

# Middle East conflict scenarios

Potential fallout of a widening Israel-Hamas conflict could result in a spike in oil prices pushing the global economy – battered by inflation, pandemic and war in Ukraine – into recession

## SCENARIO 1

### ■ Confined conflict:

Confined to Gaza Strip and Israel. Similar to 50-day war of 2014 which cost 2,139 Palestinian lives and those of 71 Israelis

**Economic impact on global economy is limited. During conflict, Brent crude oil falls from \$111.80 per barrel to \$101.61**



## SCENARIO 2

**■ Proxy war:** Conflict involving Iran-backed militant groups in Lebanon, Syria, Iraq and Yemen. Lebanon War of 2006 cost estimated 120 Israeli lives and more than 1,000 Hezbollah lives

**During conflict, oil prices rise by \$5 to \$73.67 per barrel, global inflation rises to 5.6% and global growth is cut by 2.4%**



## SCENARIO 3

### ■ Full scale war:

Direct conflict between Israel and Iran would imperil safety and livelihoods of millions of people across region – and all over world

**Oil could hit \$150, pushing global inflation to 6.7%. Growth likely to drop to 1.7%, causing recession, wiping \$1 trillion off world economy**

