

## SITUATION OVERVIEW

### Threats, Talk Signals and a More Costly Regional Operating Picture

The regional picture remains unstable this afternoon, with harsher political messaging arriving at the same time as selective diplomatic signalling and deeper commercial adaptation. Donald Trump's latest warning that Iran should "get serious" quickly has reinforced the coercive tone around negotiations, even as Pakistan, Egypt and Turkey remain involved in indirect message-passing. Iran is still publicly resisting the US position, while Gulf governments are signalling that any eventual outcome must address missiles, drones, proxies and sea-lane disruption rather than produce only a temporary ceasefire. Commercially, the crisis is moving from immediate shock into a more expensive adjustment phase: energy-asset repair estimates are climbing, aviation rerouting continues, and trade, inflation and supply-chain pressures are broadening well beyond the Gulf.

## COUNTRY KEY DEVELOPMENTS

### Iran

- Rejects pressure narrative; still reviewing proposal while resisting US negotiating terms.

### Israel

- Maintains military pressure as diplomacy remains indirect and unverified.

### United Arab Emirates

- Abu Dhabi debris fatalities underline rising civilian risk despite successful interceptions.

### Saudi Arabia

- Gulf pressure grows for outcome addressing missiles, drones, proxies and sea lanes.

### Kuwait

- Jazeera expands Saudi-based workaround as Kuwait airport disruption persists.

### Qatar

- Ras Laffan recovery may take years after major LNG damage.

### Oman

- Still outside the harder Gulf line, reflecting preference for de-escalation.

### Iraq

- Proxy-linked escalation concerns persist as Gulf states demand tighter control.

### Lebanon

- Iran wants Lebanon covered in any ceasefire arrangement.

### Turkey

- Says Middle East oil dependence is only about 10 percent.

### Yemen

- Houthis say they are ready to strike shipping again.

### Egypt

- Remains active in contacts as broader mediation channels stay open.

### Syria

- Regional spillover persists as Ankara explores future oil-link options.

## RISK INDICATORS

**Security Risk:** Civilian harm from interception debris is live Gulf operating risk.

**SEVERE**

**Aviation Risk:** Temporary workarounds are improving connectivity, but hub fragmentation remains severe.

**HIGH**

**Maritime Risk:** Vessel access is becoming nationality- and approval-sensitive, not commercially neutral.

**SEVERE**

**Energy Risk:** Recovery timelines are increasingly constrained by equipment backlogs, not just capital.

**HIGH**

## OPERATIONAL IMPACT

### Aviation

- Jazeera Airways has opened Dammam as a second Saudi operating base, showing carriers are using Saudi territory to rebuild Kuwait-linked passenger and cargo connectivity rather than wait for a normal airport restart.
- Emirates is back to nearly three-quarters of pre-conflict capacity, while Etihad, Air Arabia and flydubai remain below normal.

### Logistics & Supply Chain

- India has told automakers to optimise production and use less fuel-intensive processes, showing disruption is now shaping factory planning.
- Maersk says its Gulf land-bridge routes via Jeddah, Salalah, Sohar and Khor Fakkan are still carrying roughly 35,000 containers per week, showing operators are shifting essential cargo inland.

### Maritime

- Malaysia says its vessels have been cleared to transit Hormuz after leader-level contacts, showing access is increasingly being negotiated state-to-state rather than governed by open commercial predictability.
- Hapag-Lloyd says the conflict is costing it \$40 million to \$50 million per week, with six vessels and 150 crew still stranded in the Gulf.

### Energy Markets

- The Philippines has activated a \$333 million fuel-security fund, showing import-dependent Asian states are now spending public money to protect downstream supply chains from Gulf-linked volatility.
- Mubadala Energy has secured another Indonesian gas block, reinforcing how Gulf capital is still pushing outward on gas diversification.

## OUTLOOK (NEXT 72–96 HOURS)

The near-term outlook remains unstable, expensive and politically fragmented rather than clearly moving toward de-escalation or settlement. Trump's latest warning increases pressure on Tehran, but the diplomatic channel still appears indirect and fragile, with Pakistan, Turkey and Egypt acting more as message carriers than guarantors of a breakthrough. Iran's insistence that any ceasefire must also account for Lebanon shows the Levant theatre remains tied to the broader conflict, reducing chances of a neat, compartmentalised deal. Across the GCC, governments increasingly appear aligned on the need for a more conclusive outcome addressing missiles, drones, proxies and sea-lane disruption, not merely a temporary pause. That harder position may keep rhetoric elevated even if back-channel contacts continue. Turkey looks somewhat insulated on direct oil dependence, but it remains exposed to higher prices, inflation and weaker export demand. Egypt and wider North Africa are less central militarily, but still matter diplomatically and economically as the shock spreads through trade, energy costs and food-input pressures. For business, the outlook is continuity with friction: elevated freight and insurance costs, uneven aviation recovery, weaker sentiment, and broader inflationary drag if disruption lasts.

## ADVISORY NOTE

Companies operating in or through the Middle East should continue to plan for volatility rather than assume that tougher political messaging will immediately lead to either settlement or wider war. The more likely near-term picture is one of continuity with friction: uneven transport access, elevated freight and insurance costs, selective disruption to aviation and shipping, and further pressure on fuel, industrial inputs and delivery schedules. Businesses with exposure to the GCC, Levant and wider regional trade corridors should keep contingency measures active, confirm internal decision rights for rerouting cargo and travel, and review supplier dependencies that could be affected by higher energy prices or delayed transit. Management teams should also watch for abrupt shifts in official guidance, temporary operating restrictions, and renewed pressure on customer communications if the political picture changes quickly. The key risk is no longer only immediate disruption, but a prolonged period in which access, cost and timing become less predictable across multiple markets at once. For now, organisations should prioritise resilience, speed of internal escalation, and clear communication with staff, customers and counterparties.