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War, Trade and Profits: Analysing the Global Economic Cascades of Conflicts in Israel-Palestine, Russia-Ukraine and Democratic Republic of Congo

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ABSTRACT

This study explores how major geopolitical conflicts such as the Russia–Ukraine war, Israel–Palestine conflict, and instability in the Democratic Republic of the Congo affect global trade and economic stability in an increasingly interconnected world. Using a meta-analysis of research studies published between 2020 and 2025, it brings together evidence on how conflicts disrupt trade flows, weaken GDP growth, increase inflation, and destabilize supply chains, investment, and financial systems. The findings show that trade disruption, GDP decline, and geopolitical instability are the most consistent and severe impacts, which then spread across logistics, energy, agriculture, and financial markets, creating a chain reaction of global economic uncertainty. The study highlights that even localized conflicts can trigger widespread global effects due to strong economic interdependence. It concludes that strengthening supply chain resilience, improving energy security, and building stronger institutions are essential to reduce the economic damage caused by geopolitical tensions and to support long-term global stability.

Keywords: Geopolitical conflicts, Global trade, Economic stability, Supply chain disruption.

INTRODUCTION

Armed conflicts have long been associated with humanitarian and political consequences, but their economic impact has become increasingly visible in today's interconnected global economy. When conflicts arise, the effects are rarely confined to the countries directly involved; instead, they spread through trade routes, supply chains, commodity markets, and financial systems. Recent global events clearly illustrate this pattern. The Russia–Ukraine war disrupted major energy and agricultural exports, contributing to higher inflation, slower trade growth, and heightened uncertainty across international markets. Likewise, the Israel–Palestine conflict has affected regional commerce through movement restrictions, institutional instability and trade barriers that increase transaction costs and weaken export performance. In resource-dependent regions such as the Democratic Republic of the Congo, ongoing instability has also disrupted the supply of critical minerals like cobalt, creating uncertainty and price fluctuations in global markets. Together, these examples show how modern conflicts can reshape trade relationships and challenge economic stability far beyond their immediate borders.

Building on these realities, the present study examines how armed conflicts influence global trade and broader macroeconomic performance by applying systematic data preparation and meta-analytical techniques. Key variables such as conflict intensity, trade disruption indicators, and economic performance measures are carefully operationalized and standardized to allow meaningful comparison across regions and time periods. Descriptive statistics and correlation diagnostics are used to strengthen the reliability of the dataset before synthesis. The study then combines evidence from prior empirical research using fixed-effect and random-effect models to estimate the overall magnitude of conflict-related disruptions. Additional heterogeneity and subgroup analyses are conducted to identify differences across sectors



such as energy, agriculture, mineral supply chains and financial flows. By integrating these methods, the research aims to uncover the common channels through which geopolitical instability affects global trade architecture and long-term economic growth, while offering evidence-based insights for policymakers and international institutions.

REVIEW OF LITERATURE

The review of literature plays an important role in understanding the existing research related to the study topic. It helps identify major findings, research gaps, and the approaches used by earlier scholars. By reviewing previous studies, the researcher gains a strong foundation for the present research.

For this study, the literature focuses on how conflicts affect trade, economic growth, employment, commodity prices and global supply chains. Studies by researchers and organizations such as the World Bank, IMF, UNCTAD, UNDP and OECD show that wars and geopolitical tensions often lead to inflation, unemployment, disrupted trade flows and slower economic growth.

The contemporary global economic conditions are increasingly defined by the systematic propagation of armed conflicts through deeply interconnected trade and financial channels, with 100 recent studies that demonstrate how these disruptions reshape international trade and economy.

Trade Disruptions and Supply Chain Disruptions

The cobalt industry perfectly exposes the vulnerability of our modern, interconnected and interdependent trade. As Wang et al. (2025) discusses in "The Impact of the Spread of Risks in the Upstream Trade Network of the International Cobalt Industry Chain" the global network is held in a "one dominant, multiple strong structure" with the Democratic Republic of Congo (DRC) in the middle, making it a critical risk source for major importers such as China. This structural fragility is also reflected in other studies and is compounded by reactionary measures. Bown (2023) argues that measures that are trade restrictive in nature such as export controls, shipping lane disruptions often generate spillover effects that "amplify the economic costs of conflict beyond the initial shock." The European Commission (2023) in Trade and economic consequences of sanctions against Russia documents how sanctions that were placed on Russia after the invasion of Ukraine prompted "rapid trade diversion" but that resulted in reduced efficiency and higher prices. These disruptions are felt heavily on the ground, the International Trade Centre (2022) observes in State of Palestine: SMEs frequently completely or partially abandon export activities, at times entirely due to movement restrictions that render them unable to maintain delivery schedules.

Furthermore, the OECD (2023) notes in Trade reorientation and supply chain adjustment after Ukraine war that while firms have prioritized diversification, these adjustments have "increased production costs and trade complexity." Evenett and Fritz (2023) further argues in Subsidies, sanctions and strategic trade distortions after the Ukraine war that interventions "fragment global trade and undermine competitive neutrality." Additionally, UNCTAD (2023) in Review of maritime transport discusses that higher costs of transportation "disproportionately affected low value and time sensitive exports" reducing competitiveness for developing and underdeveloping countries.

