

# THE MENA WEEKLY



13 March 2026

## Key Takeaways

- Iran – Fuel tanker attacks continue to undermine global energy supply – **SEVERE**
- Iran – US intelligence suggests Iranian regime unlikely to collapse soon – **SEVERE**
- Israel/Lebanon – IDF strikes in Lebanon continue amid widening regional conflict – **SEVERE**
- Gulf Cooperation Council – Gulf concerned over missile interceptor shortages – **SEVERE**

## Iran – Fuel tanker attacks continue to undermine global energy supply – **SEVERE**

### Situation Update

On 12 March 2026, reports emerged [revealing](#) that explosive-laden unmanned Iranian surface vessels had attacked two fuel tankers in Iraqi waters, setting them ablaze and killing one crew member, after projectiles struck four vessels in Gulf waters. The ships targeted near Iraq were the Marshall Islands-flagged Safesea Vishnu and the Zefyros, which had loaded fuel cargoes in Iraq. A port security official confirmed that 25 crew members from the two vessels were rescued and that the body of a foreign crew member had been recovered from the water as Iraqi rescue teams continued to search for missing seafarers.

The attacks came as Iran has blocked oil shipments from transiting the Strait of Hormuz, through which 20% of the world’s oil and gas transits. The price of oil has surged past US\$100 per barrel, resulting in the International Energy Agency (IEA) [agreeing](#) to release 400 million barrels from its members’ strategic reserves. The stockpile release is more than double the last record. Despite the body being established to deal with crises like this, the move has [failed](#) to bring down oil prices, with Brent crude still around 25% higher than before the attacks after the announcement was made. Iranian military command Spokesperson Ebrahim Zolfaqari has [warned](#) the world to “get ready for oil to be US\$200 a barrel”.

### Assessment/Impact/Business Implications

The persistent attacks on ships in the Persian Gulf and the Gulf of Oman have significantly eroded confidence in maritime security. Although the United States (US) military has [eliminated](#) 16 Iranian mine-laying vessels near the Strait of Hormuz, such operations have not been able to reopen the waterway. It remains unclear whether the US, Israel, and their allies will be able to reopen the Strait of Hormuz to shipments of oil and bring down the prices of oil and gas. US President Donald Trump has [stated](#) that tanker crews should “show some guts” by transiting the Strait of Hormuz. On 09 March 2026, French President Emmanuel Macron [stated](#) that France and its allies were preparing a “purely defensive” mission to escort vessels through the maritime chokepoint. However, it is believed that they are waiting for the most intense phase of the war to finish first. With the US Navy continuing to [refuse](#) requests from the shipping industry for military escorts through the Strait due to the severe risk of attacks, it is difficult to identify if and when escorts will become possible. Collectively, this evidence suggests that maritime security threats and persistently high energy costs will remain problematic in the coming weeks.

Factor	Risk Rating	Factor	Risk Rating
Political	SEVERE	Business	SEVERE
Economic	SEVERE	Conflict	SEVERE
Civil Unrest	HIGH	Environment	HIGH
Crime	MODERATE	Legal	HIGH

## Iran – US intelligence suggests Iranian regime unlikely to collapse soon – **SEVERE**

### Situation Update

According to reports, United States (US) intelligence [indicates](#) that Iran’s leadership is still largely intact and that the regime is not at risk of collapsing anytime soon. The conclusion has been consistent across a multitude of intelligence reports. On 08 March 2026, Mojtaba Khamenei was officially [confirmed](#) as Iran's Supreme Leader, replacing his father, Supreme Leader Ayatollah Ali Khamenei, who was killed by joint United States (US)-Israeli airstrikes on 28 February 2026. His appointment by the Assembly of Experts has been interpreted by analysts as a symbolic attempt by Tehran

to demonstrate the regime’s resilience and institutional continuity. Any assumption that the death of the former leader would bring about a collapse of the regime has been disproven.

### Assessment/Impact/Business Implications

Some analysts [maintain](#) that an air campaign will not be sufficient to topple the Iranian regime. Assuming that one of US President Donald Trump’s objectives in the conflict is to instigate regime change, the current situation is problematic. This is because Trump campaigned on the basis of keeping the US out of costly wars such as those seen during the War on Terror, which he has heavily criticised. With midterm elections scheduled for November 2026 and potentially severe political consequences to consider, Trump is likely to feel that deploying boots on the ground is not an option. However, such measures are likely necessary to achieve a change in government. Although Trump is believed to be considering [sending](#) special forces into Iran, a mass deployment of troops is likely to be extremely unpopular.

