

# THE MENA WEEKLY



27 March 2026

## Key Takeaways

- Iran — Tehran rejects US 15-point peace plan — **SEVERE**
- Iran — Tehran says non-hostile ships can pass safely through Strait of Hormuz — **SEVERE**
- Israel/Lebanon — Israel sets out intention to control buffer zone in Lebanon — **SEVERE**
- UAE/Iran/Lebanon – UAE dismantles network linked to Iran and Hezbollah – **HIGH**

## Iran — Tehran rejects US 15-point peace plan — SEVERE

### Situation Update

Iranian Lieutenant Colonel Ebrahim Zolfaghari has mocked United States (US) President Donald Trump over comments he made concerning alleged ceasefire negotiations. In a recorded video statement that aired on state television, Zolfaghari [asked](#): “Have your internal conflicts reached the point where you are negotiating with yourselves?”. The rhetorical question came after Trump [claimed](#) that US officials had held “very strong talks” with Iran regarding “a complete and total resolution of our hostilities in the Middle East”. He subsequently ordered the US military to postpone strikes on Iran’s power plants and energy infrastructure for five days, having [threatened](#) on 21 March 2026 to “obliterate” Iran’s power plants if Tehran failed to reopen the Strait of Hormuz within 48 hours. Zolfaghari’s comments undermine Trump’s assertion, leading some analysts to suggest that his claim may have been aimed at calming volatile energy markets rather than providing an accurate window into the diplomatic situation. Trump has since [said](#) that Iran’s leaders were “afraid” to admit to having held talks as “they’ll be killed by their own people”.

Following the initial confusion over whether any diplomatic negotiations had taken place, reports emerged suggesting that the Trump administration had sent a 15-point ceasefire plan to Iran through Pakistan, which had offered to act as an intermediary. Iran’s state-owned Press TV subsequently said that the regime had [rejected](#) a list of points sent by the Trump administration. Iran reportedly subsequently outlined five conditions to end the conflict. These include the halting of aggression and assassinations, the establishment of mechanisms to prevent another war, the payment of reparations, a conclusion to the war on all fronts, and international recognition of Iran’s right to exercise authority over the Strait of Hormuz.

### Assessment/Impact/Business Implications

Trump’s remarks regarding the delay in targeting Iran’s energy infrastructure [resulted](#) in global stock markets rising and oil prices falling. However, with Washington deploying thousands of additional soldiers from the 82<sup>nd</sup> Airborne Division to the Middle East, the cautious optimism that followed Trump’s comments has declined considerably. While the Trump administration appears to be increasingly interested in an exit strategy, exactly what this would involve remains largely unclear. The mixed messaging coming from Washington suggests that Trump is still undecided about the best course of action. With measures being implemented to increase the US’s military presence in the region, it appears that escalating the conflict while simultaneously pushing for a negotiated settlement is the path ahead in the short-term. It is unlikely that Israel will be supportive of any conclusion that does not dismantle the Iranian regime, which remains intact despite nearly a month of fighting.

## Iran — Tehran says non-hostile ships can pass safely through Strait of Hormuz — SEVERE

### Situation Update/Impact/Business Implications

On 24 March 2026, Iran [circulated](#) a letter to member countries of the International Maritime Organisation, saying “non-hostile vessels” can transit through the Strait of Hormuz “in coordination with Iranian authorities”. The critical waterway has been in effect closed to all but a handful of ships since the start of the United States (US)-Israeli war against Iran on 28 February 2026. Approximately 20% of the world’s oil passed through the maritime chokepoint before its closure. Roughly 3,200 ships are currently stuck in the Gulf, unwilling to risk the transit of the narrow strait. Global energy prices have soared as a result of reduced supply, forcing countries around the world to implement measures, such as rationing, remote work mandates, and public holidays to conserve energy use. Some analysts have predicted that the price of oil could rise to between US\$150 and US\$200 per barrel if the waterway remains closed.

In addition to supporting Tehran's strategic objective of increasing international pressure on the US to end the war, Iranian officials also appear to be attempting to economically benefit from the situation. According to Lloyd's List Intelligence, Iran has reportedly begun charging up to US\$2 million per ship for safe passage, with at least one tanker believed to have made a payment. Additionally, the Iranian parliament is reportedly [preparing](#) a bill to legally recognise its authority over the Strait and formalise the charging of fees.

