

SITUATION OVERVIEW

Port Strikes, Hormuz Security Push and a Harder Regional Operating Picture

The regional picture has worsened this evening, with Gulf port attacks, tighter air-defence activity and a harder maritime security debate pushing the crisis back toward escalation risk. Kuwait says Iranian drone attacks hit two ports, while Saudi air defences intercepted 17 drones in the Eastern Region, reinforcing the continued vulnerability of Gulf infrastructure. At the same time, the UAE is now backing a multinational force to help reopen Hormuz, showing that Gulf states are moving from contingency management toward more active security planning. Commercially, companies are adapting to a longer disruption cycle: TotalEnergies has evacuated around 1,300 people from several Middle East countries, Asian fuel-security measures are expanding, and export flows are being reshaped around Red Sea workarounds rather than any real return to normality.

COUNTRY KEY DEVELOPMENTS

Iran

- Port attacks on Kuwait deepen pressure on Gulf infrastructure and shipping.

Israel

- Officials remain sceptical Trump's diplomacy can yet produce a durable end-state.

United Arab Emirates

- UAE backs multinational force to help reopen the Strait of Hormuz.

Saudi Arabia

- Air defences intercepted 17 drones in the Eastern Region.

Kuwait

- Two ports were hit as Gulf infrastructure exposure rises again.

Qatar

- LNG outages still weigh on supply confidence despite contract assurances.

Oman

- Still prioritising continuity and aviation caution over overt military positioning.

Iraq

- Foreign energy operators remain under pressure as security and staffing risks rise.

Lebanon

- Southern Lebanon remains exposed as Israel signals broader pressure on regional fronts.

Türkiye

- Economic exposure persists through fuel, trade and industrial-input disruption.

Yemen

- Red Sea calm remains conditional as Houthi intentions can shift quickly.

Egypt

- Red Sea rerouting keeps Egypt central to contingency export and transit planning.

Syria

- Still vulnerable to spillover narratives and wider regional power competition.

RISK INDICATORS

Security Risk: International firms are now reducing personnel, not just revising plans.

SEVERE

Aviation Risk: High interception volumes raise debris, miscalculation and saturation concerns. Interceptions and drone activity keep Gulf operating conditions uneven and unpredictable.

HIGH

Maritime Risk: Gulf ports are again proven vulnerable to direct attack. Hormuz debate is shifting from access management to force protection.

SEVERE

Energy Risk: Supply pressure is spreading beyond crude into LNG, jet fuel and power planning. Prolonged Hormuz disruption could still remove 13–14 million bpd globally.

HIGH

OPERATIONAL IMPACT

Aviation

- Vietnamese airlines will cut flights from April as jet fuel constraints bite, showing the conflict is now forcing capacity reductions well beyond the Gulf.
- Some regional and Asia-linked carriers are trimming networks and concentrating on core routes as fuel costs and supply uncertainty worsen.

Logistics & Supply Chain

- DP World and Rosatom plan a Russia logistics joint venture, showing major operators are still expanding strategic freight networks.
- Saudi Arabia has launched new GCC logistics measures, including port storage zones, rail corridors and truck-flexibility rules, showing the response is shifting from temporary workaround to structured regional trade rerouting.

Maritime

- The UAE's call for a multinational force to reopen Hormuz shows shipping security planning is shifting from ad hoc passage management toward organised escort and corridor protection concepts.
- Two Chinese container ships turned back after trying to exit Hormuz, showing even "approved" passage remains unreliable in practice.

Energy Markets

- TotalEnergies has evacuated around 1,300 people from Middle East operations.
- TotalEnergies says it will honour LNG contracts despite Qatari outages, showing diversified portfolios are now a key buffer against local production shocks.
- Saudi Aramco is funnelling April Asian term supply through Yanbu only, showing west-coast export infrastructure is critical.

OUTLOOK (NEXT 72–96 HOURS)

The most likely near-term trajectory is a more dangerous holding pattern rather than a genuine move towards settlement. Washington's extended pause on strikes has created extra diplomatic time, but the gap remains wide: Iran has rejected US terms, negotiations appear delayed, and Tehran is still signalling coercive options rather than compromise. That matters because Iran-linked threats have widened beyond shipping and energy infrastructure to include hotels allegedly hosting US personnel, reinforcing the risk of sudden, asymmetric escalation even without a major battlefield shift.

Economically, the outlook remains inflationary and globally disruptive. Oil markets are being driven by the Hormuz standoff, with Brent back above \$110 as traders price in prolonged disruption rather than imminent de-escalation. Delay alone is not enough to restore confidence. Second-order effects are spreading well beyond the Gulf. Brazil is expected to cut sugar shipments by 14.2% in 2026/27 as mills divert more cane into ethanol because of high energy prices, showing the conflict is distorting agricultural trade as well as energy flows. The broader outlook is therefore for continued volatility across shipping, fuel, food-related commodities and industrial input costs into early April.

ADVISORY NOTE

Companies exposed to the Gulf should use the coming days to harden execution around energy, logistics and site security rather than assume the current pause in major strikes will hold. The practical operating risk is now broader than crude alone: benchmark distortions are affecting pricing decisions, airlines are cutting capacity because of jet-fuel stress, and major corporates have begun reducing personnel footprints in the region. Management teams should also prepare for uneven market behaviour even without a dramatic military event. Alternative export and transit routes are functioning, but they are concentrating flows and creating new bottlenecks, while some suppliers are reallocating output and term volumes through substitute corridors. That means procurement, treasury, operations and communications teams should stay aligned on what happens if lead times slip, costs jump again, or access becomes more conditional by route or market. The most useful posture now is disciplined optionality: preserve inventory where possible, confirm backup routing and staffing decisions in advance, keep customer communications ready for release, and avoid assuming that softer headlines equal normal trading conditions.