



Container ships in the Red Sea

Rising Regional Tensions Frighten Iranians And Disrupt Markets

Thursday, 01/18/2024

Iran International Newsroom

Mideast Crisis Economy & Environment Iran

Escalating regional tensions and Tehran's missile attacks on neighboring countries have instilled fear of war among Iranians and rattled the financial markets.

Iranian missile attacks on the Kurdish region of Iraq, along with similar strikes on targets in Syria and Pakistan, have heightened concerns among Iranians that a war may erupt involving Iran at any moment.

While some Iranian pundits have suggested the possibility of a war between Iran and the United States within the next two years, other observers argue that such a scenario is unlikely unless there are exceptional circumstances. Meanwhile, the US Secretary of State Antony Blinken, has labeled Iran as the most significant regional security threat, coupled with Iranian proxy groups' daily attacks on commercial shipping in the Red Sea and Iran launching missile strikes on three countries in less than a day.

The Iranian currency, rial, has fell to its eight-month low against the US dollar this week, trading at 540,000 per dollar.

Pro-reform daily **Setareh Sobh [Morning Star] on Wednesday** directly linked the turmoil in the rising dollar exchange rate and the price of gold in Tehran to the prevailing geopolitical tensions.

According to the daily, diplomacy could be the only way to control the markets in Iran. However, with a war raging on in the region, and Iran playing a major part in the conflict, leaves little chance for diplomacy. In the meantime, the Iranian government has proven during the past three years that it is absolutely incapable of influencing the markets.

Meanwhile, Iranian economist Hossein Raghfar told Fararu website that the most vulnerable segments of the Iranian society are suffering more under the pressure of rising inflation. Prices of foodstuff have been rising exponentially during the past months.



Iranian economist Hossein Raghfar

The government's spokesman has acknowledged that the surge in prices is a direct result of military developments in the region. He pointed out that the US and its allies' airstrikes on the Houthis in Yemen have generated a feeling of insecurity in Iran, contributing to an overall atmosphere of instability. Nevertheless, Iranian Minister of Economy Ehsan Khandouzi asserted that the government is making every effort to manage the "price fluctuations."

Mohammad Kashtiarai, the Chairman of the Iranian Goldsmiths Trade Union has also told Khabar Online that the rising price of gold in Iran is the outcome of political developments in the region.

This sense of instability comes after years of a longer trend of uncertainty for Iranians, who no longer see a decent future for themselves and their children.

The sense of instability and insecurity is also reflected in [a report by the presidential Office's Strategic Studies Center](#) that painted an alarming picture of hopelessness among Iranians that leads to a flood of emigration. Former government spokesman Ali Rabiei has agreed with the report, highlighting that the main reason for the emigration of educated and skilled Iranians is the government's poor performance that has left no hope regarding the future of the country.

Rabiei wrote: "The report indicates that the underlying factors driving migration from Iran are not primarily economic or related to issues such as unemployment. The central issue is the lack of a clear vision for the country's future provided by the government." He further commented, "Today, immigration differs from the past. For example, when an Iranian chooses to move to Germany, it's not for political aspirations or business prospects. They are leaving solely because they no longer wish to reside in Iran. This is profoundly concerning."

Rabiei also warned that "Iran is the world's number one country in terms of wasting its human resources. He pointed out that the inclination to migrate among educated Iranians has risen from 23 percent in 2014 to 46 percent in 2021."

More News

Iran-Backed Militants Claim Rocket Attacks On US Base In Syria

US, UK Sanctions Tighten Grip On Iran's Proxies