

SITUATION OVERVIEW

Regional Conflict Escalates as Maritime and Energy Infrastructure Face Expanding Threats

Conflict across the Gulf continues to intensify as missile, drone and air strikes target energy infrastructure and military facilities across the region. Saudi air defences intercepted drones targeting the Shaybah oil field and an additional strike attempt on Saudi Aramco's Berri oil field on the kingdom's eastern coast. UAE air defence systems responded overnight to incoming Iranian missile and drone threats. Iran's Revolutionary Guard Corps also claimed responsibility for a drone strike against the Marshall Islands-flagged tanker *LOUIS P* while anchored at Jubail. Meanwhile, US and Israeli aircraft reportedly struck Iran's Kush Island in the Persian Gulf. Regional tensions are rising amid warnings that Iranian-aligned groups such as the Houthis may enter the conflict.

KEY DEVELOPMENTS

Security

- South Korea is deploying additional M-SAM-II missile interceptors to the UAE, reinforcing regional missile defence capacity; UAE air defence systems intercepted incoming Iranian drones and missiles overnight, confirming continued attacks toward Gulf territory.

Aviation

- Increased missile launches and air defence activity raise the risk of temporary airspace closures or aviation safety incidents.

Maritime

- Iran's Revolutionary Guard Corps claimed a drone strike against the Marshall Islands-flagged tanker *LOUIS P* while anchored at the Saudi port of Jubail.

Diplomatic/Political

- Qatar has reportedly ordered Iranian embassy staff to leave the country within one week.

RISK INDICATORS

Security Risk

- Iran's conditional pause toward Gulf neighbours remains unstable. Tehran has indicated it will suspend attacks unless neighbouring states participate in strikes against Iran, leaving escalation risk tied to how Gulf territory is used operationally.

HIGH

Aviation Risk

- IATA says Europe depends on the Arabian Gulf for roughly 25–30% of jet fuel supply, leaving airlines exposed even if routes are diverted around the region.
- Missile launches and air defence activity near major aviation corridors continues.

HIGH

Maritime Risk

- Support-vessel exposure is now a clear escalation factor. JMIC says attacks have extended into Omani territorial waters, and vessels assisting previously struck ships may face follow-on attack risk.

CRITICAL

Energy Risk

- Kuwait has cut crude production and refining throughput as a risk-management step, indicating disruption is moving from market fear into upstream decision-making.

CRITICAL

OPERATIONAL IMPACT

Aviation

- Major airlines including Lufthansa, British Airways, Cathay Pacific, Singapore Airlines and Qatar Airways have suspended or limited services to Gulf hubs while aircraft reroute around Iranian and Iraqi airspace, significantly increasing fuel burn and operating costs. Several carriers are now operating limited evacuation or repatriation flights only.

Logistics & Supply Chain

- Cargo backlogs are building at South Asian airports after Gulf airline cancellations removed critical air-freight capacity. Garments, electronics and other exports from Bangladesh and India are piling up as carriers including Emirates, Qatar Airways and Etihad suspended flights through Gulf hubs that normally handle a large share of Asia-Europe cargo traffic.

Maritime

- Shipping operations across the Gulf are fragmenting. MSC has introduced emergency fuel surcharges, while Maersk has suspended selected services, as insurers reassess war-risk coverage and vessels delay Gulf transits.
- Attacks on vessels and maritime infrastructure are expanding, with commercial ships anchored in Gulf ports now directly targeted.

Energy Markets

- Producers are beginning to adjust operations as risk rises, with Gulf states implementing precautionary measures and reviewing production continuity plans.
- The United States granted India a 30-day waiver to receive Russian crude already at sea, allowing stranded cargoes to be delivered in order to stabilise global oil supply during the Gulf disruption.

OUTLOOK (NEXT 72–96 HOURS)

- Aviation recovery is likely to remain partial and uneven, fuel supply vulnerability now matters almost as much as airspace access. Full restoration will remain difficult.
- Maritime conditions are likely to stay highly restrictive even without a formal legal closure of Hormuz. JMIC and MSCIO both indicate a practical halt to normal commercial movement, with continued congestion, spoofing and attack risk.
- Energy markets may tighten further if precautionary output cuts spread beyond Kuwait. Producers are facing storage and logistics pressure; Additional curtailments would move the crisis deeper into physical supply.
- Growing military deployments by the United States, the United Kingdom and regional partners suggest preparation for a prolonged operational phase rather than rapid de-escalation.

ADVISORY NOTE

Organisations operating across the Gulf should plan for a prolonged period of uneven disruption rather than a quick return to normal conditions. Aviation networks remain vulnerable to both route restrictions and jet-fuel supply stress, while maritime traffic through Hormuz continues to operate under extreme security and congestion constraints. Businesses with exposure to Gulf trade should prepare for delays, cargo diversion, higher freight and insurance costs, and continued volatility in fuel-linked inputs. Retail, manufacturing and energy-dependent operations should review inventory buffers, alternative sourcing and contingency transport options. For shipping and logistics teams, the operating assumption should remain that commercial routing decisions are being driven by security conditions rather than schedule efficiency. Maintain close coordination with carriers, insurers and regional authorities, and avoid relying on single-route planning through the Gulf.