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## The Impact of the Russia-Ukraine War on the Indonesian Economy

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### Abstract

The war that occurred between Russia and Ukraine also had an impact on Indonesia, the war had a fairly serious impact on Indonesia. This is because of the effects of globalization. As a result of globalization, the positive effect received by Indonesia is being able to enjoy technology that is as good as other countries and world-class education. While the negative effects of globalization, if something happens in other parts of the world, it will quickly have an impact on Indonesia including: a decrease in the rupiah exchange rate, a decline in the capital market, loss of income due to a decline in exports, the impact of rising oil prices on the state budget and an increase in imported wheat commodities. The purpose of this study is expected to be able to study and analyze the impact of the Russo-Ukrainian War on the Peace of Diplomatic Relations and the Indonesian Economic Sector. Data analysis was carried out using an analysis of the Impact of the Russo-Ukrainian War on the Indonesian Economy. Ukraine Against the Indonesian Economy. As for the benefits of this research Academically, this research is useful regarding the Impact of the Russo-Ukrainian War on the Indonesian Economy, while Theoretically, this research can enrich the literature in terms of studying the Impact of the Russo-Ukrainian War on the Indonesian Economy.

## Introduction

The Impact and Causes of the Russo-Ukrainian Conflict The causes of the Russia-Ukraine conflict began in 2013, when the president of Ukraine had a deal and the economy with the European Union (Mykhnenko, 2020). After that the conflict occurred because of the separatist movement. According to some researchers, the impact of the Russo-Ukrainian war will not only be felt by the two countries and their supporters, but also globally. The impact was one of the economic and political sectors. Russia's invasion of Ukraine took place with a number of air attacks on military bases and major cities including Kyiv, the capital of

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Ukraine., the Russian invasion resulted in massive sanctions by Western countries to destroy Russia's economy and affirms Russian president Vladimir Putin as guilty (Lee, 2017)

Boungou & Yatié (2022) stated that the conflict between Russia and Ukraine the conflict between Ukraine and Russia has become a worldwide discussion. The causes of the Russo-Ukrainian conflict have existed for a long time. The armed conflict in Eastern Ukraine had occurred in early 2014. Meanwhile, in October 2021, Russia began moving troops and military equipment near the Ukrainian border. This troop and military transfer triggers a potential invasion. The Threat of Rising Oil Prices Due to Russia-Ukraine War Causes of the Russo-Ukrainian Conflict According to the history of the conflict between Ukraine and Russia, there has been a long history. Quoting from [aljazeera.com](http://aljazeera.com), Ukraine, Russia, and neighbouring Belarus became superpowers in the Middle Ages. Most of the area covers Eastern Europe. Both countries have language, history and politics. President Putin of Russia claims his country and Ukraine are one person. The claim calls Ukraine a Russian civilization. However, Ukraine rejects this claim. Advertisement in 2005 and 2014, there was a revolution in Ukraine. The country rejects Russian supremacy and seeks ways to join the European Union and NATO (North Atlantic Treaty Organization) (Boungou & Yatié, 2022). NATO is a military alliance consisting of 28 countries in Europe and North America.

Researcher Ahmad Khoirul Umam from the Paramadina Graduate School of Diplomacy added that countries in Southeast Asia must anticipate the expansion of conflicts so that they do not move to the Southeast Asian region, especially Indonesia. He said the consolidation of power in the Indo-Pacific region was previously made through the declaration of the defence pact of Australia, United Kingdom and United States of America (AUKUS) in September 2021.

It has become an open secret, the AUKUS defence pact is presented as an effort to balance power against China which further strengthens its influence and economic-political power as well as its defence in the Southeast Asia and Pacific region in general. Do not let Southeast Asia, especially Indonesia, become a battlefield arenas and gun battles between the two great powers in the region. It is necessary to continue to uphold the commitment of all countries in the region, to present honest, transparent and accountable diplomatic and political communication works. Economic recovery after COVID-19 is threatened to be lower If the war continues, said Eisha, the global economic recovery is also threatened to be lower than initially predicted. He said the post-COVID-19 world economic recovery with the threat of inflation had previously been seen in several developed countries such as the United States to Indonesia.

