

Escalation of Syria war sends economic and strategic shockwaves across region

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The prospect of a US-led military onslaught on Syria, supported by its British and French imperialist allies, is already causing economic and geopolitical fallout across the region and beyond. Washington's reckless escalation of the Syria war, threatens to provoke a military conflagration with Iran and Russia, the world's second largest nuclear power.

Russian, Iranian, and Turkish economies roiled by war danger

Following Washington's announcement last Friday of new sanctions on Russia, the rouble declined sharply in trading earlier this week. Russia's RTS stock index slid 11.4 percent on Monday, its largest decline in over four years. The country's top 50 oligarchs lost over \$12 billion on the day.

While Russian Prime Minister Dmitri Medvedev claimed Thursday that the economic turmoil was "generally" under control, the situation remains highly volatile. US President Donald Trump's provocative tweet Wednesday that the US would soon launch missiles at Syria sent the rouble tumbling, an indication that the economic impact on Russia of military action in Syria will be considerable.

In Turkey, the lira hit an all-time low Wednesday as President Recep Tayyip Erdogan accused unnamed actors of attacking the country's economy. "There are games being played on our economy ... We have thwarted them and will continue to thwart them. I call to those attacking our economy: You will not succeed," he declared in Ankara.

An eruption of wider war could rapidly engulf Turkey, whose troops have been conducting a brutal offensive in northern Syria since January against the Kurdish People's Protection Units.

The Iranian currency is in free fall. The rial had already declined steadily over recent months as Iranians exchanged their currency holdings for dollars, fearing the demise of the nuclear accord with the US and European powers. But the

pace picked up over the past week, with the rial falling 8 percent in a day.

On Monday, Iran's government imposed a new exchange rate of 42,000 rial to the dollar and prohibited Iranians from holding more than €10,000 worth of currency outside the country's banking system. Traders who continue to sell the rial at a cheaper rate will be prosecuted, and individuals violating the €10,000 rule face the threat of smuggling charges.

An Iranian banker told the *Financial Times* the currency devaluation would have serious economic consequences, adding: "The currency market fluctuations will have a domino effect, pushing up inflation and damaging domestic production and job opportunities."

Israel readies for regional war

Israel has vowed to launch a devastating military operation in Syria should Iran retaliate to the killing of at least seven of its military personnel in an air strike likely carried out by Tel Aviv on a Syrian air base Monday.

US, Syrian, Russian and Iranian sources reported that the strike, which hit the Syrian T4 air base near Palmyra, was conducted by Israeli F-15 jets from Lebanon. They also noted that, unlike previous Israeli strikes in Syria, including a February attack on the T4 base, Tel Aviv did not inform Moscow in advance. Israeli officials refused to confirm or deny launching the air strike.

"Assad's regime and Assad himself will disappear from the map and the world if the Iranians do try to harm Israel or its interests from Syrian territory," senior Israeli defence officials were cited as saying by the *Jerusalem Post*.

These remarks come just weeks after the Israeli army carried out major exercises simulating an intervention into Syria under conditions in which Russia tries to block Israeli operations. The exercises included a scenario where fighting

with Hezbollah broke out in Lebanon alongside the conflict in Syria, before spreading to the Gaza Strip.

As these war games were under way, the Israeli military carried out a joint air defence exercise, known as “Juniper Cobra,” with the US to simulate a missile attack on Israel. “There’s a message here to all the players in the region, and also to guests in the region, that our relationship with the United States is not just strategic, but operative in real time,” a senior officer told *Haaretz* .

At his government’s weekly cabinet meeting Wednesday, Israeli Prime Minister Benjamin Netanyahu instructed ministers not to discuss security matters publicly due to the “sensitive reality” in the region. Netanyahu held talks with top defence officials Wednesday, and the Israeli Army remains on high alert in the north.

Tensions rise in the Gulf

Saudi Arabia reported Wednesday that it downed three missiles fired at its cities by Houthi rebels in Yemen. The Yemen war, which is now in its fourth year, has seen Riyadh, backed with weapons and logistics by the US, Britain and Canada, wage an onslaught on the civilian population, killing over 10,000. The Saudis accuse the Houthis of receiving support from Tehran as part of Iranian efforts to contain Saudi influence in the region.

Riyadh is involved in the discussions for, and could well take part in, military action in Syria. Jaish al-Islam, the Islamist militia that controlled the city of Douma when the allegations about the use of chemical weapons were made last Saturday, has been one of the main recipients of Saudi aid among the so-called Syrian opposition groups.

Following a visit to the US earlier this month, Saudi Crown Prince Mohammed bin Salman continued his tour of Riyadh’s imperialist allies with a stop in Paris this week for talks with French President Emmanuel Macron. At a joint press conference, Macron declared that he and bin Salman agreed on the need to respond to the alleged chemical weapons attack in Douma and to reduce Iranian ballistic missile activity in the region. Bin Salman confirmed that Riyadh may join strikes on Damascus.

Riyadh is ratcheting up tensions with Qatar, which has faced a blockade by Saudi Arabia since last June due to Doha’s ties with Iran. Riyadh announced plans April 5 to build a military base and nuclear waste dump on the Saudi-Qatari border. The plan involves digging a 60 kilometre-long canal, which would turn the peninsula of Qatar into an island.

Turkey and Greece in military clash

A Greek fighter pilot was killed Thursday after his jet crashed into the Aegean Sea during a mission to intercept Turkish aircraft that, according to Athens, violated Greek airspace. Ankara denied that any of its planes were in the area Thursday.

Greek interceptions of Turkish aircraft have risen sharply over recent weeks. On Monday, Greek forces opened fire on a Turkish helicopter that allegedly strayed into Greek airspace with its lights off. Athens and Ankara have a territorial dispute over two islets in the Aegean, known as Imia in Greece and Kardak in Turkey. The dispute took the two countries to the brink of war in 1996.

Tensions between the two countries were heightened when the Greek Supreme Court refused to extradite eight Turkish soldiers who fled following the failed July 2016 coup against Erdogan. Turkey retaliated by refusing to return two Greek soldiers captured in Turkish territory last month. While Ankara accuses them of being spies, Athens claims they strayed over the border in bad weather.

European air traffic control agency issues war alert to pilots

Eurocontrol, the European Union’s air traffic control agency, issued a warning to all pilots Wednesday to exercise caution in the Eastern Mediterranean over the next 72 hours due to potential missile launches. According to Eurocontrol, the use of air-to-ground and cruise missiles could result in the temporary disruption of radio communications.

The alert went on to warn pilots to be prepared for specific NOTAMs (Notices to Airmen) concerning flight risks or obstacles that could arise.



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