SBJBC x MEA
Gulf Crisis 2026: Member Briefing
Post-Webinar Summary

Monday 9 March 2026, 09:30–10:15 (GMT)

This session was held under Chatham House Rule.

Introduction

On Monday 9 March 2026, the Saudi British Joint Business Council (SBJBC) and the Middle East Association (MEA) co-hosted a member briefing webinar on the evolving Gulf crisis. The session was attended by approximately 80 organisations and provided members with context, analysis, and practical guidance in light of the ongoing U.S./Israel - Iran conflict and its implications for businesses operating in Saudi Arabia and the wider region. The session included insights from **Spencer Mahony** (HM Deputy Trade Commissioner for the Middle East and Pakistan, DBT), **Laurent Ruseckas** (Executive Director, Research & Analysis S&P Global Energy), and **Nicholas Hopton** (Former Ambassador to Iran, current CEO, Middle East Association & Founder Belmont Advisory). The briefing was chaired by **Cordelia Begbie**, CEO of SBJBC. A question-and-answer segment followed the panel discussion, with contributions from individuals and companies in, or relevant to, Saudi Arabia.

Travel Advice and the Consular Situation

The briefing opened with a summary of the consular situation facing UK nationals, the UK's defensive role in the region, and the business environment. The panel identified the Foreign, Commonwealth and Development Office (FCDO) travel advice as the most important reference for any business with staff in the region to monitor and base decision making on.

For Saudi Arabia, travel advice is split across two zones. The western portion of the country carries standard guidance, advising general awareness while the eastern portion carries an amber designation, meaning the FCDO advises against all but essential travel. The determination of what constitutes essential travel rests with individual organisations and their employees, based on their own risk appetite. Airspace over Saudi Arabia is open, with flights operating in and out of the country, though this could change if conditions deteriorate but there is no current expectation of airspace closure.

For those already in the country, the advice is to stay inside a structure where possible and be aware of your surroundings. A distinction was drawn during the session between this general recommendation and a shelter-in-place instruction, which local authorities' issue when an immediate threat is identified. In that case, individuals should find a location with two walls between themselves and the outside, such as a bathroom or stairwell, away from windows.

Within Saudi Arabia, attacks have been directed primarily at a U.S. air force base located approximately 90 kilometres southeast of Riyadh, with daily rockets and drones targeting the base. An interception near the base on 8th March resulted in debris striking a nearby town and causing casualties. Strikes on Saudi energy infrastructure have also been reported, and in Riyadh's diplomatic quarter, drone debris hit the U.S. Embassy, which has since ordered non-essential staff to leave the country. The UK Embassy has not taken the same step, and its approach is to operate from home, with essential staff continuing to work at the embassy.

Across other Gulf states, including Qatar, Bahrain, and the UAE, the situation is more volatile, with attacks reported on public spaces, airports, and infrastructure. The UK Embassy is encouraging nationals to register via the FCDO's Register My Presence service, and vulnerable individuals are urged to make their circumstances known so they can be prioritised for any evacuations. Chartered flights have been leaving from Oman, which has remained comparatively quiet.

UK Defensive Posture

It was emphasised that the UK did not join the initial operations, and that its involvement has been defined as entirely defensive, focused on protecting British nationals. In practice, this has meant deploying aircraft to intercept drones and missiles, while sharing intelligence with regional host countries.

Business Environment

On the commercial outlook, the speakers were all clear that there has been no change to the UK government or private sector view on the attractiveness of Saudi Arabia as a market, and the outlook remains bullish. Opportunities in airports, railways, education, healthcare, and the giga-projects continue to be priorities, and the programme of activity connecting UK companies to Saudi partners is proceeding alongside discussions on Saudi investment into the UK. Negotiations on the UK–GCC Free Trade Agreement are also continuing, though some members of the regional trade teams have been redirected to crisis management and may be slower to respond to routine communication. Members with business concerns related to the conflict were encouraged to contact the SBJBC or the Embassy directly.

