

THE MENA WEEKLY



24 April 2026

Key Takeaways

- Iran – Trump announces extension of Iran ceasefire – **SEVERE**
- Iran – US seizes Iranian cargo ship as Iran closes Strait of Hormuz again – **SEVERE**
- Iraq/Syria – Iraq reopens Rabia border crossing to Syria – **MODERATE**
- Israel/Lebanon – Israel announces “Yellow Line” in southern Lebanon – **SEVERE**



Iran — Trump announces extension of Iran ceasefire — SEVERE

Situation Update

On 21 April 2026, United States (US) President Donald Trump unilaterally [announced](#) an extension of the two-week ceasefire with Iran until Iranian negotiators submit a proposal for peace. It came just hours after he stated that he “expected to be bombing” the country once again, with the agreement set to expire. The decision was taken at the [request](#) of Pakistani Prime Minister Shehbaz Sharif and Field Marshal Asim Munir. Although the ceasefire has been extended, Trump also clarified that the US would continue to enforce its blockade, a move which angered Tehran into [refusing](#) to send its negotiating team to Islamabad to continue talks. He did not specify how long the ceasefire and blockade would remain in place.

Assessment/Impact/Business Implications

The new ceasefire marks a stark reversal for Trump, who previously told reporters that it was “highly unlikely” that he would approve an extension. With Tehran appearing reluctant to negotiate and Trump remaining determined to enforce the blockade, the lack of goodwill and extent of mutual suspicion does not make for a good environment for diplomatic progress. According to an official, US Vice President JD Vance’s trip to Pakistan for a second round of peace negotiations was put on hold because Tehran’s [failure](#) to respond to Washington positions. With Iran’s agreement to reopen the Strait of Hormuz collapsing as a result of the US’s decision to continue its blockade, stalled bilateral negotiations are prolonging the global economic consequences being caused by tankers carrying energy being unable to transit the waterway.

The impasse places Trump in a difficult situation. With recent polling [suggesting](#) that two thirds of US citizens disapprove of Trump’s handling of Iran, another escalation to bully Tehran into coming to the negotiating table is unideal. However, with midterm elections scheduled for November 2026, should future military intervention be authorised, it would be preferable not to delay it. Equally, if he were to cancel the blockade to facilitate another round of talks, he risks being seen as weak and kowtowing to Tehran’s demands, particularly considering his [claim](#) that Iran cannot “blackmail” the US. Although the blockade is cutting off Iran’s primary source of revenue, with it simultaneously causing a global energy crisis and growing opposition domestically in the US, Washington knows it cannot continue its efforts in the long term. The situation is increasing pressure on all sides involved.

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

Iran — US seizes Iranian cargo ship as Iran closes Strait of Hormuz again — SEVERE

Situation Update

According to security sources as of 22 April 2026, the United States (US) military had [intercepted](#) at least three Iranian-flagged tankers, including the Deep Sea supertanker, the Sevin, and the Dorena, in Asian waters. The seizures came just days after an Iranian-flagged container ship, Touska, was [boarded](#) and taken by US forces. Several other ships have also been diverted. The interceptions are part of a blockade being imposed by US forces since 14 April 2026 on vessels calling at Iranian ports after weekend peace talks in Islamabad between the US and Iran failed to produce a deal. As the US military has not listed all of the ships it has intercepted, it remains possible the more tankers could have been targeted.

In response to the US blockade, Iran has been stepping up its own maritime efforts. On 22 April 2026, Tehran [announced](#) that it had captured two container ships seeking to exit the Gulf via the Strait of Hormuz after firing on them and another vessel. The seizures were the first made by Iran since the outbreak of the US-Israeli war on Iran in February 2026. The seizure of one of the ships, the Panama-flagged MSC Francesca, was confirmed by Montenegro's minister of maritime affairs, who said four Montenegrin seafarers were on board and that they and the rest of the crew were safe. The Greek-operated Epaminondas reported being fired upon about 20 nautical miles northwest of Oman and claimed to have sustained damage to its bridge after being hit by gunfire and rocket-propelled grenades from an Islamic Revolutionary Guard Corps gunboat.

Assessment/Impact/Business Implications

Oil prices have risen as the ongoing closure of the Strait of Hormuz has continued to weigh on global oil supply. With Brent crude closing above US\$100 a barrel for the first time in more than two weeks on 22 April 2026 and global reserves running down, the situation is severe. Concerns are compounded by the lack of progress being made at the negotiating table between the US and Iran, despite Pakistan's best efforts to bring the pair together for talks. It is anticipated that the current impasse in the Strait of Hormuz will continue in the short-mid term. This is problematic for the countries worst impacted by the global energy crisis as strategic reserves continue dwindle.

