

SITUATION OVERVIEW

Regional War Escalates as Gulf Shipping and Energy Markets Face Disruption

The conflict between the United States, Israel and Iran continues to intensify as sustained air strikes and retaliatory attacks expand across the region. US forces have struck more than 3,000 targets inside Iran, while Israeli operations have conducted roughly 3,400 strikes against Iranian military infrastructure and command facilities. Iran has responded with missile and drone attacks targeting US positions, Israel and civilian infrastructure across Gulf states, including facilities in Bahrain, Kuwait and the UAE. Meanwhile, maritime traffic through the Strait of Hormuz has collapsed to minimal levels, leaving hundreds of vessels waiting outside the Gulf as energy markets react to fears of prolonged export disruption.

KEY DEVELOPMENTS

Security

- US and Israeli forces continue large-scale strikes across Iran, with more than 3,000 US targets and approximately 3,400 Israeli strikes against military infrastructure and missile sites.

Aviation

- Regional airspace restrictions remain widespread, with Iran, Kuwait, Bahrain and Iraq closed while the UAE, Lebanon and Qatar operate limited or restricted corridors.

Maritime

- Hundreds of commercial vessels remain anchored outside the Gulf while shipowners delay transit amid security risks and rising war-risk insurance premiums.

Diplomatic/Political

- Gulf states continue to adopt defensive postures while urging de-escalation, though infrastructure attacks are increasing pressure on regional governments.

RISK INDICATORS

Security Risk

- Intensification of Israel–Hezbollah fighting in Lebanon with rising casualties and large-scale displacement.
- Iranian asymmetric strategy increasingly targeting economic infrastructure across the Gulf.

HIGH

Aviation Risk

- Missile and drone interceptions near major airports in the UAE are increasing operational risks for regional aviation.
- Evacuation and government charter flights increasing pressure on airport infrastructure.

HIGH

Maritime Risk

- Persistent GNSS jamming and AIS interference across the Arabian/Persian Gulf and Gulf of Oman increasing navigational risk.

CRITICAL

Energy Risk

- Reduced tanker traffic through the Strait of Hormuz threatening global crude supply flows.
- Potential targeting of regional energy infrastructure increasing supply disruption risks.

CRITICAL

OPERATIONAL IMPACT

Aviation

- Multiple Gulf airports are operating on restricted schedules following missile and drone interceptions near major aviation hubs, forcing airlines to delay or reschedule departures
- Passengers across the region are experiencing significant delays as aircraft avoid conflict zones and utilise longer routing corridors.

Logistics & Supply Chain

- Cargo backlogs are emerging across regional supply chains as air cargo capacity declines and shipping companies delay Gulf port calls.
- Freight forwarders are redirecting shipments to alternative ports outside the Gulf, requiring additional inland transport and increasing delivery times.

Maritime

- Commercial ship traffic through the Strait of Hormuz has dropped sharply, leaving hundreds of vessels waiting at anchorage areas outside the Gulf.
- Several Gulf producers are facing storage constraints as tanker availability declines and exports slow.

Energy Markets

- Global energy markets remain highly sensitive to developments in the Gulf, with traders closely monitoring maritime transit conditions.
- Some producers have begun adjusting production levels due to storage limitations and export delays.

OUTLOOK (NEXT 72–96 HOURS)

- Military operations are expected to continue. US and Israeli air strikes against Iranian military infrastructure are likely to persist, while Iran is expected to continue missile and drone retaliation against US-linked targets and Gulf infrastructure.
- Maritime disruption is likely to continue. Commercial shipping movements through the Strait of Hormuz are expected to remain limited until naval escort arrangements or improved security conditions emerge.
- Energy markets will remain volatile. Oil and LNG prices are likely to fluctuate as traders assess the risk of prolonged disruption to Gulf exports.
- Aviation restrictions are likely to persist. Regional airspace closures and rerouted flight corridors will continue affecting passenger and cargo movements across Middle East aviation networks.

ADVISORY NOTE

Organisations operating across the Middle East should prepare for continued volatility across aviation, maritime and energy sectors as the conflict between the United States, Israel and Iran evolves. Missile and drone activity across the Gulf and Levant continues to pose risks to infrastructure, airports, ports and energy facilities, while the security situation may shift rapidly. Companies with exposure to regional supply chains should anticipate transport delays, route diversions and higher freight and insurance costs. Shipping operators continue to limit transits through the Strait of Hormuz, while airlines are adjusting routes and schedules due to airspace restrictions across parts of the region.

Organisations with personnel in the region should closely monitor government advisories and ensure staff travel, safety and contingency plans remain up to date.