

SITUATION OVERVIEW

Renewed Strikes Disrupt Diplomacy as Maritime Risk Widens Beyond Hormuz

Fresh US strikes on Iranian missile sites and boats allegedly attempting to lay mines have disrupted Doha-based efforts to secure an interim settlement. Tehran has accused Washington of violating the ceasefire, claimed it downed a US drone and demanded the release of \$24 billion in frozen funds under any memorandum. Negotiations remain active around Hormuz passage, blockade relief and future nuclear discussions, but military activity has increased uncertainty over implementation. Maritime risk widened after a tanker reported an external explosion east of Muscat, releasing bunker fuel into the sea while authorities investigate. The UAE is strengthening alternative trade corridors through Fujairah, Khorfakkan and Oman to safeguard food, pharmaceutical and export flows. Israel's continuing operations in Lebanon further complicate a wider ceasefire. Oil rebounded after the strikes, reflecting reduced confidence in normalisation across Gulf energy routes.

COUNTRY KEY DEVELOPMENTS

Iran

- Iran accused US of ceasefire violation while pursuing Doha negotiations.

Israel

- Ireland moves to ban goods from Israeli settlements in the West Bank.

United Arab Emirates

- UAE strengthened eastern trade corridors protecting food and pharmaceutical cargo flows.

Saudi Arabia

- Saudi deployed medical-support drones protecting Hajj pilgrims from extreme heat.

Kuwait

- Jazeera Airways losses exposed prolonged impact of Kuwait airport conflict closure.

Qatar

- Qatar-hosted negotiations continue despite fresh US strikes undermining diplomatic momentum.

Oman

- Tanker explosion east of Muscat caused bunker-fuel spill; authorities investigating.

Iraq

- Türkiye to repatriate nationals affiliated with ISIS from Iraq.

Lebanon

- Israeli strike killed eleven as expanded operations threaten wider ceasefire terms.

Türkiye

- Türkiye pledged continued support for peace talks during Erdogan-Pezeshkian call.

Yemen

- Yemen introduced new maritime security regulation for ships and ports.

Egypt

- Egypt backed diplomacy while rejecting threats to Gulf sovereignty.

Syria

- Syrian-Qatari talks explored expanded economic and investment cooperation.

RISK INDICATORS

Security Risk: Fresh US strikes, Iranian retaliation claims and expanded Israeli operations in Lebanon threaten diplomatic collapse across multiple fronts.

SEVERE

Aviation Risk: Renewed air encounters and prolonged carrier losses increase airspace uncertainty, network-restoration delays and fuel-cost exposure.

HIGH

Maritime Risk: Mine-laying allegations, tanker explosion off Oman and contested Hormuz access heighten transit, environmental and insurance risks.

SEVERE

Energy Risk: Oil rebound, QatarEnergy force majeure and stalled Hormuz normalisation sustain supply uncertainty for GCC partners and global importers.

HIGH

OPERATIONAL IMPACT

Aviation

- Jazeera Airways posted quarterly loss after prolonged Kuwait airport closure reduced revenue.
- Royal Jordanian losses deepened as rerouted flights and higher fuel costs affected earnings.
- Flynas profits fell 20% as fuel and maintenance expenses increased.
- Turkish Airlines targets full GCC network restoration by October amid continued disruption.

Logistics & Supply Chain

- UAE eastern ports attract investment as firms seek Hormuz-resilient trade access.
- Fujairah and Khorfakkan corridors support food, pharmaceutical and export cargo continuity.
- UAE air freight bridges protect time-critical pharmaceutical and food supply movements.
- AtkinsRéalis shifted focus towards UAE projects as Saudi giga-project activity slowed.

Maritime

- Tanker explosion east of Muscat released bunker fuel; authorities are investigating.
- US strikes targeted Iranian boats allegedly attempting to lay mines near Hormuz.
- Quad launched maritime-surveillance initiatives as Hormuz disruption affects Indo-Pacific trade.
- Proposed Iran framework links phased Hormuz reopening to blockade relief and mine clearance.

Energy Markets

- QatarEnergy extended Edison LNG force majeure until August, affecting 17 cargoes.
- Brent rebounded after US strikes weakened confidence in immediate Hormuz reopening.
- Saudi oil exports rose 37% in March as regional energy flows adjusted.
- Sri Lanka raised rates by 100 basis points as energy costs fuelled inflation.

OUTLOOK (NEXT 72–96 HOURS)

The next 72–96 hours will test whether the diplomatic channel can survive renewed military action and convert broad negotiating principles into an enforceable interim arrangement. Fresh US strikes in southern Iran, Tehran's claimed downing of a US drone and warnings against further attacks have sharply reduced confidence that Doha-based talks alone can contain escalation. Qatar and Pakistan remain important mediators, but Washington's demand for nuclear concessions and Iran's demand for frozen-fund access, blockade relief and influence over Hormuz leave substantial political gaps. The strait remains the central geopolitical pressure point: any phased reopening could ease global energy disruption, yet Gulf states are unlikely to accept arrangements that legitimise Iranian leverage over established transit rights. Israel's mobilisation and expanding operations in Lebanon create an additional obstacle, particularly as Tehran seeks to include that front within a wider settlement. China and Quad states are now emphasising maritime security, reflecting broader concern over wider regional trade-route instability. The most likely scenario is continued negotiation under military pressure, with limited de-escalatory steps possible, but sustained Gulf preparedness and high risk of further retaliatory action.

ADVISORY NOTE

Businesses should prepare for an environment in which diplomatic progress and military disruption may occur simultaneously. Companies exposed to Gulf trade, aviation, energy or regional construction should not assume negotiations will produce immediate route stability or cost relief. Logistics teams should maintain alternative corridors, confirm cargo visibility and verify insurance cover following renewed mine threats and the incident off Oman. Energy-intensive businesses should model continued price volatility and possible LNG supply delays, particularly where European or Asian operations depend on Gulf-origin cargoes. Aviation and travel teams should retain flexible booking and staffing arrangements as carrier recovery remains uncertain. Procurement teams should assess exposure to imported fuel, industrial materials and time-critical goods, while finance teams stress-test margins, working capital and contract performance under disruption. Compliance teams should monitor sanctions, counterparties and payment-route changes as negotiations evolve. Communications should distinguish political announcements from verified operational changes, providing practical guidance. The priority is resilience through flexible routing, financial preparedness and disciplined decision-making.