With Iranian concerns regarding US and Israeli threats to the country at an all-time high, ending the conflict with the leadership largely intact could leave Tehran even more determined to obtain nuclear weapons. The confusion surrounding what the US and Israel hope to achieve through this conflict has left many commentators bewildered regarding what victory would look like. Reports suggest differences exist between Trump, his staff, and Israel regarding the objectives of the war. US Defence Secretary Pete Hegseth has [stated](#) the goals as being: “One, destroy their missile stockpiles, their missile launchers and their defence industrial base; missiles and their ability to make them. Two: destroy their navy. And three: permanently deny Iran nuclear weapons forever”. However, Trump has previously said that he seeks a change in the Iranian regime and Israel will seek to destroy it. The evidence suggests the US and Israel may have underestimated Tehran’s resolve. Although physical infrastructure can be destroyed, without the very nature of the regime changing, the conflict is unlikely to bring about a lasting improvement in the security situation.

Factor	Risk Rating	Factor	Risk Rating
Political	SEVERE	Business	SEVERE
Economic	SEVERE	Conflict	SEVERE
Civil Unrest	SEVERE	Environment	HIGH
Crime	HIGH	Legal	SEVERE

## Israel/Iran – Israel accuses Iran of using cluster munitions – SEVERE

### Situation Update

On 10 March 2026, Israel [accused](#) Iran of firing cluster munitions, challenging the country’s already stretched air defences. According to one Israeli military official, roughly half of the projectiles Iran has been launching toward Israel have been cluster munitions. Such weapons burst open at high altitudes, scattering dozens of smaller bomblets that are difficult to intercept across a wide area. While Israel’s Arrow missile-defence system has done a good job of intercepting incoming ballistic missiles, if cluster munitions are released before the missile is destroyed, there is little that can be done.

Despite over 120 countries signing an international convention banning the use of cluster munitions, Israel, the United States, and Iran are among the nations that have not joined the treaty. Critics worldwide argue that cluster munitions kill and injure indiscriminately. With the submunitions failing to explode more often than other kinds of warheads, unexploded ordnance can act like a land mine, detonating later and killing indiscriminately. Their use against Israel is particularly problematic due to most of the missiles being aimed at its densely populated centres.

## Assessment/Impact/Business Implications

With Israel having been accused of using submunitions in Lebanon in 2025, a charge that military leaders have declined to comment on, the use of similar weapons by Iran is unlikely to garner much international outrage. Although it is worth noting that the use of cluster munitions over civilian areas breaches international humanitarian law and is banned by the Geneva Convention. Demonstrating the physical threat posed by unexploded ordnance, the Israeli military's Home Front Command has distributed flyers warning residents not to touch unexploded submunitions. With Tehran using such weapons on an almost daily basis, it is highly likely that they will continue to be used in the conflict, placing civilian targets at high risk. Video footage of Iranian cluster munitions looking like falling fireballs, an effect caused by the friction of re-entering the atmosphere, suggests that some Iranian missiles are designed to open at high altitude. This is particularly dangerous, as the bomblets scatter over an even vaster area. As civilian targets are increasingly targeted and civilian casualties grow, there is a risk of the conflict becoming even more brutal. Actors could turn to increasingly harmful weapons or use those they already have more destructively. This could increase the risk posed to civilians even further.

Factor	Risk Rating	Factor	Risk Rating
Political	SEVERE	Business	SEVERE
Economic	SEVERE	Conflict	SEVERE
Civil Unrest	HIGH	Environmental	HIGH
Crime	HIGH	Legal	SEVERE

## Israel/Lebanon – IDF strikes in Lebanon continue amid widening regional conflict – SEVERE

### Situation Update

Israeli Defence Forces (IDF) strikes across southern Lebanon and Beirut's southern suburbs have [continued](#) as tensions between Israel and Hezbollah escalate alongside the broader regional conflict with Iran. The renewed violence follows Hezbollah rocket and drone attacks against northern Israel, including strikes targeting areas near Haifa earlier in March 2026.

