



# Israel-Hamas War's human cost is primary, but geopolitical risk to economy persists

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(Radio transcript)

President Joe Biden is making a trip to Israel on Wednesday, intending to show U.S. support for Israel and keep the Israel-Hamas War from spreading.

Of course, concern about the economic effects of the conflict take a backseat to the human tragedy and loss of life on both sides. But there are also geopolitical risks to the global economy.

There are lots of ways the Israel-Hamas War could play out. The worst-case scenario? Direct conflict between Israel and Iran. "The geopolitical pot is just boiling," said **Bernard Baumohl, chief global economist at The Economic Outlook Group.**

If the conflict widened to include Syria and Iran, he said that global economic growth could decline next year by as much as 1% and "that the global economy would really be on a tight rope over the possibility of a recession."

A wider conflict could send oil prices up to \$120 a barrel, **Baumohl** added. Other, lesser known commodities could also be affected.

"Maybe you remember bromine from your high school chemistry class," said Jesse Colvin, an analyst at Height Capital Markets. "It's a key chemical

component in electronics, including the manufacturing of semiconductor chips.”

Colvin noted that 74% of the world’s bromine supply is produced in the Dead Sea, and Israel’s bromine exports could be jeopardized if rockets hit Israeli ports.