

## SITUATION OVERVIEW

### Threats Broaden as Hormuz Uncertainty, Corporate Risk and Regional Strain Deepen

The conflict has entered a more unstable and more layered phase, with diplomatic activity widening even as military, economic, aviation and corporate-security pressure intensify. Trump said US attacks could end within two to three weeks without any deal requirement, reinforcing uncertainty over what happens next in Hormuz. At the same time, the IRGC has issued a time-bound threat against named US-linked companies across Gulf commercial hubs. Iraq has been pulled deeper into the crisis through the kidnapping of an American journalist in Baghdad, while Saudi Arabia remains central to deterrence and Hormuz planning. Kuwait also faces renewed pressure after an attack affecting airport-related fuel infrastructure. The wider shock is spreading across regional logistics and confidence.

## COUNTRY KEY DEVELOPMENTS

### Iran

- IRGC threatened named US-linked companies across Gulf commercial hubs.

### Israel

- Still under Houthi-linked pressure as regional fronts remain connected.

### United Arab Emirates

- Iranian nationals now barred from entry and transit by major airlines.

### Saudi Arabia

- Rubio pressure follows Riyadh's defence outreach beyond Washington.

### Kuwait

- Kuwait airport drone strike adds aviation and fuel-storage risk.

### Qatar

- Doha says Hormuz's future should be decided by the region.

### Oman

- Fallback logistics role persists, but Salalah pressure remains elevated.

### Iraq

- Foreign journalist kidnapping deepens militia and security risk in Baghdad.

### Lebanon

- Beirut area strikes and displacement pressures are worsening simultaneously.

### Türkiye

- Ankara remains exposed as Iranian missiles keep entering Turkish airspace.

### Yemen

- Houthis still threaten renewed Red Sea attacks in support of Iran.

### Egypt

- Fuel-saving curbs and early closures underline Cairo's economic stress.

### Syria

- President Sharaa visited London and stressed neutrality unless attacked.

## RISK INDICATORS

**Security Risk:** IRGC corporate threats raise exposure for offices, logistics hubs and workforce sites across Dubai, Riyadh, Doha, Manama and Kuwait City.

**SEVERE**

**Aviation Risk:** Jet-fuel disruption, corridor compression and weather could combine to hit schedules and airport resilience.

**HIGH**

**Maritime Risk:** Selective Hormuz movement and elevated war-risk costs continue to distort commercial shipping decisions and tanker routing.

**SEVERE**

**Energy Risk:** Electricity, desalination, airport fuel systems and industrial supply chains remain exposed beyond crude alone.

**HIGH**

## OPERATIONAL IMPACT

### Aviation

- Pakistan's fuel-supply warning is now directly affecting airline planning, with carriers advised to tanker fuel and reduce local uplift.
- Lufthansa is considering crisis plans that include grounding aircraft as the fuel shock deepens. Reuters has also reported wider airline fare, capacity and fuel-cost pressure across the sector.

### Logistics & Supply Chain

- Iraq has started trucking oil through Al-Waleed into Syria toward Baniyas, showing how states are testing overland and non-Hormuz alternatives.
- Cargo for Jebel Ali and Abu Dhabi is being cleared via Fujairah and Khor Fakkan.
- Sadara Chemical, the Aramco–Dow joint venture, halted production as supply chain disruption deepened.

### Maritime

- Around 3,200 vessels remain stranded in the Gulf as Hormuz stays restricted.
- Hormuz traffic fell by about 97% in March as commercial crossings collapsed.
- War-risk premiums have surged to 5–10% of hull value per transit.
- Folk Maritime is shifting its India-Gulf service towards Red Sea ports as Hormuz disruption bites.

### Energy Markets

- EU officials are urging energy-saving behaviour, including working from home and driving less, as they prepare for a longer shock.
- Jet fuel and diesel remain among the most exposed products, while airlines and airports in Europe and Asia face growing April supply risk.

## OUTLOOK (NEXT 72–96 HOURS)

The next 72–96 hours are likely to be shaped by selective de-escalation in US combat posture, but not by any return to normal regional operating conditions. Trump has said US attacks could end within two to three weeks and do not depend on Iran striking a deal, yet that still leaves the core commercial question unresolved: who secures Hormuz, on what terms, and for whom. Market stress therefore remains severe, with oil-price forecasts rising sharply if disruption persists. The more likely near-term direction is a fragmented access regime rather than a clean reopening. Malaysia says its tankers will not face an Iranian toll because it is viewed as a friendly state, reinforcing the pattern of politically selective passage rather than equal commercial access. That points to a friendly-flag model in which some cargoes move while others remain delayed, rerouted or priced out by risk and cost. The economic consequences are likely to widen further across the Arab world and beyond. UNDP estimates the war could cut Arab regional GDP by 3.7% to 6.0%, equivalent to roughly US\$120 billion to US\$194 billion, with millions of jobs lost and more people pushed into poverty. This is no longer just an oil shock, but a broader development, investment and social-stability shock.

## ADVISORY NOTE

Companies operating across the Gulf and wider Middle East should now plan for a business environment defined by selective access, uneven recovery and politically differentiated risk rather than a return to normal. Trump's remarks about a possible US drawdown may lower expectations of indefinite US combat involvement, but they do not resolve the core uncertainty around Hormuz, where access may remain conditional and some states or operators may receive more favourable treatment than others. Firms should not treat any reduction in headline military activity as a sign that transport, fuel, insurance or supply-chain conditions will normalise quickly. Management teams should focus on practical resilience measures: review dependencies on single ports, routes, cloud providers, fuel suppliers and telecoms systems; confirm whether key sites sit near facilities linked to named Western or US-linked firms; and prepare for sudden restrictions affecting staff access, shipping approvals and aviation routings. Leadership should also assume that cyber disruption, weather-related delays and tighter government controls may intensify. The most resilient posture is disciplined optionality: shorten decision cycles, protect critical systems and inventory, and maintain the ability to switch quickly from continuity mode to disruption management.