



Written by [Raven Clabough](#) on November 9, 2011

## Possible Israeli Attack on Iran Could Steeply Raise Oil Prices

While the global powers are speculating over the possibility of an Israeli military strike against Iran, many analysts are saying that such an endeavor would steeply raise the price of oil. As a preemptive attack by Israel — on its own — seems increasingly more likely, oil has already increased \$1.17 a barrel to \$115.73, the highest price in the last two months.



An attack on Iran would likely increase the cost of oil even more dramatically, however. In 2006, when Israel and the United States began to take issue with Iran's nuclear program, Iran responded by dispatching its Revolutionary Guards to deploy mines in the Strait of Hormuz (left), through which one-third of the world's oil passes.

One defector of the IRG explained, "The plan is to stop trade." Political blogger Kurt Nimmo reports:

The deployment was mentioned in a plan produced by the Strategic Studies Center of the Iranian Navy in 2005. It also called for a single operational headquarters integrated with Revolutionary Guards missile units, strike aircraft, surface and underwater naval vessels, Chinese-supplied C-801 and C-802 anti-shiping missiles, mines, and coastal artillery, according to the intelligence office of the Ministry of Defense in Iran.

According to the Revolutionary Guard defector, Iran has "more than 100 targets, including Saudi oil production and oil export centers. They have more than 45 to 50 Shahab-3 and Shahab-4 missiles ready for shooting" against those targets and against Israel.

A number of military experts produced a report earlier this month entitled "Ensuring America's Freedom of Movement: A National Security Imperative to Reduce U.S. Oil Dependence," which states that a "sustained disruption of oil would be devastating — crippling our very freedom of movement."

Similarly, the *National Defense Magazine* [asserts](#), "Under a worst-case scenario 30 day closure of the Strait of Hormuz, the analysis finds that the U.S. would lose nearly \$75 billion in GDP."

The CIA's Hamid Reza Zakeri has dismissed the Iranian defector as a fabricator; however, he indicates that Iran, if pushed, will use biological and nuclear weapons.

The Israelis are evidently preparing for such an occasion. Reuters reports, "Israel staged a mass drill on Thursday, simulating a missile attack in the center of the country at a time of intense speculation that the Jewish state could launch strikes on Iran."

If Iran is attacked, the Rapidan Group predicts that oil prices will skyrocket to \$175 a barrel. A survey conducted by oil industry experts showed that oil prices would increase by an average of 23 percent



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just hours after an attack on Iran.

The UPI's Arnaud de Borchgrave [contends](#) it would go much higher. "One bomb on Iran and oil prices could shoot up to \$300 or even \$500 a barrel," he stated, adding, "The Strait of Hormuz, between Oman and Iran, is the world's most important oil chokepoint with a daily oil flow of 16 million barrels, roughly 33 percent of all seaborne traded oil, or 17 percent of oil traded worldwide."

Iran's official news outlet, FARS News Agency, [writes](#):

While many experts in the market believe that a war on Iran would send oil prices soaring high between, at least, \$200 and \$300 for each barrel, the most optimistic analysis of the impact on oil markets of an Israeli attack on Iran and the subsequent closure of the Strait of Hormuz said oil prices could spike by as much as \$175/bbl.

The United States and NATO are reportedly "backing away" from a conflict with Iran. A private conversation between President Obama and French President Nicolas Sarkozy revealed as much when the two men did not realize the microphones were still on. "I cannot bear Netanyahu. He's a liar," said Sarkozy. Obama responded, "You're fed up with him, but I have to deal with him every day!"

The newly released International Atomic Energy Agency report indicates that Iran is allegedly pursuing nuclear weapons. UPI [writes](#):

[The document] provided the strongest evidence yet that Iran is close to developing nuclear weapons, including clandestine procurement of equipment and design information needed to make nuclear arms, high explosives testing and detonator development to set off a nuclear charge, computer modeling of a core of a nuclear warhead, and preparatory work for a nuclear weapons test — powerful evidence that refutes the regime's specious claims that its nuclear program is peaceful.

President Sarkozy has already commented that if the IAEA report indicates that Iran is in fact building atomic weapons capabilities, France would support stricter UN sanctions; however, he has stated that he would do all he could to stop military action.

But the United States has backed away from stronger sanctions, reports DebkaFile, for fear that "severe penalties against Iran's central bank and its fuel exports would exacerbate the turmoil on international financial markets."

China and Russia have also voiced opposition to an attack on Iran, leaving the possibility that Israel may launch military action on its [own](#).

[Not everyone](#) is convinced that Israel will have to go it alone. According to Michel Chossundovsky of Global Research, "Washington is in the process of concocting a new string of lies pertaining to Iran's nuclear program with a view to justifying the implementation of punitive bombings." He contends that the United States has a history of engaging in such behavior, and points to an alleged [fabrication](#) of computer documents years ago which was used to enforce stricter resolutions against Iran.

Meanwhile, Iran has threatened to [launch](#) a "street war" if attacked. Seyed Hossein Naqavi, head of the Iranian Parliament's National Security and Foreign Policy, declared:

Israel is not big enough to launch a military strike on Iran, but if it takes such a foolish decision, the Iranian military will fight with the Zionist soldiers in Tel Aviv streets ... and will force them out of the Palestinian soil.



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Naqavi also emphasized that the “street war” would not be limited to Israel, but would cover the “entirety of Europe and the U.S.” as well.

*Photo: The Strait of Hormuz, a crucial 20-mile-wide sea link between the Persian Gulf oil-exporting nations and shipping lanes to oil-importing nations: AP Images*



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