In response, Israeli air and artillery strikes have targeted Hezbollah infrastructure across southern Lebanon in the Bekaa Valley and Beirut's southern districts, areas widely considered strongholds for the Iran-backed group. Israeli officials have stated that the operations aim to degrade Hezbollah's missile capabilities and prevent further cross-border attacks. Israeli Defence Minister Israel Katz has [warned](#) that Hezbollah will face a "heavy price" if attacks on Israel persist. Israeli leadership has also indicated that senior Hezbollah figures, including Secretary-General Naim Qassem, could be targeted as part of Israel's broader strategy of dismantling the group's leadership structure.

The fighting represents a renewed escalation along the Israel-Lebanon border following a ceasefire agreement that ended the major phase of the Israel-Hezbollah war in November 2024. Despite the ceasefire, Israel has conducted periodic strikes in Lebanon over the past year, maintaining that Hezbollah has continued to rebuild military infrastructure near the border. The current exchange of attacks has increased fears that the conflict between the United States (US), Israel, Iran, and its proxy groups will result in the conflict remaining a broader regional war.

### Assessment/Impact/Business Implications

The continuation of Israeli strikes in Lebanon signals a sustained risk of escalation along Israel's northern front. Hezbollah remains one of Iran's most capable regional proxies, possessing a large arsenal of rockets, missiles, and drones despite significant losses during the 2024 conflict. However, the group's operational capacity has been weakened by Israeli strikes targeting senior commanders and logistical infrastructure. While Hezbollah retains the ability to conduct sporadic attacks, analysts question whether it can sustain a large-scale confrontation with Israel

without substantial Iranian support. The renewed fighting also highlights the increasingly regional nature of the conflict involving Israel, Iran, and allied militant groups. Hezbollah’s participation increases the likelihood of further Israeli military operations inside Lebanon and raises the risk of wider instability across the Levant.

From a business perspective, the escalation poses risks to infrastructure, transport routes, and commercial activity in Lebanon and northern Israel. Continued strikes could lead to further displacement of civilians, damage to energy and telecommunications infrastructure, and disruption to cross-border trade. Should hostilities intensify, international actors may face growing pressure to intervene diplomatically in order to prevent a full-scale war between Israel and Hezbollah. However, with multiple conflict fronts already active across the region, the prospects for rapid de-escalation currently appear limited.

Factor	Risk Rating	Factor	Risk Rating
Political	SEVERE	Business	SEVERE
Economic	SEVERE	Conflict	SEVERE
Civil Unrest	SEVERE	Environment	SEVERE
Crime	HIGH	Legal	HIGH

## Gulf Cooperation Council – Gulf concerned over missile interceptor shortages – **SEVERE**

### Situation Update

Countries within the Gulf Cooperation Council (GCC) are increasingly [concerned](#) about potential shortages of missile interceptor systems as regional tensions escalate amid the ongoing conflict involving Israel, the United States (US), and Iran. According to officials in Washington, the White House is aware that several Gulf states are facing growing pressure on their missile defence inventories following repeated drone and missile attacks across the region. Gulf countries have relied heavily on US-supplied air defence systems such as Patriot and Terminal High Altitude Area Defence (THAAD) interceptors to protect critical infrastructure, including military bases, airports, and energy facilities.

The recent wave of Iranian missile and drone attacks targeting US installations and infrastructure in Gulf states has required repeated interceptions, significantly increasing the consumption of missile defence interceptors. Defence analysts warn that sustained conflict conditions could strain existing missile defence stockpiles, particularly if attacks continue at a high tempo.

The issue has gained additional urgency as regional governments seek to protect strategic infrastructure such as oil refineries, desalination plants, ports, and major airports. These facilities are considered high-value targets for Iranian missile and drone strikes, particularly during periods of heightened geopolitical confrontation. US officials have reportedly begun discussions with defence contractors and regional partners regarding [production](#) capacity and the potential resupply of missile interceptor systems to ensure that regional defence networks remain effective.

