S.G.V.C Vidya Ptasarak Trust's

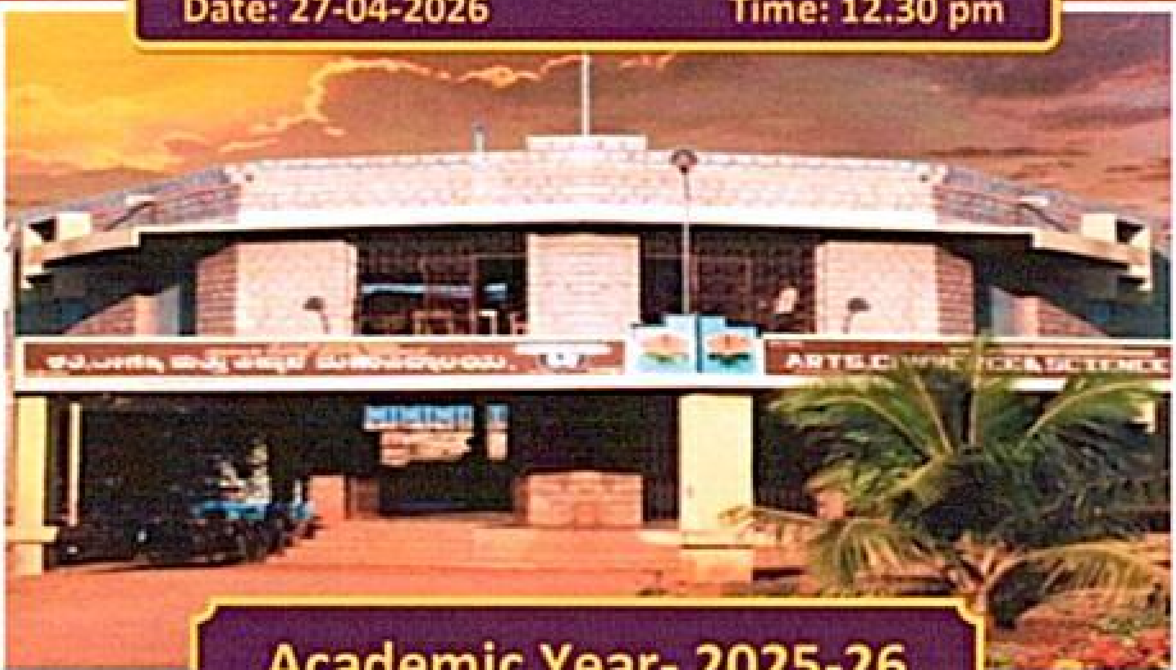
M.G.V.C Arts, Commerce and Science College, Muddebihal

IQAC Initiative

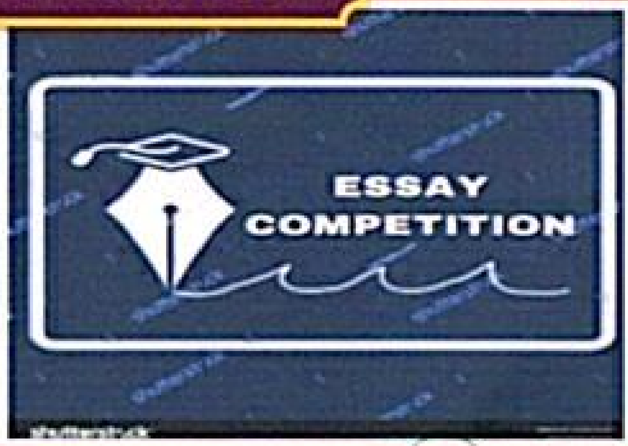
Department of Economics Conducted

Essay Competition- 2025-26 Topic: Impact of War on Indian Economy

Date: 27-04-2026 **Time: 12.30 pm**



Academic Year- 2025-26



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Internal Quality Assurance Cell
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MUDDEBIHAL-586212. Dist: Vijayapur.