## Assessment

While a small number of ships are passing through the Strait each day, maritime traffic remains at a fraction of the level seen before the war began. Five vessels were tracked transiting the waterway on 23 March 2026, down from an average of 120 before the conflict. Although Iran insisted at the outset of the war that the Strait was completely closed, the shift in policy demonstrates pragmatism and an effort to generate revenue amid extremely challenging circumstances. It remains unclear how many ships will be prepared to pay Iran for safe passage. With difficulties likely to continue, Gulf nations are looking to alternative means of exporting energy. As such, Saudi Arabia's Red Sea port of Jeddah is set for an [increase](#) in business as the country diverts oil to the Red Sea as a safer option. However, with Yemeni rebel leader Abdel Malek al-Houthi threatening that "our hands are on the trigger", concerns regarding Houthi attacks in and around the Red Sea closing the Bab el-Mandeb Strait remain.

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## Israel/Lebanon — Israel sets out intention to control buffer zone in Lebanon — SEVERE

### Situation Update

On 24 March 2026, Israeli Defence Minister Israel Katz [said](#) the Israeli Defence Forces (IDF) would take control of a large swathe of southern Lebanon as part of their campaign against Hezbollah. According to Katz, Israeli forces blew up five bridges on the Litani River "used by Hezbollah for the passage of terrorists and weapons". Israel intends to exert control over the remaining bridges. By occupying Lebanese territory up to the river, the IDF is [establishing](#) what Katz has referred to as a "security zone", providing a buffer between the country and Hezbollah.

Fighting erupted in Lebanon on 02 March 2026, when Hezbollah launched a barrage of rockets and drones toward northern Israel. The retaliation came after joint United States-Israeli airstrikes killed Iranian Supreme Leader Ayatollah Ali Khamenei on 28 February 2026. Since then, over 1,000 people have been killed and over a million displaced in Lebanon. Israeli officials have justified the military incursion as necessary to protect communities in northern Israel from Hezbollah attacks.

### Assessment/Impact/Business Implications

Despite Hezbollah being significantly weakened during the October 2023 to November 2024 war with Israel, the Iranian proxy group has proven that it is still capable of conducting attacks. Under the terms of the ceasefire agreement, Hezbollah was supposed to disarm and abandon its positions in the south under the supervision of the Lebanese Armed Forces. While some progress was made, Hezbollah refused to fully disarm, citing Israel's persistent presence in Lebanon and ongoing air campaign as justification for maintaining its military infrastructure and defensive capabilities.

It would be a notable blow for Israel if the residents who had returned to towns in northern Israel were forced to evacuate again. With senior Hezbollah lawmaker Hassan Fadlallah saying that any Israeli occupation of southern Lebanon would be met with resistance, an evacuation remains a possibility. While over a million people have been displaced, thousands remain in parts of the south. Exactly how long Israel intends to occupy southern Lebanon remains unclear. While it could seek to occupy the area over an extended period, as it did [between](#) 1982 and 2000, controlling the territory could instead be a short-term measure to apply pressure on Hezbollah.

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## Libya – Libya secures drifting Russian tanker after ecological alarm – **HIGH**

### Situation Update

Libyan authorities have moved to secure the damaged [Russian-flagged](#) liquefied natural gas (LNG) tanker Arctic Metagaz after it drifted unmanned in the central Mediterranean for weeks and approached Libya’s western coast. Reuters reported on 25 March 2026 that Libya’s coast guard had begun towing the vessel away from shore near Zuwara after European countries warned of a potentially serious ecological disaster. The tanker had been adrift since early March 2026 after Russia’s Transport Ministry said it had been hit by Ukrainian naval drones. Earlier reports stated that Libya’s National Oil Corporation had hired a specialist company to deal with the vessel and established an emergency operations room with relevant authorities, including support from Mellitah Oil and Gas and coordination with Italy’s Eni. The vessel is believed to be carrying around 450 metric tonnes of heavy oil, 250 tonnes of diesel, and an uncertain quantity of LNG, intensifying fears over pollution or grounding.

### Assessment/Impact/Business Implications

The incident demonstrates how the Russia-Ukraine war is increasingly spilling into the Mediterranean in ways that create direct environmental and maritime-security burdens for North African and European states. Although Libya did not initiate the crisis, it has had to absorb the operational burden of dealing with the damaged tanker. This reinforces Libya’s continuing exposure to weak maritime governance, conflict-linked shipping risks, and the hazards associated with vessels operating in opaque or politically sensitive trade patterns. The wider central Mediterranean is already a congested and fragile operating space; incidents involving damaged or poorly regulated tankers raise the stakes for coastal states, offshore infrastructure, insurers, and shipping operators alike.