Energy Market Impact

The Scale of Disruption

The energy analysis presented during the session centred on a single defining fact: the Strait of Hormuz is the essential artery for oil and gas exportation. The strait carries approximately 20% of global oil supply and 17–18% of global LNG supply, and these volumes are next to impossible to fulfil elsewhere in the short term. As long as the strait is closed to transit, prices must rise to a level at which consumer levels of demand are destroyed, bringing supply and demand back into balance.

Vessel traffic through the strait has collapsed, and the scale of the disruption remains widespread. Of the roughly 20 million barrels per day of oil exported from the Gulf through Hormuz, approximately three quarters is crude. Some Saudi crude is being rerouted via a pipeline to the Red Sea port of Yanbu, with a stated capacity of six million barrels per day, but even at full capacity this would cover a fraction of the shortfall, and the pipeline's ability to ramp up quickly remains uncertain.

Oil Market Dynamics

Prior to the conflict, crude oil prices had been trending downward on weak fundamentals, with plentiful supply and subdued demand. Since the conflict began and disruption became obvious, these trends have reversed and Brent crude surpassed $100 per barrel on the morning of the briefing. The initial days of transit disruption did not produce a sharp spike, as oil inventories provided a buffer, with IEA member states holding 90 days of oil in storage, and Chinese reserves are estimated at twice the volume held by the United States. This allowed the oil market to absorb the first few days with relative composure, on the assumption that the disruption would be short-lived.

By the end of the previous week and over the weekend, signals pointed to a longer disruption, and the market responded accordingly by pushing prices above $100. S&P Global Energy's base case, published on 4 March, assumed a gradual restart of strait passage from the following week, but this scenario was already outdated following the weekend's escalation and would be revised. Under a more extended disruption of approximately two months, prices were projected to reach $140–$150 per barrel. If the situation resolves quickly, the market would return to oversupply conditions but if it does not, the oil price forecast would be permanently reset at a higher level.

It was noted that if the closure extends further, it will force upstream production shutdowns, because once storage capacity in the region is exhausted, producers have no choice but to halt operations. One Iraqi field has already shut in production, and these shutdowns carry geological risks depending on the reservoir as restarting fields once conditions normalise requires considerable time.

Asian Refining Exposure and Refined Products

The discussion highlighted that among the most exposed economies are Asian refiners, with Taiwan approximately 85% dependent on Middle Eastern crude. China and Thailand have already placed restrictions on the export of refined products to preserve domestic supply, and price movements for certain refined products, including naphtha and jet fuel, have been sharper than crude price increases. This pattern of market-by-market volatility would persist for as long as transit remains disrupted, and depend on other exporters levels of production.

LNG Disruption

For LNG, the disruption has been more immediate and acute than for oil, with gas prices in Europe and Asia reacting sharply from the outset owing to the smaller role of inventories in the gas market. Qatar's Ras Laffan facility, the world's largest gas liquefaction complex, was shut down the previous week following a drone attack on a power plant within the site. The attack appears to have been modest in scale, but the shutdown was driven both by precaution and by the absence of anywhere to store the product. As of the moment, Qatar estimates a restart period of at least two weeks subject to a careful process.

LNG from Qatar and the UAE is bound primarily for Asia, and the price spread between the Asian LNG benchmark (JKM) and European benchmarks is sending a strong signal to pull flexible-destination cargoes, principally from the United States, into Asian markets. This diversion is driving European gas price increases in turn where this cargo was originally destined. Some countries, including China, have the option of burning more coal in the power sector to compensate, while others face more constrained options and must procure replacement cargoes immediately.

The United States, as a self-contained market, is insulated from the natural gas price impact. High oil prices, by contrast, affect the U.S. directly and are likely to shape the administration's approach to the conflict.

Insurance and Indicators to Watch

An important clarification was offered on the question of insurance, which the press has not been appropriately covering. The closure of the strait is not, at this stage, driven by an inability to obtain coverage for transit. P&I club liability insurance was cancelled on Thursday night, with new war risk premiums offered on Friday morning at a higher rate. Insurance is available, but the binding constraint is the operators' own assessment of risk to their people and assets. This could shift if the situation persists, and the U.S. Development Finance Corporation's (DFC) reinsurance backstop scheme, announced late the previous week, was identified as worth monitoring.