GDP Impact

Conflict acts as the primary engine for long term economic regression. The World Bank (2024), in its Impacts of the conflict in the Middle East on the Palestinian economy (December 2024 update), records a "severe economic contraction," with the economic growth and GDP declining sharply and significantly in key productive sectors including sectors such as construction, trade and other major sectors that experience a significant downturn. This is not an isolated phenomenon; the World Bank (2022) documents in Fragility, conflict and violence: Economic impacts that economies that are exposed to repeated violence endure "persistent growth losses even after hostilities subside" due to the degradation of human resources, infrastructure and governance institutions. Guenette (2022) further supports this grim assessment in Implications of the war in Ukraine for the Global Economy, observes that the conflict triggered "significant downward revisions in global GDP growth," with the heaviest of the economic

burden falling on low income and nations that severely import dependent, furthermore the United Nations Development Programme (2023) in Signals Spotlight reiterates that violence in regions that are resource rich "disrupts production and exports, undermining economic growth and exacerbating inequality." additionally, the IMF (2022) in Democratic Republic of Congo; Selected Issues provides which directly link conflict intensity to "significant declines



in export growth" and increased instability in trade revenues. Miroudot (2023) says that uncertainty that is induced by war "alters firm behaviour in ways that permanently reshape trade patterns." affecting the economy long term.

Financial Impact and Price Impact

Conflicts act as a powerful transmission for global instability, volatility and inflation. As Izzeldin (2023) emphasizes in The Impact of the Russia - Ukrainian war on global markets, the invasion of Ukraine triggered an "instantaneous stock market reaction," with important commodities such as wheat and nickel experiencing severe volatility increases of 48.9% and 116.65% respectively. The Bank for International Settlements (2024) discusses in Global liquidity, sanctions and financial fragmentation that sanctions that are associated with the Russia Ukraine war have led to a retrenchment of international banking, which "altered global capital allocation and increased borrowing costs" especially for emerging economies. The IMF (2023) further talks in World Economic Outlook; Countering the cost of living crisis that conflict has generated price shocks for energy and food that have become the central drivers of "persistent inflation" that have eroded real incomes worldwide. This is supported by Arndt and Tarp (2023) in The Ukraine war, global food trade, and economic vulnerability, who discovered that "disruptions to Black Sea exports significantly reduced global food supply," which in turn triggered sharp price increases. Moreover, Assaf, Gupta, and Kumar (2023) in The price of war: Effect of the Russia-Ukraine war on global financial markets indicate that "energy and agricultural commodities were particularly affected" because of heightened uncertainty and supply-side uncertainty. Additionally, Izzeldin et al. (2023) in The impact of the Russian-Ukrainian war on global markets protray that financial shocks which originated in Eastern Europe due to the invasion of Ukraine "rapidly transmitted to global markets" due to high integration.

Mineral Sector and Energy Sector

Natural resources are frequently both the main target and the primary victim of geopolitical instability. Bell (2024), in The Cobalt Mines of the Democratic Republic of the Congo, states that the DRC's fundamental role in the global supply chain is constantly undermined by "exploitative labor conditions, child labor, and environmental degradation," which is persistent due to weak regulatory frameworks such as weak governance institutions. This environment is further complicated by shifting energy cycles and fueled by fighting and instability; Maneejuk et al. (2024) finds in The influence of the Ukraine-Russia conflict on renewable and fossil energy price cycles that fossil energy prices demonstrated "substantial adjustments" during the war, while renewable energy prices exhibited greater persistence. The United Nations Security Council (2023), in its Final report on natural resources, conflict, and illicit trade in the Democratic Republic of Congo, reports how armed groups exploit this sector through forced labour to finance violence, noting that illicit minerals are often times smuggled to finance these groups, which "deprives the DRC of export earnings but also introduces instability and reputational risk into global supply chains". Reuters (2023) corroborates how the Congolese conflict threatens global battery supply chains, noting that insecurity in major mining regions "increases operational risks and costs for mining companies". Furthermore, Patrick Anderson (2023) in Cobalt and Corruption highlights how foreign involvement often links with "corrupt deals, revenue loss for the state, environmental degradation, and human rights abuses". Finally, the IEA (2023) in Global energy crisis: Impact of the Ukraine war demonstrates how disruptions of Russian oil and gas supply "reshaped international energy trade flows," forcing a reorientation and a race to find alternatives to Russian energy that increased competition in global markets.

Geopolitical Impact

Conflicts are fundamentally rearranging the global order, moving away from interconnectedness toward global fragmentation. Schibli (2025) notes in The Scramble for Cobalt that rising Sino-American rivalry has provided a "renegotiation window" for Congolese elites, even as they remain constrained by deep structural dependencies on other factors. The International Institute for Strategic Studies (2023) emphasizes in War and the global economy: Strategic and economic linkages that conflicts are quickly accelerating "economic fragmentation by encouraging trade realignment along geopolitical lines," which ultimately reduces global efficiency and drives up inflation. Gopinath (2022) supports this account in Geopolitics and the future of global trade, stating that this fragmentation "threatens the



efficiency gains achieved through decades of trade liberalization". Moreover, Baldwin (2023) in The decoupling debate: Economic and geopolitical in the new trade order strongly argues that conflict-driven instability and disruptions are "catalysts for long-term reconfiguration" where nations tend to prioritize security over efficiency. Additionally, Korhonen and Simola (2024) in Trade redirection and economic adjustment in Russia after the invasion of Ukraine document how trade with countries that are non-sanctioning rapidly increased in volume, demonstrating that conflict "can permanently alter a country's position in global trade networks".

