DATE: 10 MAR 2026 | TIME: 04:00 UTC | REGION: Middle East & North Africa

SITUATION OVERVIEW

Turkish Airspace Incidents, Gulf Disruption and Market Volatility Deepen Regional War
The regional war widened further overnight as Turkey confirmed that a second Iranian ballistic missile entered its airspace and was intercepted by NATO defences, underlining the growing risk of spillover beyond the core battlefield. The incident near Gaziantep follows a similar interception last week and adds a new alliance dimension to the conflict. At the same time, aviation, maritime and trade disruption across the Gulf remains severe. Air cargo capacity has fallen sharply, vessel backlogs persist around the Strait of Hormuz, major carriers continue service suspensions, and war-risk insurance costs have surged even as oil prices eased this morning on hopes of de-escalation.

KEY DEVELOPMENTS

Security
• The Turkish interception raises the risk of broader NATO involvement if further spillover into alliance airspace continues. This is now the second such incident in less than a week.
Aviation
• EASA says the conflict creates a high risk to civil aviation across the affected airspace because of ballistic missiles, air-defence systems, interceptions, misidentification and spillover danger.
Maritime
• Maritime insurers have sharply raised war-risk pricing. Reuters reported that hull war-risk premiums rose to around 3% from about 0.25%, implying roughly $7.5M in premium for a $250M tanker.
Diplomatic/Political
• Trump's messaging is becoming a risk factor in itself: he has threatened to go further against Iran while simultaneously predicting a near-term end to the war.

RISK INDICATORS

Security Risk
• Iran's endurance-based approach suggests continued pressure on Gulf infrastructure and neighbouring states to impose economic and political costs, which keeps the risk of further strikes on civilian-adjacent assets elevated

HIGH

Aviation Risk
• The main aviation risk is now network disruption rather than only flight cancellations. Middle Eastern carriers handle about 13% of global air cargo, and the conflict has already reduced capacity by 22%, causing wider delays for high-value and time-sensitive freight.

HIGH

Maritime Risk
• BIMCO has warned that the security risk for ships in the Arabian Gulf and adjacent waters has increased dramatically, reinforcing the likelihood of prolonged caution by shipowners even if no formal closure occurs.

CRITICAL

Energy Risk
• The fresh energy risk is extreme volatility rather than straight-line scarcity. Brent fell sharply this morning on Trump's de-escalation comments, but that itself shows how fragile pricing remains and how quickly sentiment can reverse on a single political or military signal.

CRITICAL

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OPERATIONAL IMPACT

Aviation

• Regional disruption is forcing travellers and operators onto improvised alternatives, including overland routes to Saudi Arabia and onward departures through Oman.
• Air cargo disruption is also stranding or delaying shipments such as fresh produce and aircraft parts.

Logistics & Supply Chain

• Disruption is diverting cargo to east coast UAE ports outside the Arabian Gulf, especially Khor Fakkan and Fujairah, with onward trucking into Jebel Ali and the wider UAE.
• The conflict is also testing Gulf food security by slowing imported staples and raising inventory and sourcing pressure for import-dependent economies.

Maritime

• Maritime disruption is being reinforced by insurance withdrawal, GPS/AIS interference and commercial caution, not only direct attack risk.
• With vessels sheltering in the Gulf and war-risk premiums surging, normal traffic remains constrained.

Energy Markets

• The UAE and Saudi Arabia have raised exports and activated bypass capacity, but alternative routes cannot fully replace normal Hormuz flows.
• That leaves Gulf energy markets exposed to storage pressure, possible output cuts and continued price volatility.

OUTLOOK (NEXT 72–96 HOURS)

• Saudi Arabia and the UAE can keep some exports moving through bypass routes and storage, but these alternatives cannot fully replace normal Hormuz volumes. Pressure on output and prices is therefore likely to continue.
• Aviation recovery is likely to remain partial. Reduced cargo capacity and continued rerouting will keep freight schedules strained and regional hub connectivity uneven.
• At sea, the main constraint will remain commercial confidence rather than physical closure alone. Higher war-risk premiums and wider risk zones are likely to keep shipping below normal levels.
• Trump's mixed signals, Iran's new hardline leadership and repeated missile spillover into Turkish airspace are creating a more volatile political picture, increasing alliance strain, uncertainty over US war aims and the risk that miscalculation could drive broader regional escalation.

ADVISORY NOTE

Organisations with exposure to the Gulf should maintain a heightened contingency posture across travel, shipping, energy and business continuity. The operating environment remains fluid, with repeated missile spillover into Turkish airspace, continued aviation risk across Gulf and neighbouring airspace, and elevated maritime insurance costs affecting commercial decision-making. Companies should expect short-notice changes to flight availability, routing, shipment timing and fuel costs, while ensuring alternative gateways, remote-working arrangements, staff accountability procedures and crisis communications plans are ready to activate. Even where infrastructure remains operational, disruption is increasingly being driven by rerouting, commercial caution, insurance pressure and sudden policy shifts rather than physical closure alone.
Any fresh strike, interception or export disruption could quickly reverse this morning's market relief and trigger another round of operational instability across Gulf transport and supply chains.