

SITUATION OVERVIEW

Talks Advance as Hormuz Implementation Splits the Recovery Picture

The US-Iran MoU is moving from launch diplomacy into contested implementation. The first Bürgenstock round has ended with technical talks expected to continue, Switzerland calling the work constructive, and Iran crediting Pakistan and Qatar for progress. A high-level committee has reportedly agreed a 60-day roadmap, while Washington says it has issued a 60-day general licence for Iranian oil production. That has eased market pressure, with oil prices falling, but the operational picture remains uneven. The US says Hormuz remains open and oil flows are moving closer to pre-war levels, while maritime reporting indicates traffic has fallen sharply after renewed Iranian closure orders. Qatar is moving LNG tankers into Hormuz despite the slowdown, underscoring the split between political signalling and shipping behaviour. Lebanon remains the key de-confliction test, Syria-Lebanon messaging is becoming more important, and EU-Israel tensions add another diplomatic layer.

COUNTRY KEY DEVELOPMENTS

Iran

- Iran credits Pakistan and Qatar for Bürgenstock progress.

Israel

- Israel-EU tensions rise after minister severs Kallas ties.

United Arab Emirates

- Rubio reportedly plans UAE visit to discuss Iran deal.

Saudi Arabia

- Saudi Arabia joins regional support for US-Iran MoU.

Kuwait

- Rubio reportedly plans Kuwait visit on Iran deal.

Qatar

- Qatar moves LNG tankers into Hormuz despite slowdown.

Oman

- Oman remains central to Hormuz passage monitoring.

Iraq

- Iraq begins restoring oil output toward pre-war levels.

Lebanon

- Lebanon de-confliction remains central to US-Iran implementation.

Türkiye

- Türkiye backs MoU with Egypt, Pakistan and Saudi Arabia.

Yemen

- Yemen waters remain exposed to tanker boarding attempts.

Egypt

- Egypt joins regional backing for MoU and Palestinian statehood.

Syria

- Syria-Lebanon messaging aims to reduce regional suspicion.

RISK INDICATORS

Security Risk: The MoU has lowered some escalation pressure, but Lebanon, Gaza, Hormuz and Yemen-linked waters remain unstable. Maritime incidents and unresolved regional de-confliction keep security risk elevated.

SEVERE

Aviation Risk: Gulf aviation is recovering, but not fully normalised. New routes and cooperation agreements show market confidence, while regional warnings, fuel costs and airspace risk still affect operations.

HIGH

Maritime Risk: Hormuz traffic remains disrupted by Iranian closure orders, insurance concerns and safe-passage uncertainty. Yemen-linked tanker incidents add wider crew, routing and war-risk exposure.

SEVERE

Energy Risk: Oil prices have eased, but energy risk remains tied to Hormuz access, Iraq and Libya output recovery, Iranian refining repairs, flare-gas investment and petrochemical outages.

HIGH

OPERATIONAL IMPACT

Aviation

- Abu Dhabi-Navi Mumbai flights strengthen UAE-India aviation connectivity.
- Gulf airlines recover faster than European and Asian carriers.
- Europe-Asia routings still favour southern and northern bypass corridors.
- GPS interference and ATC congestion continue to affect regional operations.

Logistics & Supply Chain

- Investcorp's UK deal shows Gulf capital remains active.
- Vessel queues outside Hormuz keep scheduling and capacity uncertainty elevated.
- Radar tracking remains critical as some ships avoid normal broadcasting.
- Forwarders face unstable routing, insurance and timing despite diplomacy.

Maritime

- Oil tanker traffic through Hormuz is cautiously increasing again.
- Hundreds of vessels remain positioned outside the Gulf awaiting confidence.
- Chubb says Hormuz still operates in a war-zone environment.
- Mines, drones and missiles keep war-risk cover central to transit decisions.

Energy Markets

- Qatar gas-plant explosion may slow wider Ras Laffan recovery.
- Strategic-reserve rebuilding could support oil demand after the crisis and energy buffers are becoming a policy priority for import-dependent states.
- Iraq output restoration may support supply if exports stabilise.
- Libya posts highest oil output in more than a decade.

OUTLOOK (NEXT 72–96 HOURS)

The next 72–96 hours will show whether the US-Iran MoU can become a regional framework or remain a managed pause between rival centres of power. The Bürgenstock process has created a diplomatic channel, but the substance is now geopolitical: who controls Hormuz access, how sanctions relief is sequenced, whether Iranian oil re-enters markets, and whether Lebanon can be contained. Iran is likely to use Hormuz, tolls and asset releases as leverage, while Washington will try to preserve Gulf freedom of navigation without appearing to concede strategic ground. Qatar, Pakistan, Türkiye, Egypt and Saudi Arabia are giving the process wider regional cover, but Israel's position in Lebanon remains the main spoiler. EU-Israel tension adds another diplomatic fault line. Iraq and Libya output gains may ease market pressure, but only if maritime confidence improves. The most likely scenario is contested implementation: diplomacy continues, prices remain softer, but regional power competition, sanctions bargaining, Israeli-Hezbollah risk and maritime coercion remain embedded in the operating environment.

ADVISORY NOTE

Organisations should treat the US-Iran MoU as a partial risk reduction, not a return to normal operating conditions. Business continuity teams should continue monitoring Hormuz, Lebanon, Yemen-linked waters and Gulf airspace, as political progress remains vulnerable to sanctions disputes, maritime coercion, insurance constraints and renewed military action. Energy, procurement and treasury teams should update assumptions for crude, LNG, refined products, petrochemicals, freight rates and fuel surcharges, while avoiding over-reliance on lower spot prices. Logistics and supply-chain teams should keep alternative routing, sea-air options and supplier buffers active until vessel traffic, safe-passage procedures and war-risk cover stabilise. Finance, legal and compliance teams should review Iranian counterparty exposure, asset-release language, payment channels, insurance clauses and force-majeure provisions. Corporate leadership should communicate cautious improvement: regional markets are responding positively to diplomacy, but operational normalisation remains uneven and dependent on Hormuz access, Lebanon de-confliction and sanctions implementation.