### Assessment/Impact/Business Implications

Concerns about interceptor shortages reflect the growing pressure on regional missile defence systems as the Middle East experiences sustained missile and drone attacks. Gulf states have invested heavily in layered air defence networks, but these systems rely on expensive interceptors that can be rapidly depleted during prolonged conflicts. The challenge is also heightened by the evolving nature of aerial threats. Iran and its regional allies increasingly deploy large numbers of relatively inexpensive drones and missiles designed to overwhelm air defence systems, forcing defenders to use costly interceptors to neutralise incoming threats. For Gulf governments, maintaining adequate interceptor inventories is essential to protecting critical infrastructure and major population centres. Facilities such

as oil terminals, refineries, desalination plants and airports are vital to both regional economic stability and global energy supply chains.

From a business perspective, concerns about missile defence capacity could heighten risk perceptions among international investors and multinational companies operating in the Gulf. Energy markets, logistics networks, and aviation routes may also face volatility if attacks on infrastructure persist. The situation highlights the importance of missile defence cooperation between the US and its Gulf partners. Increasing production, replenishing stockpiles, and strengthening regional coordination will likely become key priorities as Gulf states seek to maintain protection against evolving aerial threats.

Factor	Risk Rating	Factor	Risk Rating
Political	SEVERE	Business	SEVERE
Economic	SEVERE	Conflict	SEVERE
Civil Unrest	HIGH	Environment	SEVERE
Crime	HIGH	Legal	HIGH

## Morocco/UAE – Morocco and UAE deepen strategic partnership on desalination – **LOW**

### Situation Update

Morocco and the United Arab Emirates (UAE) are increasing their energy and water partnership as two major utility companies, Taqa Morocco and Nareva Holding, announced a series of joint [ventures](#) to accelerate infrastructure development. The collaboration also includes the ONEE national utility and the Mohammed VI Investment Fund, targeting investments of US\$35 billion by 2030. The joint endeavour focuses on large-scale seawater desalination, clean power generation, water transport infrastructure, and the building of a high-voltage direct current transmission line that would connect southern Morocco to the centre. The deal also encompasses the joint acquisition by Taqa Morocco and Nareva Holding of around 85% of Energie Electrique de Tahaddart, a combined-cycle gas plant based in Tangier. Both companies agreed to hold equal shares of 42.5% each. The partners also discussed desalination plants in regions like Oriental, Souss-Massa, Tangier, Tan-Tan, and Guelmim, aiming to transition them to being powered by green energy in the long run. Other agreements include the building of an electricity transmission corridor and water infrastructure reservoirs.

### Assessment/Impact/Business Implications

Both partners emphasise power generation and joint ventures in renewable and desalination projects, aiming to address Morocco's rising water stresses and establish significant infrastructure projects. Boosting Morocco's water sovereignty and security has become emblematic of UAE-Moroccan partnerships, and water [desalination](#) projects increasingly go hand in hand with the renewable energy transition by developing adjacent green power-generation structures.

The UAE and Morocco have a strong [history](#) of mutual understanding and cooperation in various areas, including infrastructure development agreements. Both countries make continual efforts to boost their economic and trade relations. The UAE is the second biggest investor in Morocco and its investments are crucial to the diversification of the UAE's economy and non-oil investment exchanges. Morocco's own investments in the UAE usually revolve around real estate, insurance, and technical activities. Trade relations and investment exchanges are expected to continue in the long-term as the UAE maintains strong [diplomatic](#) relations with Morocco, often in solidarity against Algeria.

A regulatory review of the joint agreements is still underway and the details of how these joint ventures will operate are yet to be determined. Nevertheless, both countries have made notable efforts in recent years to adapt laws to be more favourable to the investment sector. This includes new visa issuance systems and regulatory changes for commercial transactions and companies.

Factor	Risk Rating	Factor	Risk Rating
Political	LOW	Business	LOW
Economic	LOW	Conflict	MINIMAL
Civil Unrest	MINIMAL	Environment	LOW
Crime	MINIMAL	Legal	LOW

## Tunisia/Algeria/Libya – Tunisia proposes new border security agreements – MODERATE

### Situation Update

On 11 March 2026, Tunisia issued a statement revealing that it plans to proceed with new [agreements](#) with Libya and Algeria to accelerate security and investments along their shared border. Although previous border security agreements between the parties have been unsuccessful, Tunisian Interior Minister Khaled Nouri claimed the newly proposed arrangements could settle previous disputes. Tunisia aims to resolve border disputes through means that extend beyond security coordination to include regional development and investment projects. Nouri hinted that their shared border insecurities cannot be resolved through simple policing, but by also addressing the vulnerable local economies, weak public services, and lacking infrastructure.