For business, the implications cut across shipping, ports, marine services, environmental liability, and insurance. The case highlights the need for stronger vessel screening, a clearer understanding of flag and ownership risk, as well as better contingency planning for similar events. Even if Libya succeeds in containing this incident without direct pollution to coastal energy infrastructure, the episode is a warning that maritime emergencies can quickly become commercial and regulatory problems. Companies operating in the Mediterranean should view this as another illustration of how the maritime risk environment stemming from the war in Ukraine extends well beyond the Black Sea, with North African coasts increasingly exposed to the downstream consequences of conflict, shadow-fleet operations, and weak enforcement across interconnected shipping routes.

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

## Qatar – Doha signals stability but remains exposed to escalation – **HIGH**

### Situation Update

Qatar is attempting to project stability and continuity while remaining exposed to the wider fallout from the Iran conflict. On 24 March 2026, Qatar’s foreign ministry said Doha was not directly [mediating](#) between the United States and Iran, although it supported all formal and informal diplomatic channels aimed at ending the war. Reporting at the same time described Qatar as remaining “in the eye of the storm”, with officials stressing that vigilance was still required despite some reduction in attacks warranting public alerts. Alongside that diplomatic message, Qatar’s [Civil](#)

[Aviation Authority](#) said the air transport sector remained under full operational control despite heightened regional risk, while other reporting indicated that the temporary remote-working period had ended and that employees had been directed back to offices as conditions stabilised. However, Qatar’s strategic exposure remains high because of its role as a major LNG producer and aviation hub, with market concern continuing around disruption affecting Ras Laffan and the wider gas sector.

**Assessment/Impact/Business Implications**

Qatar’s position reflects a careful balancing act. On one hand, the government is signalling that key state functions, workplaces, and the aviation sector remain operational and manageable. On the other, it is making clear that the regional security environment remains unsettled and that resilience should not be mistaken for normality. That distinction matters for corporate planning. Although the [return](#) of workers to offices and official reassurances over air transport may support confidence in the short-term, they do not reduce Qatar’s exposure to an escalation, particularly given the country’s central role in global LNG supply and long-haul aviation.

For business, the main implication is that Qatar remains operationally functional but strategically fragile. Any renewed strike activity, airspace restrictions, or infrastructure disruption could quickly affect gas exports, passenger flows, cargo schedules, and commercial sentiment. Market reporting around LNG production cuts and executive concern at [CERAWEEK](#) underline how rapidly damage or uncertainty in Qatar can feed through to pricing, contractual risk, and energy security concerns well beyond the Gulf. Companies with exposure to Qatar should therefore continue to treat the environment as one requiring close monitoring, particularly around airspace management, workforce guidance, transport continuity, and energy-linked supply chains. In short, Qatar is showing notable resilience, but its strategic importance means that even a limited disruption can carry consequences far beyond its borders.

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

**UAE/Iran/Lebanon – UAE dismantles network linked to Iran and Hezbollah – HIGH**

**Situation Update**

On 19 March 2026, the United Arab Emirates (UAE) said that its security authorities had dismantled a [terrorist](#) network allegedly funded and operated by Iran and Lebanon’s Hezbollah. The network had been operating under a fictitious commercial cover and was involved in money laundering, terrorism financing, and activities that threatened the UAE’s national security and financial stability. Lebanese authorities condemned the alleged plot and offered cooperation, while Hezbollah rejected the accusations, calling them fabricated while also insisting it maintained no operational presence in the UAE. The announcement came against the backdrop of a wider regional war environment in which the Gulf states have been dealing with persistent missile and drone attacks, elevated internal security concerns, and the growing risk that covert networks may attempt to exploit commercial and financial channels during a period of conflict.

**Assessment/Impact/Business Implications**

The development is significant because it shows that the Gulf security environment is no longer being viewed only through the lens of external military threats. For the UAE, internal resilience, financial integrity, and vigilance over covert influence networks are now part of the same strategic picture. The reference to a fictitious commercial cover

is especially important, as it underlines concern that companies, trade structures, and financial channels can be misused to conceal terrorism financing or politically motivated activity. In practical terms, this reinforces the UAE’s longstanding position that economic openness must be paired with strong internal controls, particularly at a time when regional tensions with Iran and its aligned actors remain elevated.

