

SITUATION OVERVIEW

Gulf Disruption Deepens as Conflict Pressures Energy and Maritime Networks

Regional hostilities are increasingly disrupting maritime, aviation, and energy activity across the Gulf. Iranian missile and drone activity continues while US and Israeli strikes target Iranian military infrastructure. The maritime environment has deteriorated with multiple incidents reported near Fujairah, the Strait of Hormuz and northern Gulf waters near Kuwait, including explosions and projectile strikes near vessels. These events are raising war-risk insurance costs and discouraging vessel movements. Commercial shipping remains constrained as major carriers suspend bookings. Civilian transport disruption is expanding, with more than 11,000 flights cancelled and cruise ships stranded. Energy markets are tightening amid LNG production halts and bunker supply constraints.

KEY DEVELOPMENTS

Security

- Iranian officials threaten retaliation against Gulf energy infrastructure, ports and strategic transport corridors; Maritime security incidents increasing, including explosions and projectile impacts near commercial vessels

Aviation

- Several international carriers suspending or reducing services to UAE, Qatar and Saudi destinations; Cruise ships stranded in the region as passengers face limited flight connections and airport congestion

Maritime

- Iraqi Ports Authority confirms maritime navigation remains normal within Iraqi territorial waters

Diplomatic / Political

- Azerbaijan condemns Iranian UAV strikes on civilian infrastructure, including Nakhchivan International Airport, warning retaliatory measures are being prepared

RISK INDICATORS

Security Risk

- Signs of widening regional spillover as tensions extend beyond primary conflict zones, with incidents and security alerts reported in Iraq, Turkey and Azerbaijan, indicating potential expansion of the conflict's geographic scope

HIGH

Aviation Risk

- Limited commercial flight availability increasing pressure on evacuation and repatriation routes
- Regional airspace disruptions expanding beyond the central Gulf theatre

HIGH

Maritime Risk

- Security incidents reported across the Strait of Hormuz, Gulf of Oman and northern Gulf waters near Kuwait, increasing operational risk for commercial vessels; GPS disruption affecting vessel movements

HIGH

Energy Risk

- Energy supply disruptions expanding as gas production suspensions in northern Iraq and LNG output constraints tighten regional supply conditions
- Bunker fuel supply constraints in Fujairah raising operational costs for regional shipping

CRITICAL

OPERATIONAL IMPACT

Aviation

- Cruise itineraries across the Middle East disrupted as several vessels remain unable to disembark passengers due to cancelled regional flights
- Airports across major Gulf hubs experiencing increased congestion as travellers attempt to reroute through limited available flights

Logistics & Supply Chain

- Major regional gateways including Jebel Ali and Khalifa Port remain operational but are experiencing reduced vessel arrivals
- Alternative routing through Khorfakkan, Sohar and Jeddah emerging, though with lower throughput capacity
- Container supply chains increasingly exposed as Gulf hubs face shipping disruptions

Maritime

- A tanker explosion reported 30 nautical miles southeast of Kuwait caused hull damage and an oil spill after a large blast near the vessel
- Major carriers including Maersk, CMA CGM and Hapag-Lloyd have suspended Gulf transits and bookings, while some vessels divert or wait outside the Gulf pending security updates

Energy Markets

- Dana Gas temporarily suspends operations at the Khor Mor gas field due to regional security concerns
- Saudi Arabia redirecting crude exports toward the Red Sea port of Yanbu using the East–West pipeline to bypass Strait of Hormuz disruption, creating an alternative export corridor across the peninsula

OUTLOOK (NEXT 72–96 HOURS)

- Maritime security conditions in the Strait of Hormuz and northern Gulf likely to remain highly volatile following recent vessel incidents and explosions near commercial shipping routes
- Shipping companies and insurers expected to continue limiting vessel transits into the Gulf, sustaining reduced tanker and container traffic
- Regional aviation disruption likely to persist as flight cancellations, airport congestion and evacuation demand continue to affect Gulf air travel networks
- Energy markets likely to remain sensitive to developments around Hormuz transit routes, with exporters exploring alternative routes such as Saudi Arabia's East–West pipeline to Yanbu
- Security monitoring and precautionary measures across ports, airports and energy infrastructure expected to remain elevated as regional escalation risks persist

ADVISORY NOTE

Organisations and personnel operating across the Gulf should prepare for continued disruption to maritime transit, aviation networks and regional supply chains. Recent maritime incidents near the Strait of Hormuz and northern Gulf waters have increased operational risk for commercial shipping, while flight cancellations and airspace restrictions continue to affect passenger travel and cargo movements across the region.

Companies should maintain close coordination with logistics providers and shipping partners, monitor official government advisories, and avoid non-essential travel to ports and airports where possible. Personnel movement plans should account for limited flight availability and possible delays.

Organisations are advised to review contingency plans for supply chain continuity, staff safety and operational resilience as the regional security environment remains fluid.