Initial predictions of global economic growth are predicted to be 4.4% in 2022, 3.8% in 2023, 3.9% in developed countries in 2022, and 2.6% in developing countries in 2023. Mahmud Syaltout from Paramadina Graduate School of Diplomacy added that the state budget for revenues and expenditures (STATE BUDGET) Indonesia could also be further burdened by the Russo-Ukrainian war. Because, as an oil importing country, soaring oil prices risk disrupting Indonesia's economic growth, which will improve in 2021.

According to some researchers, the impact of the Russo-Ukrainian war will not only be felt by the two countries and their supporters, but also globally. One of these impacts is on the economic sector and political relations, defense and security (Kojevnikov, 2002); D'Anieri, 1997). The Russian invasion of Ukraine took place since Thursday 24 February 2022 with a number of air strikes on military bases and major cities including Kyiv, the capital of Ukraine (Mudrov, 2022; Martz, 2022). Quoted from CNN (2022), the Russian invasion resulted in massive sanctions by Western countries to damage the Russian economy and affirmed Russian president Vladimir Putin as the guilty party. The purpose of this research is expected

to be able to study and analyze the Impact of the Russo-Ukrainian War on the Indonesian Economy (Hakam et al., 2022; Bera, 2022).

## Methods

Internet searching is a technique of collecting data through the help of technology in the form of tools / search engines on the internet where all information from various eras is available in it (Lamberton & Stephen, 2016; Kaloxylou et al., 2012; Hargittai, 2002). Internet searching is very easy in order to help researchers find a file / data where the speed, completeness and availability of data from various years is available. Searching for data on the internet can be done by searching, browsing, surfing or downloading. Types of Data in this research is Secondary Data. Secondary data is data obtained from secondary sources other than field data such as literature data from books, magazines, the internet, the results of previous research. Secondary data is used as a complement to primary data. Secondary data in this study is in the form of data that researchers found on the internet or in books. This research was obtained from various sources, including journals, books, news and websites, media reviews, websites and other relevant sources.

## Result and Discussion

Jakarta - According to a number of researchers, the impact of the Russia-Ukraine war will not only be felt by the two countries and their supporters, but also globally. One of these impacts is on the economic and political sectors. Russia's invasion of Ukraine took place since Thursday (24/2/2022) with a number of air strikes on military bases and major cities including Kyiv, the capital of Ukraine. Quoted from CNN, the Russian invasion resulted in massive sanctions by Western countries to damage the Russian economy and asserted Russian president Vladimir Putin as the guilty party.

A number of researchers from the Institute for Development of Economics and Finance (INDEF) research institute and the Paramadina Graduate School of Diplomacy said the responses of these various countries could have an impact globally, including Indonesia. Here's more.

### Chronology of the Russian-Ukrainian War

Quoting from the Global Conflict Tracker (CFR) explains the background of the conflict between the two countries. The following are the causes of the Russia-Ukrainian conflict (D'Anieri, 1997); (1) 2013 The crisis in Ukraine began when there were protests in the capital of Kyiv, Ukraine. In November 2013, President Viktor Yanukovich of Ukraine refused to deal and the economy with the EU; (2) 2013 The crisis in Ukraine began when there were protests in the capital of Kyiv, Ukraine. In November 2013, President Viktor Yanukovich of Ukraine refused to deal and the economy with the EU; (3) In 2014 Russian military forces took the Crimea region, Ukraine. Crimean citizens also voted to join the Russian Federation in a Referendum. Then President Vladimir Putin explained the need for protection and rights of Russian citizens, as well as Russian speakers in Crimea and Southeastern Ukraine (O'Loughlin et al., 2017; O'Loughlin et al., 2016).