Measures such as the [release](#) of strategic reserves, reducing working days, and limiting usage of air conditioning have already been implemented by various countries globally. Similar strategies are likely to be employed and intensified by a wider range of countries as the impacts worsen. Demonstrating the impact on the aviation industry, many carriers have been forced to announce the cancellation of flights due to rising prices. With the Arabian Gulf also accounting for a considerable amount of global seaborne fertiliser exports, shortages and price spikes are also causing challenges for the agricultural industry. The impacts being felt by these sectors and many others are expected to worsen. While international calls for diplomacy are likely to grow, neither side has demonstrated appears willing to back down.

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

Iraq/Syria — Iraq reopens Rabia border crossing to Syria — MODERATE

Situation Update

On 20 April 2026, Iraq resumed operations at the Rabia border crossing with Syria. The Head of the Iraqi Border Ports Authority, Omar al-Waeli, [stated](#) that the border crossing is vital to Iraq's strategic Development Road project, meant to enhance commerce and regional connectivity. The Rabia border crossing is located in western Nineveh, a region in northern Iraq, and links the country to the al-Yarubiyah crossing on the Syrian side. The border crossing is a critical route for product exchanges and travelling between the two states, but it has closed down due to security [concerns](#) during the war against Islamic State (ISIS). Other crossings have been restored as well, including the al-Waleed and al-Yarubiyah crossings.

Assessment/Impact/Business Implications

From a humanitarian perspective, developing the region will become essential. The Iraqi-Syrian border is marked by tight tribal relations and Nineveh has a history of good [relations](#) between different ethno-religious groups. However, partial occupation by ISIS from 2014 to 2017 led to widespread violence, marked by sectarian conflict and targeted attacks on religious and ethnic minorities.

Economically, the reopening of operations is expected to create thousands of job opportunities and strengthen government plans to develop communities west of Nineveh. The border crossing is set to reopen a crucial commercial route and enhance trade between Iraq and Syria. The border region is now likely to focus on reconstruction, rehabilitation, and reconciliation after years of humanitarian and economic strife.

In terms of future cooperation between Iraq and Syria, authorities are currently prioritizing addressing the security threats in the region. Despite ISIS’s territorial losses in the last few years and the fall of the Assad regime in Syria in December 2024, ISIS continues to pose a [threat](#) to the border region, demanding a cohesive joint security strategy. Regional dynamics and the progression of bilateral diplomatic relations are expected to influence the region’s humanitarian and economic reconstruction while addressing mutual security threats.

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

Algeria — Algeria opens oil and gas licensing rounds — **LOW**

Situation Update

On 19 April 2026, Algeria launched an oil and gas licensing round, [offering](#) seven exploration blocks in an effort to increase output and attract foreign investment. The bidding round, called Algeria Bid Round 2026, was attended by representatives of various international energy companies. The proposed blocks are located in Ouargla, Tougourt, Illizi, and El Bayadh and include both oil and gas prospects, estimated to contain hundreds of millions of oil barrels and considerable gas reserves. The technical phase of the bidding process is expected to begin on 01 June 2026, when access will be given to tender documents and online presentations. Bid submissions are due on 26 November 2026 and hydrocarbon contracts with Algeria’s Sonatrach are set to be signed on 31 January 2027 under production-sharing or participation agreements.

Assessment/Impact/Business Implications

As a gas-rich [OPEC](#) member, Algeria has put effort into its upstream sector and strengthening its role in global energy markets. Algerian energy officials are positive that the bidding round will be able to enhance global energy security, all the while boosting Algeria’s role as a regional energy supplier. Indeed, since the 28 February 2026 Israeli-United States (US) joint air strikes on Iran, which led to regional war and instability, Tehran’s response was to close down the Strait of Hormuz, causing a global energy crisis. Algeria emerged as a potentially [strategic](#) and valuable partner to European countries, thanks to its geographically close location, somewhat stable government, and increasing European reliance on its energy resources since the beginning of Russia’s war on Ukraine.

While the bidding rounds project future opportunities for the long-term, the global status quo regarding oil prices may provoke a genuine energy crisis next winter, putting a strain on European industries. The licensing rounds offer cause for optimism concerning future interest and extraction opportunities in Algeria, but reveal little about the current impact in relation to the Strait of Hormuz.

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

Israel/Lebanon — Israel announces “Yellow Line” in southern Lebanon — **SEVERE**

Situation Update

Israel has moved to formalise a new military boundary inside southern Lebanon, [announcing](#) a “Yellow Line” extending roughly 10km north of the border just as a 10-day ceasefire has come into effect. Israeli officials say the zone will remain under military control and that the Israeli military retains the right to strike within it as part of its campaign to remove Hezbollah threats. Israeli Prime Minister Benjamin Netanyahu said Israeli forces would remain in a “reinforced security buffer zone”, while Israeli Defence Minister Israel Katz said the military would continue to hold and control positions it had cleared and secured. Senior military officials also indicated that the Gaza “Yellow Line” model would be replicated in Lebanon, and that residents would not be allowed to return to 55 towns and villages inside the zone.