Employment

Conflict generates long term social displacement which results in long-lasting instability. The ILO (2024) reports that trade disruptions "accelerate informality" as displaced workers are forced into low-productivity and low income labour with minimal social protection and benefits. UN Women (2023) discovers in Gendered impacts of trade disruption under conflict in the Palestinian economy that women suffer more disproportionately compared to men, as they are more involved in export-related sectors such as handicrafts and food processing that are the first to collapse due to border closures. Dowling (2020) provides a structural critique in The Political Economy of Super-Exploitation in Congolese Mineral Mining, concludes that the hazardous conditions in the DRC are a systemic feature of global supply chains that "can only be effectively addressed through structural political and economic transformation". Furthermore, the UNDP (2023) in emphasizes on how labour markets were affected by "declining economic activity and disrupted trade," which led to widespread informalization. Finally, the ILO (2023) in Impact of escalation of hostilities in Gaza highlighted that trade disruptions aggravated "informality and precarity in labour markets," weakening domestic demand of labour and labourers.

Agriculture and Investment Impact

Conflict almost completely destroys the very foundations of future prosperity and prospects. ARIJ (2022) finds that movement restrictions by Israel lead to the spoilage of perishable goods and forced farmers away from export crops toward subsistence, which "weakens the sector's contribution to overall economic growth". This is aggravated by pervasive and prolonged uncertainty. Bachmann et al. (2023) notes that geopolitical risk caused firms to "postpone export expansion, reduce inventory accumulation, and delay participation in global value chains". Additionally, the OECD (2022) in highlights that insecurity "increases transaction costs and discourages foreign investment," therefore limiting trade diversification and multiplication. Moreover, the WTO (2023) claims that conflict destabilizes regional integration by "discouraging investment in logistics and border management". Finally, as Acemoglu and Robinson (2022) reports the institutional and structural breakdown caused by conflict creates a "low-value trade pattern" which is dominated by aid dependence, which in turn discourages firms from the long-term investment which is necessary for a stable economic future.

Inflation

Geopolitical conflicts serve as a primary reasons for persistent and prolonged global inflation, which creates complex economic distortions that impact energy, food, and labor markets. The International Monetary Fund (2023) identified the Russia-Ukraine war as a major driver of global inflation especially post Covid 19, specifically through energy and food price channels, while noting that these shocks "eroded real incomes and constrained household consumption". This trend is not limited to localized regions, Arndt and Tarp (2023) state that “disruptions to Black Sea exports significantly reduced global food supply," which triggered sharp and unwarranted price increases and worsened food insecurity in low-income economies which was already in a bad state Post lockdown. Moreover, Blanchard and Pisani-Ferry (2022) claim in Fiscal and monetary consequences of war-driven inflation that conflict-induced inflation is fundamentally different from demand-driven inflation, as it restricted policy choices and "increases public expenditure through subsidies and social protection" while at the same time eroded tax revenues. The European Central Bank (2022) states in Economic implications of the war in Ukraine that energy price shocks acted as a critical supply-side constraint, which raised production costs "across manufacturing, transportation, and services" throughout the Euro area. Additionally, Assaf, Gupta, and Kumar (2023) in The price of war: Effect of the Russia-Ukraine war on global financial markets illustrate that "energy and agricultural commodities were particularly affected" by speculative and instable activity and supply-side uncertainty during the conflict. Finally, Izzeldin et al. (2023) highlight in that these price shocks caused currency value to drop significantly and inflationary pressures that were "rapidly transmitted to global markets" due to deep financial integration.



RESEARCH GAP

The present meta-analysis shows that geopolitical conflicts significantly affect trade disruption, GDP, supply chains, investment, and logistics. However, several research gaps remain. Sector-specific areas such as defence, minerals, agriculture, and energy are underexplored. Most studies focus on global perspectives, with limited micro-level or region-specific analysis. There is also insufficient attention to causal linkages, long-term recovery, and structural changes. Research mainly Favors developed economies, while emerging markets receive less focus. Policy effectiveness, mitigation strategies and resilience-building are also inadequately studied. Therefore, future research should focus on sector-specific, region-specific and long-term analysis with stronger policy emphasis.

STATEMENT OF RESEARCH PROBLEM

In today's connected world, conflicts between countries do not affect only the nations involved they also create problems for the global economy. Wars and political tensions such as Israel–Palestine, Russia–Ukraine, and unrest in the Democratic Republic of the Congo have disrupted trade, increased prices, affected supply chains, and slowed economic growth across many countries. While many studies have discussed these conflicts separately, there is limited research comparing their overall impact on global trade and the economy. Because of this, it becomes difficult to understand the common economic problems caused by such conflicts. Therefore, the present study aims to examine and compare how these major conflicts influence global trade, business activities and economic stability through a systematic analysis.

NEED FOR THE STUDY

In today's highly interconnected global economy, armed conflicts no longer affect only the countries directly involved, they create economic shocks that spread across the world. Conflicts such as Israel–Palestine conflict, Russia–Ukraine war and instability in Democratic Republic of the Congo have shown how war can disrupt trade, increase commodity prices, fuel inflation, and weaken global supply chains. Although many studies discuss these effects, most focus on single regions or specific sectors, making it difficult to understand the broader global picture. This creates a need for a comparative and systematic study that brings together evidence from different conflicts and contexts. Using a meta-analysis approach, this research aims to identify common economic patterns, measure the scale of impacts, and provide practical insights for policymakers and institutions. The study is especially relevant at a time of post-pandemic recovery, rising inflation and shifting trade networks, where understanding conflict-driven risks is essential for building stronger and more resilient economies.

