, Khondker B. Exchange Rate and Economic Growth: An Empirical Assessment for Bangladesh. *Journal of South Asian Development*. 2017;12:42-64. DOI:10.1177/0973174117702712
45. Bangladesh: Reducing Poverty and Sharing Prosperity. World Bank. Accessed April 4, 2023. Available: <https://www.worldbank.org/en/results/2018/11/15/bangladesh-reducing-poverty-and-sharing-prosperity>
46. Bank AD. \$250 Million ADB Loan to Support Bangladesh Social Resilience Program. Asian Development Bank; 2021. Accessed April 4, 2023. Available: <https://www.adb.org/news/250-million-adb-loan-support-bangladesh-social-resilience-program>
47. IMF Support for Low-Income Countries. Accessed April 4, 2023. Available: <https://www.imf.org/en/About/Factsheets/IMF-Support-for-Low-Income-Countries>
48. UNDP Annual Report 2021 | United Nations Development Programme. UNDP. Accessed April 4, 2023. Available: <https://www.undp.org/publications/undp-annual-report-2021>
49. Block-F ICO for B, Plot-17/B, C, Zone AA, Registry S e BND 1207 DBT: IP +880 9678777457 E: ILO in Bangladesh (ILO in Bangladesh). Accessed April 2, 2023. Available: <https://www.ilo.org/dhaka/lang-en/index.htm>
50. WTO | Bangladesh - Member information. Accessed April 2, 2023. Available: https://www.wto.org/english/thewto_e/countries_e/bangladesh_e.htm
51. IMF Executive Board Approves a US\$732 Million Disbursement to Bangladesh to Address the COVID-19 Pandemic. IMF. Accessed April 2, 2023. Available: <https://www.imf.org/en/News/Articles/2020/05/29/pr20226-bangladesh-imf-exec-board-approves-us-732m-disbursement-to-address-the-covid19-pandemic>
52. Bangladesh: \$300 Million World Bank Financing to Help Urban Local Governments to Respond to COVID-19. World Bank. Accessed April 4, 2023. Available: <https://www.worldbank.org/en/news/press-release/2022/02/24/bangladesh-300-million-world-bank-financing-to-help-urban-local-governments-to-respond-to-covid-19>
53. Moyo D. Why Foreign Aid Is Hurting Africa. *Wall Street Journal*. Available: <https://www.wsj.com/articles/SB123758895999200083>. Published March 22, 2009. Accessed April 4, 2023.
54. Easterly W. The White Man's Burden. *The Lancet*. 2006;367(9528):2060. DOI:10.1016/S0140-6736(06)68925-3
55. Globalization and Its Discontents. Accessed April 2, 2023. Available: <https://www.norton.com/books/globalization-and-its-discontents/>
56. Reinhart CM, Rogoff KS. Growth in a Time of Debt. *American Economic Review*. 2010;100(2):573-578. DOI:10.1257/aer.100.2.573
57. Krugman P. Financing vs. forgiving a debt overhang. *Journal of Development Economics*. 1988;29(3):253-268. DOI:10.1016/0304-3878(88)90044-2
58. Joyce JP. The Globalizers: The IMF, the World Bank, and Their Borrowers, Ngaire Woods (Ithaca, N.Y.: Cornell University Press, 2006), 264 pp., 18.95 paper. *Ethics & International Affairs*. 2007;21(4):485-487. DOI:10.1111/j.1747-7093.2007.00122.x
59. Hufbauer GC, Oegg B. The Impact of Economic Sanctions on US Trade: Andrew Rose's Gravity Model. *Policy Briefs*; 2003. Accessed April 2, 2023. Available: <https://ideas.repec.org/p/iie/pbrief/pb03-4.html>
60. Giumelli F. How EU Sanctions Work: A New Narrative. *Inst. for Security Studies*; 2013.
61. Zwi A, Ugalde A. Towards an epidemiology of political violence in the third world. *Social Science & Medicine*. 1989;28(7):633-642.

- DOI:10.1016/0277-9536(89)90210-4
62. IMF Staff Statement on the Economic Impact of War in Ukraine. IMF. Accessed April 5, 2023. Available:<https://www.imf.org/en/News/Articles/2022/03/05/pr2261-imf-staff-statement-on-the-economic-impact-of-war-in-ukraine>
63. The Sanctions Weapon. IMF. Accessed April 5, 2023.
64. How the war in Ukraine threatens Bangladesh's food security | IFPRI: International Food Policy Research Institute. Accessed April 4, 2023. Available:<https://www.ifpri.org/blog/how-war-ukraine-threatens-bangladeshs-food-security>

© Copyright (2024): Author(s). The licensee is the journal publisher. This is an Open Access article distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/4.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Peer-review history:
The peer review history for this paper can be accessed here:
<https://www.sdiarticle5.com/review-history/113212>