The announcement is significant because it places a territorial and operational framework around Israel’s post-ceasefire military posture in Lebanon. Lebanese officials and Hezbollah have rejected the move as an occupation of sovereign territory and a violation of the ceasefire’s core premise. The ceasefire text itself appears ambiguous, requiring a cessation of hostilities while also preserving Israel’s right to take what it defines as necessary self-defence measures against planned, imminent, or ongoing attacks. That wording leaves substantial room for unilateral interpretation and has already produced divergent understandings of what constitutes a breach. Within hours of the ceasefire taking effect, Israeli forces were reported to be carrying out demolitions, artillery fire, land-clearing operations, and new air strikes in or near the proposed zone.

Assessment/Impact/Business Implications

For businesses, the key issue is that the ceasefire has not created a stable or permissive operating environment in southern Lebanon. Instead, it has established a contested security arrangement under which Israel appears determined to preserve military freedom of action while Hezbollah insists that continued Israeli attacks invalidate the truce. That combination raises the likelihood of renewed violence, additional displacement, infrastructure damage, and long-term restrictions on access and reconstruction. It also deepens Lebanon’s internal political divisions over sovereignty, security policy, and the legitimacy of any arrangement reached under military pressure.

The overall risk is severe because the “Yellow Line” may become more than a temporary wartime measure. If it evolves into a semi-permanent buffer zone, it could entrench a new reality of limited Lebanese state control, continued Israeli enforcement activity, and persistent Hezbollah resistance. For commercial operators, humanitarian actors, and infrastructure planners, the immediate implication is that ceasefire conditions remain highly fragile and that southern Lebanon will continue to face acute security and access constraints despite the formal truce.

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

UAE — UAE in talks with US about financial assistance if war drags on — MODERATE

Situation Update

The United Arab Emirates (UAE) is reportedly in discussions with the United States (US) over possible emergency financial support if the war with Iran becomes prolonged, reflecting growing concern in Abu Dhabi over the economic cost of sustained regional disruption. The most notable element under discussion is a possible [swap](#) line that could give the UAE Central Bank access to inexpensive US dollars in the event of a liquidity squeeze or pressure on foreign reserves. Emirati officials are reported to have raised the idea during meetings in Washington involving Central Bank Governor Khaled Mohamed Balama, US Treasury Secretary Scott Bessent, and Federal Reserve officials. While no formal request has been made, the discussions suggest the UAE is seeking a precautionary financial backstop rather than waiting for market stress to deepen.

The move is significant because it shows how far the economic consequences of the war have penetrated even one of the Gulf's most financially resilient states. Emirati officials reportedly fear that a long conflict could seriously damage the domestic economy and undermine the UAE's reputation as a stable global financial hub. The concern is not abstract: Iranian strikes have damaged oil and gas infrastructure in the UAE, while the closure of the Strait of Hormuz since late February 2026 has sharply curtailed oil shipments and reduced a major source of revenue. The reported logic behind the proposed swap line is that easy access to dollars could help support the dirham, strengthen reserves, and calm markets if regional instability escalates into a wider financial shock.

Assessment/Impact/Business Implications

For businesses, the importance of the talks lies in what they reveal about official risk perception. The UAE is not signalling immediate financial distress, but it is showing that the authorities regard prolonged war as a credible threat to liquidity, capital flows, and investor confidence. That matters for banks, insurers, property markets, sovereign financing, and any business that depends on the UAE's image as a safe, predictable base for regional operations. The fact that Abu Dhabi is exploring contingency arrangements with Washington suggests policymakers want to preserve confidence before pressures become visible in funding markets.

The overall risk is high because the UAE remains more resilient than many regional peers, but it is no longer insulated from the direct economic effects of war. Even if a US swap line is never activated, the discussions themselves underline that recovery from the current disruption is unlikely to be immediate. Officials in the region are already warning that tanker scheduling and broader logistics may remain dislocated well beyond any formal end to hostilities. For investors and businesses, the key implication is that financial stability in the Gulf is becoming increasingly tied to the duration of the conflict and to the ability of states such as the UAE to maintain market confidence under prolonged strain.