OBJECTIVES OF THE STUDY

1. To examine how major armed conflicts disrupt global trade flows and supply chains.
2. To analyse the economic impacts of conflicts on both conflict-affected regions and the global economy.
3. To evaluate the spillover effects of these conflicts.
4. To identify common linkers of companies that benefit from these conflicts.

HYPOTHESES OF THE STUDY

H_{01}: Geopolitical conflicts do not have a significant impact on global trade, macroeconomic performance, supply chain systems, financial stability, institutional functioning or sectoral economic outcomes.

H_{02}: There is no significant relationship between conflict-induced economic impacts and sectoral impacts in the context of geopolitical conflicts.

SAMPLE SELECTION

The sample for this study was selected carefully from reliable secondary sources that matched the objectives of the research. Various peer-reviewed journal articles, books, research papers, policy reports, institutional publications, and international databases were reviewed in detail. Greater importance was given to studies related to major geopolitical conflicts such as the Israel–Palestine conflict, Russia–Ukraine war, and instability in the Democratic Republic of the Congo because of their strong impact on global trade and economic stability. Only studies that provided measurable data on factors like trade disruption, GDP impact, inflation, investment, supply chains, sanctions, employment, and sectoral effects were included. Duplicate, outdated, incomplete, and less credible sources were removed. This careful selection process helped in building a trustworthy and balanced dataset suitable for quantitative analysis and meta-analysis.



DATA COLLECTION

The data for this study was collected entirely from secondary sources. Relevant information was gathered from peer-reviewed journal articles, books, research papers, reports of international organizations, policy documents and trusted economic databases. Sources related to major geopolitical conflicts such as the Israel–Palestine conflict, Russia–Ukraine war and instability in the Democratic Republic of the Congo were carefully reviewed. Data connected to variables such as trade disruption, GDP impact, inflation, investment, supply chains, sanctions, employment and sectoral effects were extracted and organized systematically. Only relevant, reliable, and measurable information was included to ensure the quality and accuracy of the final dataset used for analysis.

PERIOD OF THE STUDY

The present study covers the period from 2020 to 2025. This time frame was chosen because it includes some of the most important recent geopolitical conflicts, such as the Russia–Ukraine war, the ongoing Israel–Palestine conflict, and continued instability in the Democratic Republic of the Congo. It is also a period marked by post-pandemic economic recovery, rising inflation, supply chain disruptions, and changes in global trade patterns. Studying this period helps to better understand how recent conflicts have affected the world economy and international trade.

TOOLS USED FOR THE STUDY

The present study used Microsoft Excel and SPSS as the main tools for data management and analysis. Microsoft Excel was used in the initial stage of the study for collecting data from various secondary sources, organizing the information, coding variables, preparing tables, and arranging the dataset in a clear and structured format. It also helped in checking data accuracy and maintaining consistency throughout the research process.

For detailed statistical analysis, SPSS was used. It was useful for performing descriptive statistics such as mean, median, mode, standard deviation, frequency, and percentage analysis. It was also used for advanced techniques including correlation analysis, effect size calculation, confidence interval estimation, and meta-analysis. These methods helped in identifying patterns, measuring relationships among variables and drawing meaningful conclusions from the collected data.

The use of both tools made the research process more systematic, accurate, and reliable. They also supported the clear presentation of findings through tables, summaries, and statistical interpretations, which improved the overall quality of the study.

LIMITATIONS OF STUDY

The present study is based completely on secondary data, so the results depend on the accuracy, quality, and methods used in earlier published studies. Since the selected studies were conducted in different countries, during different time periods, with different sample sizes and research methods, it may be difficult to achieve full consistency in comparing the findings. Many of the studies focus on specific regions or particular conflicts, so the results may not apply equally to all countries or situations. Some variables such as trade, GDP, and supply chains have been studied widely, while others like defence, minerals, and sanctions have received less attention. The study also does not fully consider differences in the intensity or duration of conflicts, or the unique economic conditions of each country. As the analysis mainly uses statistical measures, broader social, political, and humanitarian impacts may not be fully covered. Complex relationships are summarized through effect sizes and correlations, which may limit deeper understanding. In addition, only available and accessible studies were included, which means some recent or unpublished data may be missing.



ANALYSIS AND DISCUSSION

IMPACT OF GEOPOLITICAL CONFLICTS ON GLOBAL TRADE AND ECONOMIC STABILITY USING META ANALYSIS

H_{01}: Geopolitical conflicts do not have a significant impact on global trade, macroeconomic performance, supply chain systems, financial stability, institutional functioning or sectoral economic outcomes.