### Assessment/Impact/Business Implications

Nouri's statement indicates a willingness to move beyond the traditional security-first approach by rearranging policy towards sustainable development. Border communities are already closely tied through trade flows, labour mobility, and informal networks. While diplomatic tensions have marked the three countries' relations for years, these new preliminary agreements could help ease them. This could be especially promising for Algeria as it works to reactivate [alliances](#) with its neighbours following migratory pressures from the Sahel and the formation of the Sahel Alliance. For Algeria, it could leverage such diplomatic agreements to enhance its regional presence and gain legitimacy and influence. However, as long as it supports separatist movements in the Sahel, its diplomatic status will be undermined.

By aiming to address border insecurities through economic cooperation and projects, the agreements could help strengthen regional [development](#), create formal economic opportunities, and curb the informal economy. The initiative is likely to focus on Ben Guerdane, a town in southeastern Tunisia near the Libyan border that could serve as a hub for cross-border trade. Analysts indicate that free trade zones could be established along the border in the future, offering long-term opportunities to revitalise local economies and provide formal economic alternatives to parallel trade networks and smuggling. These areas are projected to be breeding grounds for new business ventures, aiming to bring in more civilians in order to solicit more economic initiatives. These development zones could also target tourism, once formal security zones have been established.

Factor	Risk Rating	Factor	Risk Rating
Political	MODERATE	Business	MODERATE
Economic	MODERATE	Conflict	MODERATE
Civil Unrest	MODERATE	Environment	MODERATE
Crime	HIGH	Legal	MODERATE

## Morocco – Morocco reiterates commitment to nuclear cooperation – **LOW**

### Situation Update

Morocco has confirmed its [commitment](#) to nuclear and radiological safety cooperation with developing countries on 09 March 2026, during a meeting of the International Atomic Energy Agency’s Board of Governors in Vienna. The meeting also emphasised reinforcing regulatory infrastructure and international cooperation in the peaceful use of nuclear technology. Rabat has also extended its readiness for nuclear cooperation under the South-South cooperation framework. This encompasses the [exchange](#) of resources, technology, and knowledge between the countries of the Global South. By addressing nuclear cooperation, the countries could boost each other in identifying common challenges, joint development opportunities, and enhancing regional cohesion.

### Assessment/Impact/Business Implications

Morocco has long communicated its favourable position on the development of nuclear capability for exclusive civilian [use](#). Its research on nuclear technology focuses on its use for medicine, agriculture, scientific research, and low-emission energy production. This belief in the benefits of nuclear energy pushes it to promote sustainable development in collaboration with other countries. Domestically speaking, Morocco views nuclear energy as essential to its national energy policy, which hinges on diversification, the expansion of renewable energy, and strong energy security. As Morocco expands its desalination infrastructure projects and energy generation agreements with foreign companies, such as those from the United Arab Emirates, nuclear energy is viewed as a promising venture. Beyond creating greater energy security, it is significant in creating new economic [opportunities](#) and facilitating the energy transition. Morocco’s natural resources could also support the country’s status in global discussions on civil nuclear energy. The country’s notable phosphate deposits contain significant quantities of natural uranium, reinforcing its position in international debates on the future of nuclear energy.

By emphasising South-South nuclear cooperation, Morocco could position itself as a regionally influential actor in the nuclear sector, leading non-proliferation agreements and civilian nuclear energy projects. Future opportunities along South-South cooperation will likely manifest through scientific information sharing and expertise exchanges, as well as establishing regulatory frameworks around nuclear technology development.

Factor	Risk Rating	Factor	Risk Rating
Political	LOW	Business	LOW
Economic	LOW	Conflict	LOW
Civil Unrest	LOW	Environmental	MODERATE
Crime	LOW	Legal	MODERATE

## Global SA Risk Methodology

THREAT LEVEL RATING	
SCORE	LEVEL
5	SEVERE
4	HIGH
3	MODERATE
2	LOW
1	MINIMAL

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