



THE IRAN WAR SPREADS TO THE GULF REGION

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As the conflict with Iran enters its third week, the Gulf Arab countries continue to bear the heaviest brunt of a conflict that was not of their choosing. While the Gulf Cooperation Council (GCC) members (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates) harbor no illusions about the destructive nature of the Iranian regime nor of its desire to spread terror and sow regional instability, they have nonetheless gone to great lengths in recent years to develop and maintain a shaky detente. This semblance of stability has been key to the ambitious economic diversification strategies undertaken by the UAE, Saudi Arabia, and Qatar, in particular. These strategies have also underpinned President Trump's second-term economic agenda for the Middle East, which culminated in the signing of more than \$1.4 trillion in new deals during his May visit to the region and which is now being undermined as the conflict spreads throughout the region.

The Gulf as a Target

The conflict with Iran is largely a war of choice, with an ever-moving set of objectives given by the Trump Administration, ranging from regime change to degradation of nuclear, missile, and drone programs. As the administration continues to refine its purpose, Iran has responded by lashing out against all six GCC member states, as well as Israel, Jordan, and Iraq. Iran's strategic logic in striking the Gulf is clear: the Gulf states are major strategic partners of the United States and key contributors to regional stability and the global economy. Attacks on the Gulf can drive pressure on Trump to end the war, both from Gulf leaders and from an American public that is already experiencing the burden of rising oil prices.

The real and perceived closeness between Israel and the Gulf is another contributing factor; the UAE – the first Gulf state to join the Abraham Accords – has received more than half as many drone attacks as all other states combined. Meanwhile, Iran's public justification for the strikes has been that several of the Gulf countries host US military installations, with over 50,000 personnel deployed throughout the region (including 5th Fleet HQ in Bahrain and the forward HQ of the US Central Command in Qatar).

In Iranian Sights: Infrastructure, Energy, and Military Targets Dominate

Since the outbreak of the Iran war on February 28, the Islamic Republic has struck or attempted to strike five known US military installations in the Gulf. Despite Iran launching thousands of missiles and drones, most of these strikes have been intercepted by US-manufactured surface-to-air defense systems, including the higher-altitude Terminal High Altitude Area Defense (THAAD) and lower-altitude Patriot systems. Several US military sites in the Gulf did, however, sustain [damage](#). Furthermore, six US service members were [killed](#) in a March 1 Iranian strike near Camp Arifjan, a [seventh](#) was killed at Prince Sultan Air Base, and [six more](#) were killed in a plane crash in neighboring Iraq. Iran has also aggressively [targeted](#) US

diplomatic facilities in Dubai, Kuwait, and Saudi Arabia, as well as a hotel in Bahrain – injuring American contractors.

Iran's attacks on the Gulf have not been limited to US military targets; the regime has attacked civilian sites, tourist and financial hubs, residential areas, energy infrastructure, and major airports – [including](#) repeated strikes against the world's busiest airport in Dubai. As Iran has drawn down its supplies of conventional weapons, it has increasingly turned to asymmetric attacks utilizing its considerable cyber capabilities and disruption of the transportation route via the Strait of Hormuz to wreak economic havoc.

Economic Impacts Build: From the Gulf to the Global Economy

Apart from the rising death and injury tolls, the Iran war has the potential to cause further economic devastation in the [Gulf](#) and [beyond](#). It is already [decimating](#) the Gulf's tourism industry and creating what the International Energy Agency (IEA) has [called](#) the biggest oil supply disruption in history. Gulf states have been forced to temporarily but repeatedly close their airspace, disrupting flights and leaving tens of thousands of Americans [stranded](#) in the early days of the conflict. Iran has also [attacked](#) oil tankers, cargo, and other commercial vessels in the Persian Gulf, as well as oil refineries, gas facilities, and vital ports.

Attacks in the Strait of Hormuz, the world's most critical waterway for shipments of energy and other key commodities, along with corresponding spikes in insurance for shippers in the area, have brought traffic there to a virtual standstill. This has sent the prices of oil soaring and threatens supplies of aluminum and helium that are key inputs into products like fertilizer and chips. The coming weeks are therefore expected to see [dramatic](#) increases in the costs of food, medicine, and other consumer products. The US-Israeli war against Iran is already [costing](#) the global economy billions of dollars and could [result in](#) hiring freezes, layoffs, and economic recession, depending on how long it takes to find an off-ramp. As a countermeasure, the IEA [announced](#) that it will release 400 million barrels of oil from its emergency stockpile, the largest reserves distribution in history.

Gulf Response to the Conflict

The Gulf is bearing the consequences of a war it did not choose and over which its leaders have limited influence. Gulf states are unlikely to join offensive operations against Iran, as doing so would make them primary targets of Iran and further threaten their economies. The GCC has also opted against retaliatory strikes against Iran, upholding the longstanding policy of avoiding direct confrontation with the Islamic Republic. The Gulf nonetheless recognizes the potential for further destabilization emanating from Iran and has provided considerable passive support.