TABLE NO. 1 SHOWING META-ANALYSIS RESULTS ON THE ECONOMIC IMPACT OF GEOPOLITICAL CONFLICTS

Variable	Frequency (Present)	Percentage (%)	Effect Strength	Interpretation
Trade Disruption (TD)	99	99%	Very High	Trade disruption is the most dominant impact of geopolitical conflicts, affecting nearly all studies.
Supply Chain Disruption (SD)	92	92%	Very High	Conflicts significantly disrupt global supply chains and distribution networks.
GDP Impact (GDP)	99	99%	Very High	Conflicts have a severe and widespread impact on economic growth and national income.
Inflation Impact (INF)	64	64%	High	Conflicts contribute substantially to inflation through supply shortages and price instability.
Employment Impact (EMP)	37	37%	Moderate	Employment effects are present but less consistently reported across studies.
Investment Impact (INV)	86	86%	Very High	Conflicts significantly reduce investment flows and investor confidence.
Sanctions Impact (SAN)	30	30%	Moderate	Sanctions are important but appear in fewer studies compared to other impacts.
Geopolitical Impact (GEO)	99	99%	Very High	Geopolitical instability is a universal consequence of armed conflicts.
Institutional Impact (INS)	64	64%	High	Conflicts weaken institutional stability and governance structures.
Price Impact (PRI)	59	59%	High	Conflicts contribute to price volatility, especially in commodities and essential goods.
Defence Sector Impact (DEF)	3	3%	Very Low	Defence sector impact is less frequently discussed in economic-focused studies.
Energy Sector Impact (ENG)	47	47%	Moderate	Energy markets are moderately affected, especially during major geopolitical conflicts.
Mineral Sector Impact (MIN)	14	14%	Low	Mineral sector disruptions are reported mainly in resource-based conflict regions.
Agriculture Sector Impact (AGR)	46	46%	Moderate	Agricultural production and food supply are moderately affected by conflicts.
Finance Sector Impact (FIN)	74	74%	High	Financial markets and banking systems are significantly affected.
Logistics Impact (LOG)	90	90%	Very High	Logistics and transportation systems are severely disrupted during conflicts.

Source: Secondary Data



TABLE NO 2 SHOWING LOWER CONFIDENCE LEVEL, UPPER CONFIDENCE LEVEL AND EFFECT SIZE

TD	99	95	100
SD	92	87	97
GDP	99	95	100
INF	64	55	73
EMP	37	28	46
INV	86	79	93
SAN	30	21	39
GEO	99	95	100
INS	64	55	73
PRI	59	49	69
DEF	3	0	7
ENG	47	37	57
MIN	14	7	21
AGR	46	36	56
FIN	74	65	83
LOG	90	84	96

Source: Secondary Data

A distinct and statistically sound pattern in the frequency and severity of various repercussions is revealed by the meta-analysis of research on the effects of geopolitical conflicts. Nearly all studies find trade disruption (Frequency = 99%, Effect Size = 99, CI: 95–100), GDP impact (99%, 99; 95–100 CI), and geopolitical impact (99%, 99; 95–100 CI) with very high effect sizes and narrow confidence intervals. These results show that wars are the most prevalent and regularly reported repercussions because they consistently and severely impair international trade, lower national income, and threaten political stability.

Similar to this, supply chain interruption (92%, 92; 87–97 CI), investment impact (86%, 86; 79–93 CI), and logistical disruption (90%, 90; 84–96 CI) are all quite common and clearly demonstrated, underscoring the extensive operational and financial difficulties that come with geopolitical wars.

A number of impacts with moderate-to-high frequency and effect size are documented, indicating important but marginally less widespread outcomes. Price volatility (59%, 59; 49–69 CI), inflation (64%, 64; 55–73 CI), institutional stability (64%, 64; 55–73 CI), and financial sector disruption (74%, 74; 65–83 CI) all show significant macroeconomic and governance-related consequences, such as price swings, institutional structure weakening, and financial market disruptions.

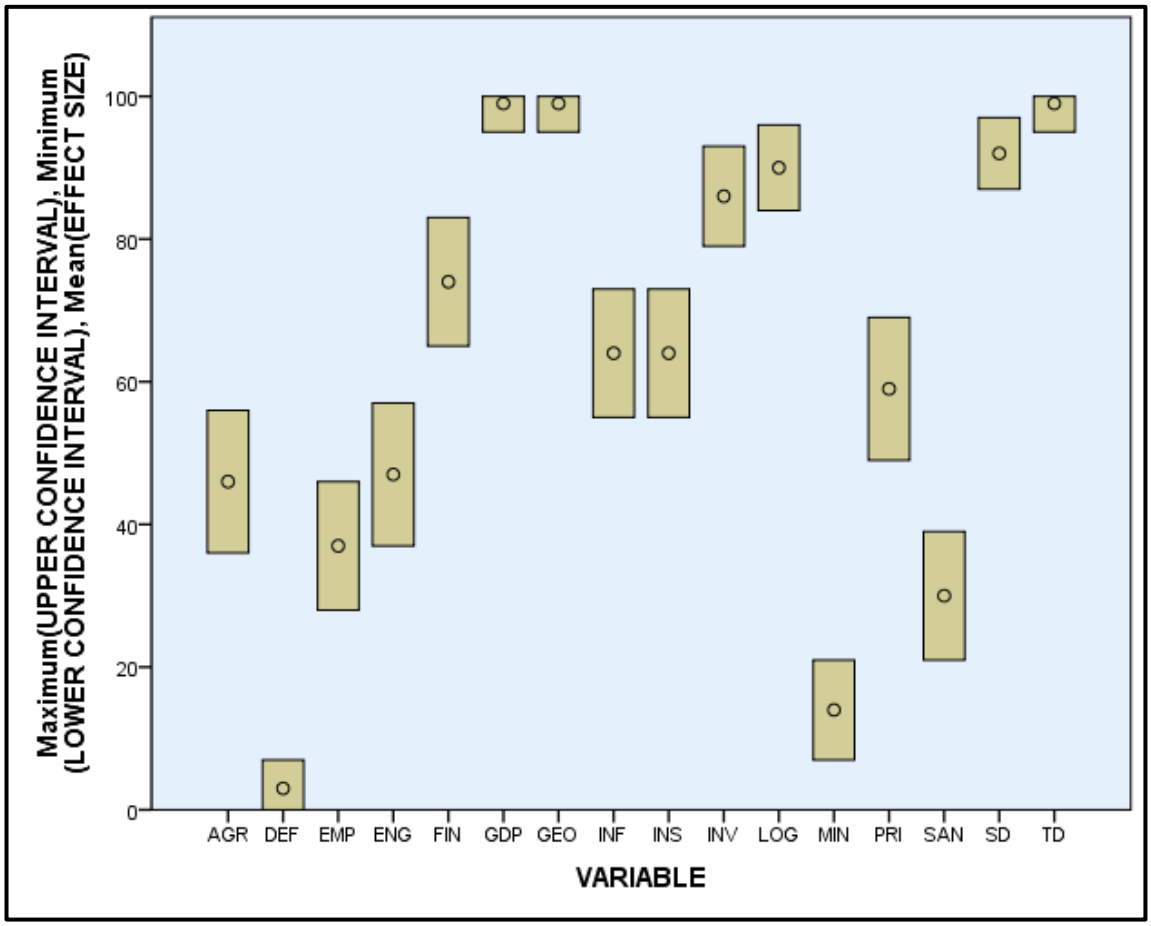
Moderately reported effects on employment (37%, 37; 28–46 CI), energy (47%, 47; 37–57 CI), and agricultural (46%, 46; 36–56 CI) indicate that results vary by sector and context. Sanctions (30%, 30; 21–39 CI), the mineral sector (14%, 14; 7–21 CI) and the defence sector (3%, 3; 0–7 CI) all have lower effect sizes, suggesting that they are less frequently discussed in the literature and have a secondary economic influence.