Four indicators were flagged for members to watch: further Iranian attacks on Gulf energy export infrastructure, any hint of vessels seeking to transit Hormuz, the scale of upstream production shut-ins, and the progress of the U.S. DFC reinsurance scheme.

A New Phase of the Conflict

Turning to the geopolitical trajectory, the weekend was described as marking a new phase of the conflict, driven by two developments on the Iranian side that carry consequences for the outlook in the weeks ahead. The Iranian President issued an unexpected apology to Gulf states for the impact of Iranian attacks on their territory. This appeared to signal an Iranian attempt to narrow the conflict, shifting from a strategy of maximum pressure on U.S. allies in the Gulf to a more contained confrontation between Iran, the United States, and Israel. The apology was quickly quantified by the Iranian security establishment, which stated that Iran retained the right to strike Gulf countries if their territory or military bases were used to launch attacks on Iran. Ongoing strikes, including on Kuwait in the preceding 24 hours, show the limits of the initial diplomatic gesture.

Iran's New Supreme Leader

More consequential was the nomination of Mojtaba Khamenei as the new Supreme Leader, following the killing of his father, Ali Khamenei, the previous week. Mojtaba Khamenei is a Sayyid and claims descent from the Prophet, lending him a degree of religious legitimacy, but he is not an Ayatollah and lacks the stature of his father. He would, in all likelihood, not have been the nominee under normal circumstances. His selection serves the interests of the security establishment, led by Ali Larijani and the IRGC apparatus, who require a public-facing figure who will not dictate policy or set the strategic direction of the state.

What the appointment signals, above all, is defiance: Iran's military leadership is communicating that the regime remains intact and will not capitulate under pressure. The country is, at this point, run by a hard-line military and security apparatus.

U.S. Objectives and the Risk of Escalation

The U.S. response has shifted considerably over the preceding week, with President Trump now appearing aligned with the Israeli position in calling for unconditional surrender and regime change, having previously stated a desire to select Iran's next leader. This demand was assessed during the briefing as unrealistic from the outset, and the selection of Mojtaba Khamenei is likely to be received poorly in Washington and prompt a further doubling down.

It was reported that the U.S. and Israel have been preparing Kurdish militants for a ground invasion of Iran from the west, which would mark a significant escalation and a different kind of war. A parallel was drawn with the 1980-88 Iran-Iraq war, when Saddam Hussein's ground invasion quickly became a protracted and brutal conflict. A Kurdish takeover of Iran would not be welcomed by the broader Iranian population, and the Iranians are prepared for this scenario.

The reported U.S. bombing of a desalination plant on Qeshm Island was raised as a development that could take the war into a different dimension. Under Article 51 of the Geneva Conventions (and the related Article 54 of Additional Protocol I), the targeting of civilian water infrastructure constitutes a war crime. If this becomes a pattern, it will represent a shift in the conflict, and a dangerous normalisation of what becomes an appropriate target by state actors. Gulf states depend heavily on desalinated water, and any Iranian retaliation against GCC desalination infrastructure would alter the regional dynamic fundamentally.

The UK Position

After an initially uncertain start, the UK Labour government was described as having reached a coherent position, defined as defensive in protecting UK nationals, resources, bases, and allies. This has included deploying Typhoon aircraft and intelligence assets and while some GCC countries have expressed a view that the UK did not act quickly enough, the UK's contribution across air, intelligence, and other domains has been relatively substantive, if poorly advertised.

What constitutes defence has, in recent days, expanded in scope. The UK is now permitting the U.S. to use its bases to strike Iranian missile sites pre-emptively where those sites are assessed as threatening Gulf countries, which amounts to a pre-emptive defensive posture and stretches the original framing. However, the Prime Minister is balancing public opinion, opinion within his own party, and the domestic impact of rising oil prices when considering how to adjust the UK's position.

