The Economist: Donald Trump Presidency Just as Dangerous to World Economy as ‘Jihadi Terrorism’

The Economist’s Intelligence Unit released a Top 10 list of global events that would be detrimental to the world economy on Thursday, and among them was Donald Trump winning the U.S. presidency.

The specter of a Trump presidency ranked sixth on the list, tied with “jihadi terrorism” with an “intensity factor” of 12. The U.K. exiting the European Union was next on the list with an intensity factor of 8, while a Chinese “hard landing” topped the list with an intensity factor of 20.

Russia sparking a new Cold War, an emerging markets corporate debt crisis, fracturing of the “eurozone,” and a Greek exit from the EU also ranked higher on the list. They had intensity factors of 16 and 15.

“Thus far, Mr. Trump has given very few details of his policies—and these tend to be prone to constant revision—but a few themes have become apparent,” the report states. “First, he has been exceptionally hostile toward free trade, including notably NAFTA, and has repeatedly labelled China as a ‘currency manipulator.’

“He has also taken an exceptionally right-wing stance on the Middle East and jihadi terrorism, including, among other things, advocating the killing of families of terrorists and launching a land incursion into Syria to wipe out IS (and acquire its oil). In the event of a Trump victory, his hostile attitude to free trade, and alienation of Mexico and China in particular, could escalate rapidly into a trade war—and at the least scupper the Trans-Pacific Partnership between the U.S. and 11 other American and Asian states signed in February 2016.

“His militaristic tendencies towards the Middle East (and ban on all Muslim travel to the U.S.) would be a potent recruitment tool for jihadi groups, increasing their threat both within the region and beyond.

“Although we do not expect Mr. Trump to defeat his most likely Democratic contender, Hillary Clinton, there are risks to this forecast, especially in the event of a terrorist attack on U.S. soil or a sudden economic downturn. It is worth noting that the innate hostility within the Republican hierarchy towards Mr. Trump, combined with the inevitable virulent Democratic opposition, will see many of his more radical policies blocked in Congress—albeit such internal bickering will also undermine the coherence of domestic and foreign policymaking.”