The economic and logistical aspects of geopolitical conflicts trade, GDP, geopolitical stability, investment, supply chains, and logistics are the most thoroughly documented and statistically sound outcomes, according to the meta-analytic evidence. These factors' centrality and dependability as core impacts are highlighted by their high frequency, extremely high effect sizes, and narrow confidence intervals. Even if they are less reliable, secondary effects including inflation, financial and institutional disruptions, and sector-specific effects are nonetheless crucial for comprehending



the wider operational, social, and economic ramifications of conflicts. In order to lessen the complex effects of geopolitical conflicts, policymakers, companies, and international organizations must prioritize economic stability, supply chain resilience, investment protection, and logistical continuity. They must also keep an eye on other macroeconomic and sectoral vulnerabilities.

CHART NO 1 - META-ANALYSIS FOREST PLOT SHOWING EFFECT SIZES WITH LOWER AND UPPER CONFIDENCE INTERVALS ACROSS VARIABLES



The graph presents the effect size along with lower and upper confidence intervals for each variable included in the meta-analysis. With very narrow confidence ranges (95–100), it is evident that Trade Disruption (TD), GDP Impact (GDP), and Geopolitical Impact (GEO) have the largest effect sizes (99), showing very strong and consistent evidence across studies. Geopolitical conflicts significantly disrupt trade flows, transportation systems, investment activities, and overall economic performance, as demonstrated by Supply Chain Disruption (SD), Logistics Impact (LOG) and Investment Impact (INV), which also show very high effect sizes with relatively tight confidence intervals.

High but relatively moderate effect sizes with significantly broader confidence intervals are displayed by variables like Finance (FIN), Inflation (INF), Institutional Impact (INS) and Price Impact (PRI), indicating significant but somewhat varying affects across various settings and regions. Conversely, industries including Energy (ENG), Agriculture (AGR), Employment (EMP), and Sanctions (SAN) show intermediate effects, suggesting that although conflicts have an impact on these sectors, the degree of that impact varies according on the scope and location of the conflict. Lastly, the industries with the lowest effect sizes are mining (MIN) and defense (DEF), which reflects the lack of concentration in research with an economic focus. Overall, the graph shows that broad macroeconomic and trade-related disruptions are the main result of geopolitical wars, with sector-specific effects differing in strength and consistency.

CORRELATION ANALYSIS OF CONFLICT-INDUCED ECONOMIC AND SECTORAL IMPACTS

H_{02}: There is no significant relationship between conflict-induced economic impacts and sectoral impacts in the context of geopolitical conflicts.