This crisis created ethnic divisions. There is a separatist movement supporting Russia in the Donetsk and Luhansk regions, in Eastern Ukraine (Marten, 2015). This separatist movement wants to declare independence from Ukraine; (4) In 2015 Ukraine became an international crisis in July, 2014. This put the United States and the European Union (EU) at odds with Russia. There was a crash of a Malaysia Airlines flight that was shot down in Ukrainian

airspace. The plane crash killed 298 passengers. In October 2015, Dutch investigators concluded the plane had crashed due to a Russian-made surface-to-air missile. READ ALSO [Russia Takes Chernobyl, Signals to NATO Not Helping Ukraine](#); (5) 2015 Investigators say the missile system was provided by Russia in September 2016. Previously, France, Germany, Russia and Ukraine signed an agreement to end the violence in February 2015.

The agreement includes a ceasefire, withdrawal of arms, and full government control Ukraine, to manage conflict areas. But the diplomatic solution did not work; (6) In 2016 NATO announced the alliance would deploy 4 battalions to Eastern Europe such as Estonia, Latvia, Lithuania, and Poland. These troops were to prevent Russian aggression in Eastern Europe. These NATO troops are joined by two United States Army tank brigades. This troop deployment took place in September 2017. Since the conflict in 2014, Ukrainians have been subject to cyber-attacks. In 2016, Kyiv residents were hit by a power outage. In 2017 there were cyber-attacks on government and business computers in Ukraine. 6. In 2018 Ukraine agreed to join NATO for large-scale air exercises in October 2018. The exercises were conducted in the territory of Western Ukraine. The exercise comes one month after Russia held its annual military drills.

### **The Impact of the Russia-Ukrainian War**

The impact of the Russo-Ukrainian War, among others (Teper, [2016](#)), are as follows:

#### ***Russian Alliance and Anticipation of Expansion of the Conflict***

United States has at least imposed sanctions on financial market players and Russian technology companies, despite the impact on the Russian economy, this country may still receive financial and trade assistance from China. Researcher Ahmad Khoirul Umam from the Paramadina Graduate School of Diplomacy added that countries in Southeast Asia must anticipate the expansion of conflicts so that they do not move to the Southeast Asian region. He said the consolidation of power in the Indo-Pacific region was previously made through the declaration of the defense pact of Australia, United Kingdom and United States of America (AUKUS) in September 2021.

It has become an open secret, the AUKUS defense pact is presented as an effort to balance power against China which further strengthens its influence and economic-political power as well as its defense in the Southeast Asia and Pacific region in general.

#### ***Rise in World Commodity Prices***

War could risk increasing commodity prices from Russia-Ukraine, Russia is one of the world's producers of petroleum, potassium carbonate (potash) raw material for fertilizers, and the mining industry such as nickel, aluminum and palladium. Russia and Ukraine are also major wheat exporting countries, the Russo-Ukrainian war could have an impact on rising oil prices which are estimated to increase to more than \$100/barrel. Meanwhile, the price of fuel oil increased in the US and Europe by 30%.

#### ***Economic Recovery Post COVID-19 Threatened Lower***

If the war continues, the global economic recovery is also threatened to be lower than the initial prediction. He said the post-COVID-19 world economic recovery with the threat of inflation had previously been seen in several developed countries such as the United States to Indonesia, the initial prediction of global economic growth was predicted to be 4.4% in 2022, 3.8% in 2023, 3.9% in developed countries in 2022. and 2.6% in developing countries in 2023.

According to (Baysha, 2018). Researchers from the Paramadina Graduate School of Diplomacy added that Indonesia's state budget (STATE BUDGET) could also be increasingly burdened by the Russo-Ukrainian war. Because, as an oil importing country, soaring oil prices risk disrupting Indonesia's economic growth, which will improve in 2021.