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College, MUDDEBIHAL - 586212

S.G.V.C Vidya Prasarak Trust's

Matoshri Gangamma Veerappa Chiniwar Arts, Commerce and science College

Muddebihal- 586212 Dist: Vijayapur (Karnataka)

(Accredited with CGPA of 3.31 on Seven Point Scale at A+ Grade)

Affiliated to Rani Channamma University, Belagavi

* email: princmgvc@gmail.com * www.mgvcmbl.in * Principal: 9035103184

Ref. No: ....

Date: 25/04/2026

NOTICE

All the students of B.A. II, IV and VI Semester are hereby informed that an Essay Writing Competition will be conducted on the topic: **"The Effect of War on Indian Economy"** interested students are requested to participate actively in the competition.

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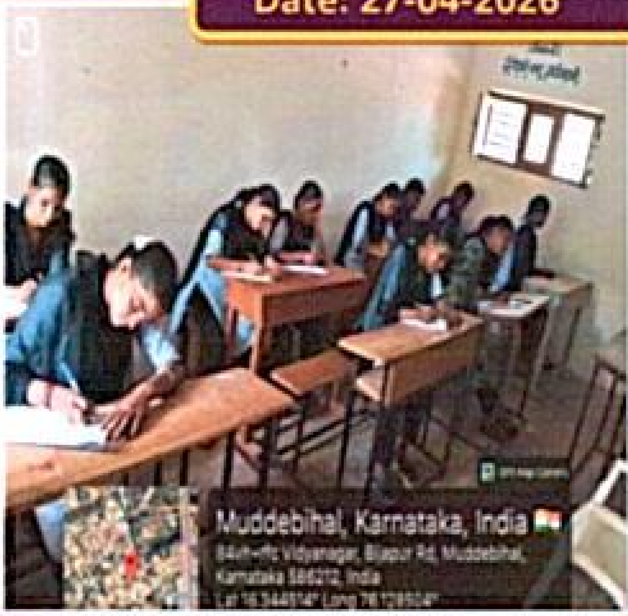

Summary of Impact of War on the Indian Economy

War has significant economic, social, and political consequences for every nation, whether directly involved or indirectly affected. India, as one of the world's fastest-growing economies and a major importer of energy and raw materials, is highly sensitive to global conflicts. Wars such as the Russia–Ukraine conflict and tensions in the Middle East have demonstrated how international instability can influence India's economy. The impact of war on the Indian economy can be observed through inflation, trade disruptions, fiscal pressure, energy prices, employment, and economic growth.

One of the most immediate effects of war is the rise in crude oil prices. India imports nearly 85 percent of its crude oil requirements from foreign countries. During wars, supply disruptions and uncertainty in global markets lead to a sharp increase in oil prices. Higher fuel prices increase transportation and production costs, resulting in inflation across sectors. Essential commodities such as food grains, fertilizers, and consumer goods become more expensive. Rising inflation reduces the purchasing power of consumers and affects the standard of living, especially among middle- and lower-income groups.

War also disrupts international trade and supply chains. India depends on imports of machinery, fertilizers, edible oils, semiconductors, and defense equipment from various countries. Conflicts in major trading regions create shortages and delays in transportation. Export sectors such as textiles, pharmaceuticals, engineering goods, and information technology may suffer due to reduced global demand and logistical difficulties. For example, the Russia–Ukraine war affected wheat exports, sunflower oil imports, and fertilizer supplies worldwide, influencing Indian agricultural and industrial sectors.

Another important impact is on the fiscal position of the government. During periods of global conflict, governments often increase defense expenditure to strengthen national security. India may need to allocate more funds for military modernization, border security, and defense imports. Higher defense spending can increase the fiscal deficit if not balanced by higher revenues. This may reduce government spending on development programs such as education, healthcare, and infrastructure. At the same time, subsidies on fuel and food may rise to protect citizens from inflationary pressures, placing additional strain on public finances.