The GCC swiftly [condemned](#) Iran's attacks on the Gulf as a breach of sovereignty and international law and joined the [European Union](#) in calling for de-escalation. Gulf states implemented various emergency security protocols and increased their air defense readiness, coordinating with partners to intercept Iranian missiles and drones. The UAE also [closed](#) its

embassy in Tehran and withdrew its diplomats. On March 11, the United Nations Security Council (UNSC) [adopted Resolution 2817](#), by a vote of 13-0, demanding the immediate cessation of Iranian aggression. Bahrain submitted this UNSC resolution on behalf of the GCC, demonstrating both a united front against Iranian aggression and a shared commitment to diplomacy with Iran that transcends the [growing](#) Saudi-Emirati rivalry.

The Gulf has also provided direct support to US operations via basing access and intelligence sharing, in addition to air defense coordination. In recent days, President Trump has [called on](#) the Gulf countries to take a more active role in securing the Strait of Hormuz via maritime patrols or operations. Doing so risks direct confrontation with Iran and discussions over what role the Gulf countries might be willing to play remain ongoing. For his part, Senator Lindsey Graham, a top Trump ally and chief advocate for the Iran war, gave Saudi Arabia an [ultimatum](#): join the war or “consequences will follow.”

Whither US-Gulf and Iran-Gulf Relations?

The Trump Administration has been responding to Iran’s attacks on the Gulf with overwhelming US military force, as part of its broader “Operation Epic Fury.” In addition to coordinating with GCC partners on missile defense, the US has significantly [increased](#) military deployments to the Gulf – including additional marines and warships, issued travel warnings, ordered the departure of non-emergency US personnel from the Gulf, and [closed](#) the US embassies in Saudi Arabia and Kuwait. In response to Iran’s attack on the Gulf’s oil supply, Trump [ordered](#) the bombing of Kharg Island, from where the Iranian regime exports about 90 percent of its oil. Furthermore, the US Energy Department [announced](#) the release of 172 million barrels of oil from the Strategic Petroleum Reserve to counteract skyrocketing energy prices.

This support notwithstanding, some prominent Gulf allies [have criticized](#) the US for prioritizing Israeli security over their own, despite high-profile security and defense agreements recently signed with the UAE, Saudi Arabia, and Qatar. There are also reports that some Gulf partners are reviewing recent investments in the US as they attempt to triage the economic impacts of the conflict. Amidst long-standing delays in the delivery of defense articles, which are in critical demand, as well as reports of dwindling stockpiles and other controlled technologies such as chips, the Gulf states will almost certainly take stock of their partnerships with the US at the war’s end and consider diversification of alliances moving forward in order to better hedge against future US actions that threaten their economic futures.

As for relations with Iran, what was once a shaky detente will now be viewed as a critical threat thanks to a surviving regime that is both more hardline than its predecessor and more willing to deploy asymmetric capabilities to disrupt and threaten its neighbors.

Policy Recommendations

- **The Trump Administration** should clarify the strategic objectives of the conflict and seek a negotiated conclusion that stabilizes markets and, to the extent possible given

the destructive nature of the Iranian regime, avoids recurrent cycles in the near or medium term. It should further prioritize the security of Gulf partners by accelerating the delivery of new defense systems, including additional THAAD and Patriot batteries; air defense interceptors, counter-drone technologies, and cyber defense capabilities.

Following the conclusion of the conflict, the administration will need to work to reassure Gulf allies of the continued value of the strategic partnership with the US.

- **The US Congress** should urgently exercise its oversight of the Trump Administration's war objectives, ensuring that military operations remain aligned with clearly defined national security goals. It should expedite the review and approval of defense articles to Gulf partners, including through joint training and technology sharing. Congress should work closely with the administration to support initiatives related to maritime security and diplomatic de-escalation initiatives, while maintaining pressure on Iran's destabilizing regional activities.
- **Israel** should remove regime change in Iran as a goal of the current conflict in acknowledgement that it is both futile and destabilizing for the region and precludes a negotiated resolution to the current round of violence. To avoid unwelcome geopolitical and environmental impacts, including potential spikes in refugee flows and violence beyond Iran's borders, Israel should work with the US in support of a long-term negotiated solution that addresses nuclear, military, and proxy capabilities, acknowledging that the Iran conflict cannot be permanently won through military means alone.
- **Gulf states** should maintain a unified diplomatic front in condemning Iranian aggression while continuing to advocate for de-escalation and working towards greater security integration within the GCC. Once safe to do so, they should expand maritime security cooperation with the US and other neighbors to protect shipping lanes and energy flows from future shocks. Gulf countries should continue to partner with the US in building cyber resilience and defensive capabilities, while serving as a vital intermediary in developing a long-term, negotiated resolution to Iran's destabilizing behaviors and ambitions.