### ***Commodity supply and logistics are hampered***

Eisha said global supply chains had previously experienced logistical bottlenecks due to COVID-19. The protracted Russia-Ukraine conflict, he continued, risks worsening the supply chain and triggering an increase in commodity prices, if commodity supply and shipping logistics are hampered, then major infrastructure such as ports in the Black Sea area are damaged by war, developed countries can impose sanctions on Russian commodities. . However, these sanctions can also worsen commodity prices because the supply of natural commodities from Russia to the global market also declines.

### ***Potential Export Prices Rise***

Mahmud said that although the war caused losses and a trade and economic crisis, there were some countries that actually benefited. He gave an example, gold, silver, aluminum and nickel producing countries such as Indonesia experienced an increase in commodity prices during the Russia-Ukraine conflict. He added that other countries producing oil, natural gas, silver, gold, nickel and aluminum, to palladium also experienced this increase.

### **Meanwhile, the economic and trade gains and losses in the Russia-Ukraine conflict are for Indonesia.**

The economic and trade gains and losses in the Russia-Ukraine conflict depend not only on which side we are on politically, (to Russia or Ukraine), but also on our trade interdependence, whether with the large Russian alliance trade network or the Ukrainian-Ukrainian alliance. US-EU and also specifically on Indonesian export and import commodities. According to some researchers, the impact of the Russo-Ukrainian war will not only be felt by the two countries and their supporters, but also globally. One of these impacts is on the economic and political sector, especially in Indonesia and in general in Southeast Asia (Pieper, 2020; Biersack & O'lear, 2014).

A number of researchers from the Institute for Development of Economics and Finance (INDEF) research institute and the Paramadina Graduate School of Diplomacy said the responses of these various countries could have an impact globally, including Indonesia (Tchapanian, 2016; Ziegler, 2016).

Do not let Southeast Asia, especially Indonesia, become a battlefield and a battlefield between the two great powers in the region. It is necessary to continue to uphold the commitment of all countries in the region, to present honest, transparent and accountable diplomatic and political communication works.

Eisha said war could risk rising commodity prices from Russia-Ukraine. Russia is one of the world's producers of petroleum, potassium carbonate (potash) raw material for fertilizers, and the mining industry such as nickel, aluminum and palladium. Russia and Ukraine are also major wheat exporting countries, the Russo-Ukrainian war could have an impact on rising oil prices which are estimated to increase to more than \$100/barrel. Meanwhile, the price of fuel oil increased in the US and Europe by 30%.

The economic recovery after COVID-19 is threatened to be lower, if the war continues, the global economic recovery is also threatened to be lower than the initial prediction. He said the post-COVID-19 world economic recovery with the threat of inflation had previously been seen in several developed countries such as the United States to Indonesia, the initial prediction of global economic growth was predicted to be 4.4% in 2022, 3.8% in 2023, 3.9% in developed countries in 2022, and 2.6% in developing countries by 2023.

### **The Economic Impact of the Russo-Ukrainian War, the Fate of Indonesia**

Researcher from the Institute for Development of Economics and Finance (Indef), Eisha M Rachbini. Estimates that the Russian military attack on Ukraine will have at least three impacts on the world economy (Toal, & O'Loughlin, 2018). The first impact is that global economic growth will be threatened to be lower than originally predicted due to rising commodity prices. If the conflict is prolonged, it will have an impact on the global supply chain. The supply chain is currently experiencing logistical bottlenecks due to Covid-19 which has triggered an increase in commodity prices," Eisha said during a discussion on Space Twitter as in a summary (Kolstø, 2016; Aktürk, 2006).

Global economic growth in 2022 is predicted to reach 4.4 percent and in 2023 it will reach 3.8 percent. Growth in developed countries is forecasted to be around 3.9 percent in 2022 and 2.6 percent in 2023. Meanwhile in developing countries, economic growth will reach 4.8 percent this year. Eisha sees the increase in commodity prices will disrupt the pace of economic growth. Commodity prices affected by this geopolitical conflict are mainly oil and processed products of the mining industry. So far, Russia is known as the largest producer of petroleum, nickel, aluminum, and palladium.

