

SITUATION OVERVIEW

Escalation Broadens as Control of Access Becomes the Central Issue

The conflict is now centred not only on military escalation, but on control over access, movement and economic pressure across the wider region. Iran's latest messaging on the Strait of Hormuz suggests Tehran is trying to regulate passage on political terms rather than restore normal navigation, while continued missile and UAV activity against Gulf states shows the conflict is still widening in operational scope and geographic reach. At the same time, diplomacy is becoming more crowded: regional actors are pursuing containment, while external powers are increasingly focused on energy security, maritime access and freedom of navigation. The crisis is therefore becoming broader, more internationalised and more disruptive, even without a full shutdown of trade routes.

COUNTRY KEY DEVELOPMENTS

Iran

- Signals selective Hormuz access while preserving coercive leverage over maritime traffic.

Israel

- Strikes near Israel's nuclear site deepen escalation and public-safety concern.

United Arab Emirates

- Intercepted four ballistic missiles and 25 UAVs.

Saudi Arabia

- Remains under sustained attack pressure as Riyadh backs harder countermeasures.

Kuwait

- Aviation-security pressure remains elevated as regional airspace violations persist.

Qatar

- Qatar Airways continues pulling aircraft into storage in Spain.

Oman

- Muscat still positions itself around restraint and diplomatic containment.

Iraq

- US-linked and energy-related sites remain exposed to militia escalation.

Lebanon

- Israeli operations are intensifying, adding another escalation front.

Turkey

- Ankara is expanding diplomatic calls with Iran, Egypt, Washington and Brussels.

Yemen

- Red Sea and Bab el-Mandeb risk remains a live spillover concern.

Egypt

- Cairo remains part of the active containment and mediation channel.

Syria

- Syria remains embedded in the wider regional escalation environment.

RISK INDICATORS

Security Risk: Threats now extend openly to power, energy and civilian-linked infrastructure.

SEVERE

Aviation Risk: Civil aviation continues, but operations remain exposed to direct strike and debris risk.

HIGH

Maritime Risk: Hormuz risk is shifting from closure to conditional, politically filtered passage.

SEVERE

Energy Risk: Fuel stress is now spreading into retail markets, not just wholesale pricing.

HIGH

OPERATIONAL IMPACT

Aviation

- Qatar Airways is sending more aircraft into storage at Teruel, while the WSJ reports parked aircraft at Dubai and Ben Gurion have sustained missile or debris damage; Reuters also reports Gulf hub disruption continues to lift fares, cargo costs and operating risk.

Logistics & Supply Chain

- Slovenia has capped fuel purchases after pumps ran dry and deployed the army to move fuel, while the Philippines has allowed dirtier fuel use to cushion shortages.
- The wider shock is spreading into agricultural inputs and food security, with Gulf fertilizer trade disruption adding import pressure in vulnerable markets.

Maritime

- The maritime picture is no longer defined by a simple open-or-shut Hormuz question. Iran now says all non-enemy vessels may pass if they coordinate with Tehran, while Japan is openly discussing future minesweeping only in a ceasefire scenario, demonstrating that safe navigation remains conditional, politicised and fragile.

Energy Markets

- Energy stress remains global and unevenly distributed. Reuters reports oil and gas disruption has already driven prices higher, while TotalEnergies has previously said it lost 15% of output because of shutdowns in the UAE, Qatar and Iraq, illustrating how producer disruption and route disruption are now reinforcing each other.

OUTLOOK (NEXT 72–96 HOURS)

The near-term picture points to continued managed escalation rather than stabilisation. Iran's latest Hormuz messaging suggests it is trying to preserve leverage through selective passage rules, not restore normal commercial confidence, while Washington's ultimatum keeps the risk of a further US strike on Iranian infrastructure high. At the same time, diplomacy is widening but remains fragmented. Regional actors such as Egypt, Oman and Turkey are still focused primarily on containment and crisis management, while Japan, the G7 and European states are increasingly shifting toward energy-security coordination, freedom-of-navigation support and maritime contingency planning rather than a negotiated breakthrough. This suggests more actors are now involved in trying to manage the fallout, but not yet in a position to resolve the conflict itself. The most likely outcome over the next 24–48 hours is therefore continued volatility across shipping, energy, aviation and fuel distribution, with any tactical de-confliction or limited passage arrangements falling well short of genuine de-escalation or a return to normal operating conditions.

ADVISORY NOTE

Businesses operating in or through the Gulf should plan on the basis that conditions remain unstable, warning time may be limited, and partial continuity in shipping, aviation or public life should not be mistaken for a return to normal operations. The operating environment is being shaped by selective transit, intermittent strike risk, active air-defence engagement and growing pressure on fuel, freight and related supply chains. Office arrangements may remain in flux across Gulf states, with some organisations continuing remote work and others shifting to partial returns where appropriate, while malls, stores and most consumer-facing activity across the UAE and wider GCC have generally continued operating. Companies should keep monitoring official government, maritime and aviation advisories in real time; confirm internal escalation thresholds; and ensure contingency plans cover staff accountability, alternate routing, supplier disruption, fuel availability, cyber risk and utilities exposure. Businesses should also review crisis-communications procedures, check employee travel policies, and ensure country teams are aligned on response measures if conditions deteriorate quickly.