War also affects financial markets and investor confidence. Global uncertainty generally leads to volatility in stock markets and currency fluctuations. Foreign investors tend to withdraw funds from emerging economies like India and move toward safer assets such as gold or U.S. treasury bonds. This can weaken the Indian rupee and increase the cost of imports. A depreciating currency may also increase the burden of external debt repayment. Financial instability can discourage private investment and slow economic growth.

The employment sector is also influenced by war-related economic disruptions. Industries dependent on exports or imported raw materials may reduce production, leading to job losses or slower hiring. Tourism, aviation, and hospitality sectors are especially vulnerable during periods of geopolitical tension. Rising inflation and slower economic activity can further reduce consumer demand, affecting small businesses and informal workers. However, certain sectors such as defense manufacturing, cybersecurity, and domestic energy production may benefit from increased government focus and investment.

Despite these challenges, wars can sometimes create opportunities for the Indian economy. India may benefit from shifts in global supply chains as multinational companies seek alternatives to conflict-affected regions. Increased focus on self-reliance under initiatives such as "Atmanirbhar Bharat" encourages domestic manufacturing and defense production. India can also strengthen trade relations with multiple countries by maintaining strategic neutrality and balanced diplomacy. During recent global conflicts, India managed to purchase discounted crude oil from Russia, which helped reduce import costs to some extent.

The Reserve Bank of India (RBI) and the government play a crucial role in minimizing the economic impact of war. Monetary policies such as controlling inflation, maintaining adequate foreign exchange reserves, and stabilizing the rupee help protect the economy. Fiscal measures including targeted subsidies, export promotion, and infrastructure investment support economic resilience during uncertain times.

In conclusion, war has both direct and indirect effects on the Indian economy. Rising oil prices, inflation, trade disruptions, financial instability, and increased fiscal pressure are major challenges faced during global conflicts. However, India's diversified economy, strong domestic market, and strategic policy responses help reduce long-term damage. Careful economic planning, energy security, and diplomatic balance are essential for protecting India's economic stability in times of war and global uncertainty.

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Ref. No: ………………

Date: 27/04/2026

REPORT

The Department of Economics of M.G.V.C Arts, Commerce and Science College, Muddebihal successfully conducted an Essay Writing Competition for the students of B.A. II, IV and VI Semester on the topic **"The Effect of War on Indian Economy."**

The programme was organized to create awareness among students about the economic consequences of wars on trade, inflation, employment, public expenditure and economic development. A large number of students actively participated in the competition and expressed their views effectively through their essays.

The Head of the Department, Dr.KrishnajiDasar, encouraged the students to develop analytical thinking and improve their writing skills through such academic activities. The competition was conducted in a disciplined and enthusiastic manner.

The programme concluded successfully with appreciation for all the participants and organizers.

Dasar

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Eassy Competition

Block No. .... Room No : ....

S. G. V. C. Vidya Prasarak Trust's,

MATOSHRI GANGAMMA VEERAPPA CHINIWAR
ARTS, COMMERCE & SCIENCE COLLEGE, MUDDEBIHAL.

Subject : .... Date : .... Time : ....

Class : BA II IV th VI th **ATTENDANCE REPORT** Jr. Supervisor : ....

DEGREE ______ SEMESTER EXAMINATION 202 - 202

Roll No.	University Seat No.	Name of the Candidate	Signature
1	U15NU25A0051	Swati. k. Hebbal	Swati
2	U15NU25A0169	Pavitra Kolur.	P.S.Kolur
3)	U15NU25A0099	Rekha. Hagatagi	Rekha.
4	U15NU25A0093	Sushmita. R. Hugar	S.R. Hugar.
5	U15NU25A0131	Pooja. S. kaddi	P.S.kaddi
6	U15NU25A0146	Devamma. S. daddi	D.S. daddi
7	U15NU25A0042	Hulagemma. M. Uppar	H.M. Uppar
8	U15NU25A0181	Mallamma K Japur	M.K. Japur
9	U15NU25A0100	Vijayalaxmi. B. Elood	VB
10	U15NU25A0101	Laxmi. S. Devaraganv	Laxmi

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