The risk of war will have an impact on the increase in oil prices, which are estimated to increase to more than US\$ 100 per barrel for reference. The second impact is that the distribution of food raw materials such as wheat throughout the world is hampered. The reason is, Russia and Ukraine are the main exporters of wheat. Not only wheat, fertilizer production will also be affected because Russia is a producer of potassium carbonate or potash.

If the supply of various commodities and logistics traffic for shipping falters, Eisha said developed countries could impose sanctions on the prohibition of Russian commodities. "It will definitely worsen commodity prices. Third, war between Russia and Ukraine will disrupt financial markets. America, he said, has imposed financial sanctions on Russian technology companies. These economic sanctions will have an impact on the scenario of the Fed raising interest rates. Of the three impacts, Indonesia will also receive the impact. Indonesia as a developing country will face the threat of exchange rates, fluctuations in the composite stock price index or JCI, and rising inflation due to shock from the commodity market. In the financial market, it can also have an impact on lending and corporate performance.

### **Russia-Ukraine Conflict, ESDM: Crude Oil Prices and Fuel Subsidy Burden Rise**

The Ministry of Energy and Mineral Resources or ESDM said that the conflict between Russia and Ukraine caused the trend of world oil prices to continue to rise. This condition also has an impact on the price of Indonesian crude oil or the Indonesian Crude Price (ICP).

The Head of the Bureau of Communications, Public Information Services and Great Private Cooperation that the temporary development of the ICP in February 2022 as of February 24, 2022 was recorded at US\$ 95.45 per barrel, if the price of Brent oil was more than US\$ 100

per barrel. The Ministry of Energy and Mineral Resources has continued to monitor and anticipate the impact since the ICP rose above US\$ 63 per barrel (assuming the 2022 state budget). "Not only the price of oil but the price of GAS like CP Aramco.

According to him, the increase in world oil prices will also affect the state budget. The burden of subsidies, especially fuel and GAS, is also increasing and could exceed the 2022 State Budget assumption (Hakam et al., 2022). "Not to mention the cost of fuel compensation. But what is certain, the Government will continue to secure the supply of fuel and gas.

The increase in ICP causes the economic price of fuel to increase, thereby increasing the burden of subsidies for fuel and GAS, as well as fuel compensation in the STATE BUDGET. Each increase of US\$ 1 per barrel will result in an increase in GAS subsidies of around IDR 1.47 trillion, kerosene subsidies of around IDR 49 billion, and fuel compensation expenses of more than IDR 2.65 trillion.

The reason is that the subsidies for BBM and 3 kg GAS in the 2022 State Budget are IDR 77.5 trillion. The subsidy at the time of ICP was US\$ 63 per barrel. In addition, the increase in ICP also has an impact on electricity subsidies and compensation. Given, there is still the use of fuel in power plants. Every increase in ICP of US\$ 1 per barrel will result in additional subsidies and electricity compensation of IDR 295 billion.

In addition to the impact on the state budget, the increase in oil prices has an impact on other sectors, particularly transportation and industries that consume non-subsidized fuel. "The trend of rising world oil prices has raised the economic price of fuel. As an illustration, the range of non-subsidized fuel prices in several ASEAN countries, including Singapore is IDR 28,500 per liter; Thailand IDR 19,300 per liter; Laos IDR 19,200 per liter; Philippines IDR 18,500 per liter; Vietnam IDR 16,800 per liter; Cambodia IDR 16,500 per liter; and Myanmar IDR 15,300 per liter.

### **World Gold Prices Skyrocket because of Russia - Ukraine Heats Up, How Is Antam's Gold**

World gold prices have skyrocketed due to the escalating conflict between Ukraine and Russia. The price of gold was recorded to penetrate the level of US \$ 1,900 with Comex gold rose 24.70 points or 1.31 percent to US \$ 1,912 per troy ounce. Meanwhile, spot gold prices rose 21.32 points or 1.13% to US\$ 1,910 per troy ounce. The US dollar index jumped 0.75% to a level of 97.33%, which generally moves inversely with the price of gold.