For business, the implications are likely to centre on compliance, beneficial ownership checks, financial due diligence, and the scrutiny of unusual cross-border transactions. Companies operating in banking, logistics, trade, real estate, and high-value commercial sectors should expect continued sensitivity around shell entities, opaque payment structures, and counterparties with exposure to sanctioned or politically sensitive networks. The wider message from the UAE authorities is that the commercial sphere cannot be separated from national security risk when the regional operating environment is this tense. Businesses are therefore likely to face a stricter enforcement climate, even where ordinary trade and financial activity continue. That does not point to systemic disruption, but it does suggest that legal, regulatory, and reputational risks will remain elevated for firms with weak compliance controls or poorly understood counterparties.

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

## Algeria – Italy and Algeria deepen energy cooperation – MODERATE

### Situation Update

Italy is seeking to [deepen](#) energy cooperation with Algeria as wider Middle East tensions and pressure on the supply of Qatari liquefied natural gas (LNG) continue to reshape European energy planning. During a visit to Algiers on 25 March 2026, Italian Prime Minister Giorgia Meloni said Rome and Algiers had agreed to strengthen cooperation through Italy’s Eni and Algeria’s Sonatrach, including work on shale gas and offshore exploration, with the longer-term objective of increasing Algerian gas flows to Italy. Algeria already supplies around 20 billion cubic metres of gas to Italy annually, equivalent to roughly 30% of Italian consumption, mainly through the TransMed pipeline and LNG cargo shipments.

Algerian President Abdelmadjid Tebboune stated that his country remained committed to meeting its obligations to Italy and Europe as a reliable energy partner. At the same time, Algeria is also pushing to attract fresh foreign investment into its hydrocarbons sector. Tebboune has [approved](#) a US\$5.4 billion contract with Saudi Arabia’s Midac Energy to develop hydrocarbon resources in the Illizi South region, under a 30-year agreement signed with Sonatrach that includes a seven-year exploration phase and an estimated 993 million barrels of oil equivalent in recoverable reserves.

### Assessment/Impact/Business Implications

The development underlines Algeria’s rising importance as a strategic North African energy supplier at a time when Europe is again being forced to think in security-of-supply terms rather than purely commercial ones. For Italy, the push is not simply about replacing lost Qatari volumes immediately, but about reinforcing resilience through a politically dependable and geographically proximate supplier. However, the short-term limits remain clear. Existing pipeline infrastructure is already heavily utilised, and while Algeria may be able to increase LNG shipments, it is not in a position to replace Qatar on a like-for-like basis in the near term. Any meaningful increase from shale, offshore, or newly developed southern reserves will take time to materialise.

For business, the story is broader than bilateral Italy-Algeria ties. It signals that North Africa is becoming more important to Europe’s diversification strategy and that upstream investment, state-backed infrastructure, and foreign capital are returning to the centre of energy risk calculations. Algeria is increasingly being [viewed](#) as an energy lifeline for Italy and Spain. The Midad agreement is especially notable because it shows Algeria trying to revitalise its reserves base after years of underinvestment and declining output. Sonatrach’s plan to drill nearly 1,450 oil wells between 2025 and 2030 points in the same direction. For companies in gas trading, engineering, shipping, infrastructure, and oilfield services, Algeria’s strategic value is clearly increasing. Although it is unlikely that Algeria will resolve Europe’s supply concerns, it is positioning itself as a more important buffer state in the Mediterranean.

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

## Morocco – Morocco to invest US\$2 billion in main ports operator – **LOW**

### Situation Update

Moroccan major ports operator Marsa Maroc Group has [revealed](#) a US\$2.1 billion investment programme to strengthen the group’s regional influence. The investment was approved during the board of directors’ latest meeting and is expected to take place over the 2025-2030 period. The group has reported increased revenues between 2024 and 2025 as a result of higher handled volumes across the group’s ports and its increased logistics service offering. Marsa Maroc recently became Africa’s fourth-largest container operator due to its growth in cargo traffic. Nationally, it operates 24 terminals and plans to expand its operations further into the continent, including to Liberia, Benin, and Djibouti.

### Assessment/Impact/Business Implications

Morocco has long aimed to increase its contribution to global shipping and transits. [Projects](#) to build deepwater ports and industrial infrastructure demonstrate Morocco’s efforts to become a global competitor in international shipping. The government is increasingly investing in rapidly expanding its ports to accommodate international needs and seems to be one of the country’s developmental priorities.

The war in the Middle East is likely to affect shipping and port management actors like Marsa Maroc. Containerised trade has been more [resilient](#) to the war due to the Suez Canal never fully returning to normal following the Red Sea crisis, keeping container freight prices stable. Ships that usually pass through the Strait of Hormuz are the most impacted, affecting the supply chains that usually rely on those ships, including oil and gas, fertiliser [shipments](#), aluminium, and helium.

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