TABLE NO 3 SHOWING CORRELATION MATRIX SUMMARY OF CONFLICT-INDUCED ECONOMIC AND SECTORAL IMPACTS

Variable 1	Variable 2	Correlation (r)	Significance	Strength	Interpretation
Trade Disruption	Supply Chain Disruption	0.341**	0.001	Moderate Positive	Trade disruption strongly affects supply chains
Trade Disruption	Logistics Sector Impact	0.302**	0.002	Moderate Positive	Trade disruption increases logistics sector impact
Trade Disruption	Mineral Sector Impact	-0.249*	0.012	Weak Negative	Mineral sector disruption differs from trade pattern
Supply Chain Disruption	Price Impact	0.204*	0.042	Weak Positive	Supply disruption increases prices
Supply Chain Disruption	Energy Sector Impact	0.278**	0.005	Moderate Positive	Energy sector heavily affected by supply chain disruption
Supply Chain Disruption	Agriculture Sector Impact	0.272**	0.006	Moderate Positive	Agriculture depends on supply chain stability
Supply Chain Disruption	Logistics Sector Impact	0.270**	0.007	Moderate Positive	Logistics sector directly linked to supply chain disruption
Inflation Impact	Price Impact	0.434**	0.000	Strong Positive	Inflation significantly increases prices
Inflation Impact	Energy Sector Impact	0.456**	0.000	Strong Positive	Energy sector strongly drives inflation
Inflation Impact	Finance Sector Impact	0.363**	0.000	Moderate Positive	Inflation affects financial markets
Institutional Impact	Price Impact	-0.286**	0.004	Moderate Negative	Institutional instability affects price control
Institutional Impact	Energy Sector Impact	-0.337**	0.001	Moderate Negative	Weak institutions worsen energy instability
Investment Impact	Energy Sector Impact	0.322**	0.001	Moderate Positive	Energy attracts investment shifts during conflict
Investment Impact	Finance Sector Impact	0.484**	0.000	Strong Positive	Investment highly connected to financial sector
Sanctions Impact	Energy Sector Impact	0.302**	0.002	Moderate Positive	Sanctions significantly affect energy markets
Sanctions Impact	Finance Sector Impact	0.338**	0.001	Moderate Positive	Sanctions disrupt financial systems
Price Impact	Energy Sector Impact	0.541**	0.000	Strong Positive	Energy sector is major determinant of prices
Price Impact	Agriculture Sector Impact	0.280**	0.005	Moderate Positive	Price rise affects agriculture sector
Energy Sector Impact	Finance Sector Impact	0.467**	0.000	Strong Positive	Energy instability affects financial sector
Energy Sector Impact	Agriculture Sector Impact	0.297**	0.003	Moderate Positive	Energy impacts agriculture production
Mineral Sector Impact	Finance Sector Impact	-0.352**	0.000	Moderate Negative	Mineral conflict affects financial stability differently
Mineral Sector Impact	Logistics Sector Impact	-0.346**	0.000	Moderate Negative	Mineral conflicts alter logistics patterns
Agriculture Sector Impact	Logistics Sector Impact	0.241*	0.016	Weak Positive	Agriculture depends on logistics



GDP Impact	Logistics Sector Impact	0.302**	0.002	Moderate Positive	Logistics plays key role in GDP impact

Source: Secondary Data

A number of notable linkages are revealed by the correlation matrix of conflict-induced economic and sectoral impacts, illustrating the ways in which various economic and sectoral variables interact during geopolitical wars. Trade disruption has a somewhat positive correlation with supply chain disruption ($r = 0.341$, $p < 0.01$) and the impact on the logistics sector ($r = 0.302$, $p < 0.01$), suggesting that supply chain inefficiencies and operational stress in logistics are directly caused by trade interruptions. It's interesting to note that there is a weak negative correlation between trade disruption and the impact of the mineral sector ($r = -0.249$, $p < 0.05$). This suggests that disruptions in the mineral sector may happen independently of more general trade patterns, maybe as a result of resource-specific issues or regional wars.

The energy sector impact ($r = 0.278$, $p < 0.01$), agriculture sector impact ($r = 0.272$, $p < 0.01$), and logistics sector impact ($r = 0.270$, $p < 0.01$) are all moderately positively correlated with supply chain disruption, indicating the crucial reliance of energy production, agricultural output, and logistics operations on stable supply chains. Additionally, it has a marginally positive correlation with price impact ($r = 0.204$, $p < 0.05$), indicating that supply instability may cause modest price increases for goods and services.

Rising inflation during wars is strongly correlated with price impact ($r = 0.434$, $p < 0.01$) and energy sector impact ($r = 0.456$, $p < 0.01$). It is rather favourably correlated with the impact on the financial sector ($r = 0.363$, $p < 0.01$), suggesting that banking and financial systems are affected by inflationary pressures. On the other hand, institutional impact exhibits moderately negative correlations with price impact ($r = -0.286$, $p < 0.01$) and energy sector impact ($r = -0.337$, $p < 0.01$), indicating that while weak institutional stability may paradoxically moderate price control in some situations, it exacerbates energy instability.

Investment decisions during conflicts are strongly correlated with financial market performance and energy sector conditions, as evidenced by the strong positive correlation between investment impact and financial sector impact ($r = 0.484$, $p < 0.01$) and the moderate positive correlation with energy sector impact ($r = 0.322$, $p < 0.01$). Sanctions have a relatively positive correlation with the banking sector ($r = 0.338$, $p < 0.01$) and the oil sector ($r = 0.302$, $p < 0.01$), indicating that they directly impact important economic sectors.

Price impact is moderately positively correlated with agriculture sector impact ($r = 0.280$, $p < 0.01$) and strongly positively correlated with energy sector impact ($r = 0.541$, $p < 0.01$), suggesting that price fluctuations are largely driven by energy market instability, which in turn affects food and agricultural commodities. The energy sector plays a crucial role in connecting various economic components during conflicts, as seen by its substantial correlation with the banking sector ($r = 0.467$, $p < 0.01$) and moderate correlation with agricultural ($r = 0.297$, $p < 0.01$).