The soaring gold price was partly triggered by a spike in crude oil prices due to. Bloomberg data on Monday, February 28, 2022, showed the price of West Texas Intermediate (WTI) oil rose 4.68 points or 5.11% to US\$ 96.27 per barrel. meanwhile, the price of Brent oil is still above US\$ 100 or at US\$ 101.86 per barrel. The common Russian President Vladimir Putin has ordered his military to put Russia's nuclear defense forces on high alert. dity price rose 3.93 points or 4.01%.

The increase in crude oil and gold prices was in line with predictions and there was a gap up, from the price of gold at US\$ 1,882 and WTI type oil from the level of US\$ 90. In addition, said Ibrahim, the US dollar index also jumped from 96.5% to 97.5%. "This is because the war may be long, and not according to Putin's prediction because the 5-day prediction of Kiev can be controlled predicting that gold prices could move with support at US\$ 1,880 and resistance reaching US\$ 2,150. Meanwhile, the price of WTI oil could move with support at the level of US\$ 85 and resistance reaching the level of US\$ 115 per barrel.

Russian President Vladimir Putin has ordered his military to put Russia's nuclear defense forces on high alert. It is the latest signal that he is ready to use the most extreme level to achieve victory in Ukraine as soon as possible.

Then, what is the impact on the movement of gold prices in Indonesia, the price of PT Aneka Tambang Tbk (ANTM) gold bullion or Antam's gold in today's trading was observed to have increased by IDR 9,000 compared to yesterday. "The price of one gram of gold bullion is IDR 978,000," as quoted from the official Metal Precious website on Monday. Based on the Precious Metals website, the price of Antam's gold bullion at the Pulogadung boutique, Jakarta today (28/02/2022), is:

1 gram: IDR 978.000
2 grams: IDR 1,896,000
3 grams: IDR 2,819,000
5 grams: IDR 4,665,000
10 grams: IDR 9,275,000
25 grams: IDR 23,062,000
50 grams: IDR 46,045,000
100 grams: IDR 92.012.000
250 grams: IDR 229,765,000

Meanwhile, Antam's gold price is 500 grams, which is IDR 459.3 million and the price of 1,000 grams of gold is IDR 918.6 million. The price of gold on February 27, 2022 is IDR 969,000 per gram. For today's gold buyback price is IDR 883 thousand per gram.

### **The Impact of the Russia-Ukraine War for Indonesia, turns out the Effect is Very Dangerous**

Some of the impacts taken from various sources. The impact of the Russo-Ukrainian war for Indonesia can be felt, especially related to the supply of wheat. Although not a staple food, domestic consumption of wheat is fairly high. Wheat is used as the main ingredient for making instant noodles, bread, fried foods, and various snacks that use wheat flour (Bestari et al., 2016).

Ukraine also has close trade relations with Indonesia, even though the country is a non-traditional trading partner. Indonesia is one of the main importers of wheat in the world. Its position even surpasses Turkey and Egypt, two countries that indeed make wheat as a staple food.

Quoted from data released by the Central Statistics Agency (BPS), Ukraine ranks first in the origin of imported wheat from Indonesia. The volume also increases from year to year. For example, during 2020, Indonesia's wheat imports from Ukraine reached 2.96 million tons. Imports of wheat from Ukraine far exceed the total imports of Indonesian soybeans from various countries, including especially the US.

Quoted from indonesiaexpat.id, for comparison, in 2020, the other largest wheat imports came from Argentina at 2.63 million tons and Canada at 2.33 million tons. While overall in 2020, Indonesia's total wheat imports amounted to 10.299 million tons. Ukraine accounts for more than 20 percent of the country's grain stock. In addition, the impact of the Russia-Ukraine war for Indonesia will also increase inflation and logistics costs will be much more expensive. Basic needs will also increase and people's purchasing power will be lower.

