
Editorial: Impact of the Russian–Ukrainian war on small and medium-sized enterprises in China and the economies of East and Southeast Asia

Journal of
Chinese
Economic and
Foreign Trade
Studies

135

This special issue explores the impact of the Russia–Ukraine conflict on international financial markets, corporate behaviour and regional stock performance. Using diverse methodologies across three interrelated studies, the issue highlights how geopolitical instability reshapes economic decision-making at both macroeconomic and microeconomic levels.

The first paper uses panel data to examine the effect of oil price fluctuations on stock markets in oil-importing and oil-exporting countries between 2017 and 2023. The findings reveal that oil prices negatively affect stock market performance in both groups. Notably, for exporting countries, this effect was significant before the conflict, while for importing countries, the significant impact emerged during the conflict.

The second study presents a systematic literature review of corporate cash holdings (CCH) during wartime from 1984 to 2024. Drawing on 47 studies, it identifies six thematic clusters, including the relationship between CCH and firm performance, cash-holding motives and responses to geopolitical shocks. The results show that firms adopt precautionary cash strategies during crises, influenced by interest rates, inflation and geopolitical risk. Geographic diversification emerges as a critical strategy to mitigate financial stress.

The third paper applies an event study methodology to assess the stock market reaction of small and medium-sized enterprises in Southeast Asian countries, including China. Despite overall negative effects, the study finds limited statistical significance, largely attributed to proactive government interventions such as subsidies, price controls and strategic stockpiling. The research underscores the importance of geographic proximity and bilateral trade exposure in shaping conflict-induced market disruptions.

Together, these contributions offer timely insights into financial resilience and adaptive strategies during geopolitical crises. They emphasise the need for responsive policy frameworks and diversified risk management approaches in an increasingly interconnected global economy.

We encourage readers to critically engage with the research presented in this issue. The studies highlight the urgent need for adaptive financial strategies, robust risk management and forward-looking policy responses. How can firms and policymakers better prepare for future geopolitical shocks? What mechanisms can enhance financial stability in uncertain times? We invite scholars and practitioners alike to consider these questions and contribute to the evolving conversation on resilience in global finance.

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Journal of Chinese Economic and
Foreign Trade Studies
Vol. 18 No. 2, 2025
p. 135
© Emerald Publishing Limited
1754-4408
DOI 10.1108/JCEFTS-07-2025-095

This paper forms part of a special section “Impact of the Russian-Ukrainian war on small and medium-sized enterprises in China and the economies of East and Southeast Asia”, guest edited by Kenneth Crossan.