Outlook

There is growing resistance in the U.S. Congress to granting the President expanded war powers. The immediate trajectory hinges on decisions by the President Trump, who faces a choice between supporting a Kurdish ground invasion, intensifying airstrikes, or seeking a diplomatic off-ramp. It was observed that when Khamenei was killed, there was a moment in which victory could have been declared and negotiations pursued, centred on preventing Iran from acquiring nuclear weapons. That moment was not taken so the signs of a legitimate diplomatic resolution are, at the time of the briefing, non-existent.

Discussion and On-the-Ground Perspective

During the question-and-answer segment, a member raised the question of upcoming regional events, including the LEAP technology conference in April and the Human Capability Initiative (HCI) conference in May, at which the UK is set to be a key component. The panel confirmed that preparatory work for both events continues, and engagement with organisers is ongoing, though apprehension about travel to the region could suppress attendance even if conditions improve. The timing of this conflict is somewhat favourable in that the period coincides with Ramadan and the subsequent Eid holiday, providing a window before the conference calendar resumes.

An attendee based in Riyadh offered an on-the-ground perspective, confirming that from the Saudi side, the operating environment is business as usual, with no official statements from the Ministry of Interior or civil defence notifications directed at businesses. The member cautioned that Saudi partners do maintain a long institutional memory. Businesses and investors that change course during periods of instability risk reputational consequences and remaining committed and visible during a crisis strengthens long-term credibility in the market. A further point was raised about the difficult position facing individuals employed by Saudi-owned firms who receive guidance from their own embassies to exercise caution or leave, while their employer expects continued presence.

In response, a distinction was drawn between the UK's amber travel designation and a red designation, the latter of which would constitute an instruction to leave. Amber advises caution and asks individuals to assess their own risk appetite, and it remains that the UK government has not instructed British nationals to depart Saudi Arabia.

SBJBC confirmed that it is planning to travel to Saudi Arabia at the end of Ramadan, travel permitting and reinforced the message, noting that the Council also has UK-based events in the coming weeks and that companies flying into Saudi Arabia for an event carry a different risk profile from being resident there.

Key Takeaways for Members

The briefing covered three dimensions of the crisis: the immediate safety environment, the energy market disruption, and the geopolitical trajectory.

On safety, the FCDO's amber designation for eastern Saudi Arabia advises against non-essential travel, though airspace is open and UK nationals in the region should register with the FCDO and follow local shelter-in-place protocols. On energy, the Strait of Hormuz closure has removed approximately 20% of global oil supply and 17–18% of LNG supply from the market, with Brent crude exceeding $100 per barrel on the morning of the briefing and projections of $140–$150 per barrel under a two-month disruption scenario. Insurance for strait transit is available at elevated premiums, though operators are declining to proceed. Upstream production shutdowns have begun, and Qatar's Ras Laffan LNG facility is offline.

On geopolitics, the appointment of Mojtaba Khamenei signals defiance from Iran's military establishment. The U.S. demand for unconditional surrender and the preparation of Kurdish militants for a ground invasion represent paths toward further escalation. The targeting of civilian water infrastructure raises the prospect of a shift in the conflict. The UK has adopted a pre-emptive defensive stance but faces domestic political constraints. Congressional resistance in the United States is also acting as a brake, but the signs of a diplomatic resolution are not present.

Critically, the UK government's view on Saudi Arabia as a strategic commercial market has not changed. Members with business concerns related to the conflict are encouraged to contact the SBJBC or the UK Embassy directly.

Information on the Organisers:

The Saudi British Joint Business Council

SAUDI BRITISH
JOINT BUSINESS COUNCIL

The Saudi British Joint Business Council is an independent and private sector-led body, which aims to develop business relations at all levels between Saudi Arabia and the United Kingdom.

Through its British and Saudi members and its Secretariats in London and Riyadh, it offers a range of services and provides access to high-level governmental and private sector networks in both Saudi Arabia & the UK.

Website: www.sbjbc.org

The Middle East Association

The Middle East Association (MEA) works to strengthen connections and partnerships between the UK, Middle East and North Africa by bringing together businesses, policy makers and regional experts.

Through event briefings and networking opportunities, we help organisations better understand and engage with the region.

Website: www.the-mea.com