On the trade side, Indonesia has the potential to experience supply disruptions, especially for oil and gas, due to the global embargo against Russia which could affect. Meanwhile, in



terms of exports to Russia and Ukraine, Indonesia's dominant product is crude palm oil (CPO). Even so, the amount of CPO exported to Russia and Ukraine is also relatively small when compared to CPO exports to other countries.

As a result, it is easy for Indonesia to diversify or divert CPO exports to other countries so that its export performance is not disrupted by the conflict in Eastern Europe.

As for other impacts of the Russo-Ukrainian War for Indonesia. The war that occurred between Russia and Ukraine also had an impact on Indonesia. Gajah Mada University (UGM) economist Eddy Junarsin said the war had a fairly serious impact on Indonesia. This is because of the effects of globalization. As a result of globalization, the positive effect received by Indonesia is being able to enjoy technology that is as good as other countries and world-class education. While the negative effects of globalization, if something happens in other parts of the world, it will quickly have an impact on Indonesia. "It's like this, the war is far away in Europe, but in Indonesia it has a tremendous impact.

Russia Vs Ukraine Conflict Impact of the Russo-Ukrainian war for Indonesia. The decline in the rupiah exchange rate means that the impact of the war will be felt on the flow of money in Indonesia. So, if the war drags on, it can cause the rupiah exchange rate against the US dollar to weaken. The decline in the capital market. Loss of income due to the decline in exports. The impact of the Russo-Ukrainian war that was most felt for Indonesia, one of which was in the export sector, the value of Indonesia's exports to Russia in January stood at 170 million US dollars, while for Ukraine it was 5 million US dollars.

The impact of rising oil prices on the state budget Furthermore, with the Russo-Ukrainian war, indirectly also had an impact on the Indonesian State Budget. With the embargo of Russia, it is certain that oil prices will skyrocket. Eddy estimates that the current price has penetrated more than 100 US dollars per barrel. The Indonesian state budget itself assumes the value per barrel of oil is around 60-65 US dollars. This means that for every 1-barrel increase, subsidies equal fuel compensation. Increase in imported wheat commodities. Apart from oil prices, there is a possibility that wheat commodity prices will also increase. This is because Indonesia imports wheat from Ukraine which is used as the main ingredient in making bread and instant noodles. Indonesia's wheat imports are relatively high, according to data from the Central Statistics Agency (BPS), Ukraine is in the first place as a wheat importer in Indonesia. Overall in 2020, Indonesia's total wheat imports will be 10.299 million tons.

## Conclusion

Impact of Russia's Attack on Ukraine Impact of the Global Conflict between Ukraine and Russia. The conflict between Russia and Ukraine has an impact on politics, arms control, terrorism and the world economy. The conflict in Ukraine risks worsening relations between the United States and Russia. Quoting from mei.edu, the following are the effects of the conflict between Ukraine and Russia; (1) Energy Crisis The conflict between the two countries will affect the supply of natural gas in Europe. In addition, oil prices could increase due to this conflict. Buyers cannot buy energy products from Russia. Russian natural gas accounts for about 40% of the EU market. Hence, this conflict could affect the price of natural gas and world oil; (2) Agriculture Ukraine exports about 95% of wheat by the black sea. About 50% of wheat exports are shipped to Middle Eastern and North African countries.

Ukraine also supplies maize to Egypt. The conflict between Russia and Ukraine could impact agricultural supplies to African and Middle Eastern countries. The result is an increase in prices in agriculture; (3) Humanitarian Crisis As a result of the conflict in Ukraine a humanitarian crisis occurred. The United Nations (UN), estimates that the number of aid recipients in 2022 will increase; (4) There is inflation in America, including energy producers and exporters, so that the economy does not have an impact on the Ukrainian conflict. But the conflict between Russia and Ukraine has an impact on inflation; (5) Increase in Interest Rates The way to overcome inflation is to increase interest rates. Most economists expect a spike in prices due to the conflict in Ukraine.

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