The impact of the mineral sector exhibits moderately negative associations with the financial ($r = -0.352$, $p < 0.01$) and logistical ($r = -0.346$, $p < 0.01$) sectors, suggesting that, in contrast to more general sectoral disturbances, interruptions in mineral resources may have a different pattern of economic repercussions. Furthermore, there is a moderately positive correlation between GDP impact and logistics sector impact ($r = 0.302$, $p < 0.01$) and a weakly positive correlation between agriculture sector impact and logistics sector impact ($r = 0.241$, $p < 0.05$). These findings demonstrate the crucial role that logistics plays in supporting both agricultural productivity and overall economic output.

The correlation matrix emphasizes how commerce, supply chains, and the energy sector play key roles in economic disruptions brought on by conflict, which have a domino effect on prices, investment, financial stability, and agriculture. The statistics show that stability in trade, logistics, and energy networks is essential for reducing the wider economic effects of geopolitical conflicts, even when some industries, like minerals, show clear trends. During times of conflict, this integrated understanding offers a clear path for prioritizing interventions to improve resilience in the most vulnerable and interconnected sectors.

FINDINGS AND SUGGESTIONS

The study shows that geopolitical conflicts have a strong and wide-ranging impact on the global economy, affecting almost every major area of economic activity. The most serious effects are seen in trade disruption, GDP decline and geopolitical instability, which consistently emerge across studies as the main consequences of conflict. These disruptions do not remain limited to one area; they quickly extend into supply chains, logistics systems and investment flows, making global trade and business activity more difficult and unstable. Along with this, inflation, price instability, financial stress and weakening institutions add further pressure on economies, though the level of impact varies across regions and



situations. The effects are also uneven across sectors. Employment, energy and agriculture face moderate disruption, while defence, minerals, and sanctions show comparatively lower and less consistent impacts. The findings indicate a clear ripple effect, where disruption in one area, especially trade, spreads to other parts of the economy, with the energy sector playing a key role in influencing prices, investment patterns and agricultural output. At the same time, the distribution of benefits across sectors is uneven, with economy and trade performing relatively better, while energy and agriculture remain more affected. Based on these findings, the study suggests the need to strengthen economic resilience by diversifying supply chains, reducing dependence on a few regions, and improving regional trade cooperation. Logistics systems can be strengthened through better infrastructure, digital tracking, and contingency planning to reduce disruption during crises. Energy security should be prioritised through investment in renewable energy, strategic reserves, and reduced reliance on unstable regions, as energy influences multiple sectors. Inflation can be managed through effective policy measures and close monitoring of energy prices, while financial systems require stronger regulation and protection for investors. Support for vulnerable sectors such as agriculture and employment is important through subsidies and safety measures, while institutional systems need greater transparency and faster crisis response. Therefore, stronger international cooperation and continuous monitoring of economic conditions can help reduce the impact of geopolitical conflicts and improve global stability.

CONCLUSION

The current meta-analysis offers a thorough and statistically supported understanding of the sectoral and economic effects of geopolitical wars, demonstrating unequivocally that these conflicts cause profound, extensive, and interrelated disruptions in the world economy. The results clearly show that the most prominent and frequently noted effects are trade disruption, GDP impact, and geopolitical instability, emphasizing how conflicts impede international trade, slow economic growth, and produce long-term political and economic instability.

Due to the great degree of interconnection in the global economy as a whole, where even regional conflicts can have global repercussions, these consequences propagate through important transmission channels such supply chain failures, logistical disruptions, and decreased investment flows. Furthermore, by lowering consumer welfare, undermining investor confidence, and diminishing the efficacy of policies, secondary impacts including price increases, price swings, financial instability, and deteriorating institutions worsen economic stress.

This integrated structure is further supported by the correlation analysis, which demonstrates that supply chain and logistics problems are strongly associated with trade disruptions, and that the energy sector is crucial in spreading shocks across inflation, pricing, finance, and agriculture. Additionally, sectoral research finds unequal effects, with commerce and the economy exhibiting comparatively greater results while power and agriculture continue to be more vulnerable, and administration disparities reflecting regional variances in institutional strength.

The study comes to the conclusion that geopolitical conflicts have long-lasting and cascading economic impacts on a variety of sectors, so policymakers and international organizations must enhance supply chain resilience, guarantee security of energy, stabilize monetary systems, and improve institutional capacity. In the end, the results highlight how crucial it is to manage geopolitical risk in order to preserve long-term sustainability and global economic stability in an increasingly interconnected world. In the end, the results highlight how crucial it is to manage geopolitical risk in order to preserve long-term sustainability and global economic stability in an increasingly linked world.

SCOPE FOR FUTURE RESEARCH

In order to determine if the observed trends hold true in other global situations, future research can expand on this work by looking at a wider range of geopolitical disputes across various areas and eras. Understanding variations in economic resilience, vulnerability, and recovery processes might also benefit from comparative research across established and emerging nations. More thorough sector-specific research might be done, especially in understudied fields including emerging technologies, digital trade, defence and minerals, which were underrepresented in the current study. Furthermore, the contextual and practical aspects of geopolitical conflicts can be more successfully captured by integrating quantitative methods with qualitative case studies.

In order to anticipate possible economic disruptions and assist policymakers with early warning systems, future research may potentially include sophisticated forecasting methods, such as machine learning models. Examining how international organizations and policy frameworks may lessen economic shocks brought on by war is another crucial field of study, especially when it comes to boosting supply chain stability and guaranteeing energy security. Last but not



least, long-term research monitoring post-conflict recovery trends over time would offer insightful information on how economies recover, stabilize, and adjust following times of geopolitical unrest.

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TABLES AND CHART

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