

War in Gaza is testing Israel's economy. A 2nd front against Hezbollah could break it

Becky Sullivan / January 16, 2024

KATZRIN, the Golan Heights — The tours at the Golan Heights Winery used to take place daily, stopping by the fermentation tanks and the cellar where thousands of oak barrels are stacked 20 feet into the air.

[...]

Residents have fled the region by the tens of thousands. If they decide it will never be safe enough to return home, "it will affect the economy in these places in the long run in a way that could definitely be lethal," said **Tomer Fadlon, an economist at Tel Aviv University**.

Even if Israel achieves its military objectives in the south, an economic recovery in the north is far from guaranteed, Fadlon said. "So this war was not only about winning the war. It is also about gaining back the feeling that they can go home safe, run a business and run their life," he said.

[...]

"If we have a war with Hezbollah, given the arsenal that they have, they can paralyze the country for a month or longer," said Esteban Klor, a researcher at Hebrew University of Jerusalem who studies the intersection of terrorism and economics.

Hezbollah, the world's most heavily armed non-state actor, is far better equipped than Hamas, analysts say. It is estimated to have 130,000 or more rockets and missiles in its arsenal, some with a range that could allow the group to strike targets all across Israel.

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