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

Egypt — Nile security and Sudan conflict at core of Egypt–US dialogue — HIGH

Situation Update

On Monday 20 April 2026, during a meeting with Senior Advisor to the United States (US) President for Arab and African Affairs, Massad Boulos, and Egyptian President Abdel Fattah al-Sisi [stated](#) that the waters of the Nile are a

matter of vital importance for Egypt. With less than 20mm of rainfall annually, Egypt [relies](#) on the Nile for 97% of its water needs. The river is a vital resource for the country, supporting sectors such as agriculture, electricity, and, more broadly, the industrial sector. Cairo’s top priority is therefore to guarantee national water security, as well as to safeguard its water rights.

An integral part of the meeting between al-Sisi and Boulos was also the situation in Sudan, specifically the call for international intervention to end the armed conflict and halt the increasingly dire humanitarian crisis. The dialogue has national, regional and international significance. This multidimensional approach aims to protect domestic interests, [ensure](#) border security, and strengthen the strategic relationship with the administration of US President Donald Trump, who is committed to maintaining a strong position between Africa and the Middle East.

Assessment/Impact/Business Implications

The bilateral dialogue is highly significant given the importance of the river for Egypt and the legal complexity related to transboundary water rights. At an economic and environmental level, the risk is particularly high, as the country faces severe water scarcity and climate stress, which translate into a heavy reliance on the Nile. In addition to generating a long-term sustainability risk, there is a profound vulnerability for economic sectors that rely extensively on it. Although the economy [remains](#) relatively diversified, with the tourism and information and communication technology sectors, there is a significant impact on key areas such as agriculture and industry. A high level of risk is also observed in terms of regional security. The concerns of the Egyptian government stem mainly from the Grand Ethiopian Renaissance Dam (GERD), the largest hydroelectric project in Africa. The GERD generates strong tensions between Egypt, Sudan, and Ethiopia, concerns that are exacerbated by the instability caused by the Sudanese conflict. The same security tensions may also arise at a social level in relation to access to water, but the risk remains low.

The strong political pressure is, however, mitigated by internal stability and by the support of external diplomatic engagement from major actors such as the US. This allows businesses to view Egypt as an attractive country in which to invest, while still taking into account the most likely risks in the most vulnerable sectors. Businesses are [advised](#) to adopt desalination systems, especially in coastal areas, to implement water conservation methods, and to increase reliance on renewable energy. In addition, there is an important investment opportunity in technological tools that can enable the extraction of groundwater, in order to mitigate the risk of water scarcity as much as possible.

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

Libya — Sudan conflict spills into Libya as water security concerns rise — SEVERE

Situation Update

The report on Libya released on 19 April 2026 by the United Nations (UN) [states](#) that the Libyan battalion Subul al-Salam has contributed to the transfer of former Colombian soldiers to fight with the paramilitary group Rapid Support Forces (RSF) against the Sudanese army. The battalion, a local auxiliary force integrated into the structure of the Libyan National Army (LNA) of General Khalifa Haftar, controls the eastern and southern areas of Libya and in particular the district of Kufra, bordering Sudan, Egypt, and Chad. In the report covering the period from October 2024 to February 2026, it is stated that, thanks to its control over key logistical nodes such as an airport, the armed group has facilitated the transfer of recruits, weapons, and fuel to the Sudanese border in support of the RSF.

In this climate of political fragmentation, in which institutional armies and autonomous militias operate, on 21 April 2026, the Libyan Prime Minister Abdul Hamid Mohammed Dbeibeh [approved](#) the Libya National Water Security Strategy 2026–2050. The long-term plan aims to address water scarcity and related climate challenges, laying the foundations for future-oriented governance. Strengthening the country’s water security, according to Libyan officials, means ensuring long-term national stability, both from a social perspective and for economic development.

Assessment/Impact/Business Implications

The support provided by armed militias to the RSF and the national water management plan are part of an interconnected instability dimension. Libya and, in particular, the southern area, although not directly involved in the armed conflict, has become a logistical corridor and organisational hub in support of the Sudanese faction. In this context, the implementation of the water strategy operates within a broader regional environment shaped by RSF supply line control operations, which have contributed to heightened regional insecurity. This scenario unfolds within a framework characterised by a severe risk of conflict, strong political instability (owing to the coexistence of parallel governments, armed militias, and regional proxy actors), and a significant level of organised crime, driven by arms trafficking and mercenary networks.

In a context of weak institutional enforcement, the economy is highly volatile and vulnerable to the influence of illicit activities, with potential negative effects on economic growth. Environmental risk is high, particularly due to the structural water crisis that Libya is facing, a condition that requires long-term interventions to produce tangible results. The business sector faces significant operational uncertainty, linked to the rapid evolution of the security context and institutional fragmentation. There are persistent risks to personnel security and to the implementation of long-term infrastructure projects. At the same time, the water strategy may create opportunities for operators active in advanced technologies, water infrastructure, and scientific planning, although such opportunities remain conditioned by a high-risk environment.

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

Global SA Risk Methodology

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



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