

SITUATION OVERVIEW

New strikes hit diplomatic and energy sites; aviation disruption persists

Iranian drone and missile activity continued across the Gulf on 3 March, including reported drone strikes on the U.S. Embassy compound in Riyadh and renewed attempts to strike Hamad International Airport in Doha. Oman reported drone incidents at Duqm and in Dhofar, while UAE authorities said debris from a drone interception sparked a contained fire at the Fujairah Oil Industry Zone. QatarEnergy said it has halted LNG output and multiple downstream products after strikes at Ras Laffan, amplifying global gas, petrochemicals and metals disruption. A Honduran-flagged fuel tanker was reported ablaze in the Strait of Hormuz after a drone strike, reinforcing elevated maritime risk.

KEY DEVELOPMENTS

Security

Drone strikes reportedly hit the U.S. Embassy compound in Riyadh; Saudi authorities reported limited fire and minor damage; Qatar reported attempted strikes on Hamad International Airport.

Aviation

Rolling airspace closures continue across the Gulf; flight cancellations remain elevated and ad-hoc repatriation/charter movements are increasing;

Maritime

A fuel tanker was reported on fire in the Strait of Hormuz after a drone strike; risk of further vessel targeting remains high; Drone activity has expanded to ports and coastal energy infrastructure, raising risk to near-shore transits and anchorage areas.

Diplomatic / Political

Gulf states continue coordinating defensive posture; evacuation and shelter-in-place messaging.

RISK INDICATORS

Security Risk

- Expanded kinetic activity across GCC, Levant and Oman, including attempted strikes on major airports.
- Elevated risk of miscalculation and proxy spillover (Kuwait/Jordan exposure).

HIGH

Aviation Risk

- >11,000 cancellations; rolling airspace closures and re-openings.
- High diversion risk and significant stranded-passenger burden.

HIGH

Maritime Risk

- Hormuz traffic down ~80%; tanker/port incidents and drone-boat risk persist.
- EW/GPS spoofing and insurance constraints continue to disrupt navigation.

HIGH

Energy Risk

- Qatar LNG halt expanded to downstream products (chemicals, fertilisers, aluminium).
- High probability of continued price and freight-rate volatility.

CRITICAL

OPERATIONAL IMPACT

Aviation

- Over 11,000 flights cancelled regionally; hubs operating in intermittent windows.
- Qatar reports attempted attacks on Hamad; diversion and closure risk remains high.
- Overland movements from the UAE to Saudi Arabia and Oman for departures are increasing among expatriates.

Logistics & Supply Chain

- QatarEnergy halts downstream (urea, polymers, methanol, aluminium) after LNG shutdown; fertiliser, chemicals and metals supply tightening.
- War-risk insurance constraints and freight surcharges are driving cargo backlogs and rerouting; expect delivery delays and cost escalation.

Maritime

- EW/GPS spoofing continues; war-risk cover constrained, driving anchoring and route avoidance.
- War-risk insurance for the Gulf has been withdrawn by major underwriters, eliminating coverage for many commercial vessels and forcing carriers to seek safe anchorages rather than transit.

Energy Markets

- Qatar LNG halt plus downstream stoppages broadening supply shock; European gas and freight remain highly sensitive.
- Market volatility persists across oil, gas and metals amid infrastructure risk and disrupted shipping.

OUTLOOK (NEXT 72–96 HOURS)

- Continued missile/UAV exchanges likely across GCC and Levant; infrastructure targeting risk elevated (ports, oil zones, airports).
- Hormuz disruption expected to persist; further tanker/port incidents and EW interference likely.
- Energy supply risk rising as Qatar downstream shutdown broadens impact beyond LNG; volatility likely to remain severe.
- Aviation operations likely to remain intermittent with rolling closures; stranded travellers and evacuation demand increasing.
- Expect elevated cyber/ICT and financial services disruption risk linked to cloud outages and information controls.

ADVISORY NOTE

Maintain heightened situational awareness as hostilities continue across multiple fronts. Avoid non-essential movement near airports, ports, energy facilities and military sites; expect intermittent airspace closures and long disruption to travel plans. Organisations with maritime exposure should reassess transits via Hormuz, follow UKMTO/naval guidance, and prepare for EW-related navigation issues and insurance constraints. Review business continuity plans for energy price shocks, supply chain delays and IT service outages.