

SITUATION OVERVIEW

Ceasefire Strains as Hormuz Dispute Drives Gulf Security Pressure

The ceasefire is under renewed pressure as Trump says the truce is on “life support”, Iran holds to demands on sanctions relief, blockade removal, compensation and Hormuz sovereignty, and Gulf mediators push to reopen the Strait. Oil has risen above US\$107 as the closure tightens supply, with Sultan Al Jaber warning the world is already 1 billion barrels short. Türkiye and Qatar are backing Pakistan’s mediation, while Oman is discussing shipping safety with Iran, but military signals are hardening as the IRGC drills in Tehran and Iran claims it downed an intruding reconnaissance drone. Kuwait has identified IRGC-linked infiltrators after the Bubiyan Island incident, while Israel’s Iron Dome deployment to the UAE signals deeper Gulf defence alignment. Lebanon remains active after continued Israeli strikes, while Gulf aviation remains commercially uneven.

COUNTRY KEY DEVELOPMENTS

Iran

- IRGC drills in Tehran signal preparation for renewed confrontation.

Israel

- Israel rejected EU settler sanctions; soldiers jailed over Lebanon statue desecration.

United Arab Emirates

- ADNOC Gas warns Hormuz disruption may affect Q2 earnings.

Saudi Arabia

- Oil-market pressure rises as Hormuz closure tightens supply.

Kuwait

- Kuwait identified alleged IRGC-linked Bubiyan Island infiltrators.

Qatar

- Qatar backs Pakistan mediation to end war and reopen Hormuz.

Oman

- Iran and Oman discussed shipping safety through Hormuz.

Iraq

- Two Iraqi oil tankers passed through Hormuz selectively.

Lebanon

- Israeli strikes have killed 380 since ceasefire began.

Türkiye

- Fidan warned Hormuz should not become a “weapon”.

Yemen

- Tanker hijack keeps Red Sea and Somali waters exposed.

Egypt

- Hijacked tanker with Egyptian sailors raises maritime concern.

Syria

- Assad-era air force chief arrested in counterterrorism operation.

RISK INDICATORS

Security Risk: Trump’s “life support” ceasefire warning, IRGC drills, Kuwait’s Bubiyan Island case, Bahrain prosecutions and Lebanon strikes show escalation risk is widening beyond direct US-Iran confrontation.

SEVERE

Aviation Risk: Gulf airspace has reopened, but airline resumptions remain phased, route confidence is uneven and fuel costs continue to affect carriers, fares and schedule reliability.

HIGH

Maritime Risk: Hormuz remains contested through sovereignty claims, blockade pressure, selective tanker passage and shipping-safety talks, while Yemen-linked hijack risk keeps wider maritime exposure active.

SEVERE

Energy Risk: Oil above US\$107, ADNOC Gas Q2 exposure, US reserve releases and Al Jaber’s 1 billion-barrel warning show supply pressure is moving from price volatility into earnings and resilience risk.

HIGH

OPERATIONAL IMPACT

Aviation

- Emirates, Etihad, Flydubai and Air Arabia benefit from reopened UAE airspace.
- KLM, Lufthansa Group, Cathay Pacific and Finnair remain cautious on regional routes.
- Qatar Airways, Gulf Air, Saudia and Kuwait Airways continue phased restorations.
- Airlines remain exposed to rerouting, higher fuel burn and schedule volatility.

Logistics & Supply Chain

- Iraq's Syria-Kuwait TIR shipment supports alternative overland corridor development.
- Gulf importers remain exposed to container delays and routing uncertainty.
- Iran's blackout is disrupting e-commerce, payments and supplier communication.
- Fuel-cost increases are feeding into transport, food and consumer-goods pricing.

Maritime

- Iraqi crude tankers show selective Hormuz passage remains possible.
- Oman remains important as a maritime-safety and diplomatic channel.
- Egypt-linked tanker hijack keeps Yemen-Somali waters under scrutiny.
- Shipowners face higher scrutiny of flag, ownership, cargo and route exposure.

Energy Markets

- ADNOC Gas expects Hormuz disruption to affect Q2 net income.
- Iraq remains dependent on Hormuz for most crude exports.
- Brent above US\$107 keeps inflation and subsidy pressure elevated.
- US reserve releases show policymakers are managing sustained supply stress.

OUTLOOK (NEXT 72–96 HOURS)

The next 72–96 hours are likely to be shaped by whether the ceasefire remains a strained negotiating framework or becomes a more militarised pause around Hormuz. Washington has not yet moved decisively back to combat operations, but Trump's "life support" language, US reserve releases and continued pressure on Iranian oil flows show diplomacy is now backed by economic and military leverage. Tehran is unlikely to separate any reopening of the Strait from sanctions relief, blockade removal, compensation and recognition of its maritime role, leaving Türkiye, Qatar, Pakistan and Oman to test whether a limited shipping-safety formula can hold. Gulf states will remain alert to internal security risks after the Kuwait infiltration case, Bahrain prosecutions and the new Israel-UAE air-defence alignment. Lebanon remains the most immediate regional spoiler, while Yemen-linked hijacking and Somali waters keep maritime risk dispersed beyond Hormuz. The most likely outcome is selective vessel movement, uneven aviation recovery, elevated oil prices and continued hybrid work arrangements across Gulf countries as companies avoid forcing a premature return to normal routines, especially where schools, airport access, fuel costs, family logistics and staff confidence remain highly sensitive to sudden operational changes.

ADVISORY NOTE

Businesses should keep flexible operating models in place this week, even where offices, schools and airports have reopened. Most Gulf employers are still using remote or hybrid work as a practical buffer against flight disruption, fuel costs, family pressures and fast-changing security guidance. HR teams should avoid abrupt return-to-office requirements, maintain staff-accounting procedures and support employees managing school, travel or caregiving disruption. Travel teams should confirm flights directly with airlines, allow flexible bookings and avoid non-essential regional movement where routing remains uncertain. Maritime, logistics and energy teams should review exposure to Hormuz, the Gulf of Oman, Yemen, Somali waters, Suez, Aqaba and UAE east-coast ports, with checks on war-risk cover, sanctions screening, crew welfare and delivery timelines. Procurement and finance teams should stress-test fuel, freight, insurance, food, fertiliser, electronics and FX exposure. Security and communications teams should verify Iran, shipping and airspace claims before acting, while monitoring phishing, spoofed notices and AI-generated misinformation. Managers should communicate calmly, keep guidance short and ensure staff know exactly who to contact if transport, safety or family needs change.