

GEOPOLITICAL RISK OBSERVATORY

Structural Effects: War in Iran and Emerging Alignments in the Gulf

An overview

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Introduction: Early Structural Effects

The war in Iran is beginning to generate structural effects. At the geopolitical level, the Gulf and the broader Middle East are witnessing the emergence of two informal, antagonistic coalitions, diverging in both their approach to Tehran and their long-term strategic outlook.

These are not rigid alliances, but flexible alignments driven by converging interests. On the Iranian dossier, a clear dichotomy is taking shape:

- A UAE-Israel axis, currently supported by the United States and with growing prospects for cooperation with India - particularly in economic, investment, and energy domains, while also factoring in India's strategic rivalry with Pakistan;
- A Saudi Arabia-Pakistan-Turkey alignment, with China acting as an external strategic anchor and Egypt as a structured regional partner.

The first group leans toward direct military confrontation, viewing Iran as an existential threat. The second favors pragmatic appeasement, consistent with Riyadh's ambition to act as a regional balancer between Washington and Beijing. This broader tendency to seek accommodation with Iran may also include Qatar and Oman which have generally favored de-escalation and diplomatic engagement with Tehran. According to still unconfirmed reporting, Kuwait may also be moving in a similar direction. Bahrain, by contrast, may prove more inclined to align with the UAE-Israel axis, in line with its participation in the Abraham Accords.

This security divergence is also reflected in energy strategy, with the UAE's withdrawal from OPEC (and OPEC+) representing the clearest operational signal of a growing fracture.

A Gradual Rupture

Tensions between Riyadh and Abu Dhabi predate the war. They stem from competing regional ambitions, proxy management, divergent funding priorities, and personal rivalries between leadership circles.

Events in late 2025 made the rift more visible:

- Alleged Saudi lobbying of the Trump administration to impose sanctions on the UAE over its support for Sudan's Rapid Support Forces;
- The advance of the UAE-backed Southern Transitional Council in southern Yemen up to the Saudi border;
- A Saudi airstrike targeting a UAE-linked weapons convoy in Mukalla;
- Renewed tensions over the withdrawal of Emirati forces from Yemen;
- Israeli recognition of Somaliland and the UAE's de facto permissive posture stand in contrast to Saudi Arabia's firm support for Somali territorial integrity.

The Iranian Threat

Security Dimension

At the security level, the divergence is fundamental:

- For the UAE, the Islamic Republic represents a direct threat to national survival. Abu Dhabi appears willing - potentially in coordination with Israel - to conduct unilateral "mowing the grass" operations (persistent surveillance and preventive strikes), even without direct US involvement, and up to the pursuit of regime change if necessary.
- For Saudi Arabia, Iran is not an irreconcilable enemy. Riyadh is pursuing a long-term arrangement focused on non-aggression and the containment of proxy activity. While maintaining strong security ties with the United States (including advanced weapons systems), the Kingdom is reinforcing its position as a pivot power through its defense partnership with Pakistan (including the deployment of approximately 13,000 troops) and its strategic relationship with China.

A notable manifestation of this alignment was the two-week ceasefire agreement between the United States, Israel, and Iran, facilitated through joint Chinese and Pakistani mediation.

Energy Dimension

The security divide is amplified in the energy domain, a key long-term strategic lever, where development models diverge sharply:

- Saudi Arabia remains anchored to market share within OPEC+, driven by high fiscal breakeven needs and continued reliance on low-cost oil production. Hydrocarbons remain central to its strategic model;
- The UAE is pursuing accelerated diversification and post-carbon positioning, alongside expanded production capacity. By leveraging spare capacity of roughly 1 million barrels per day - particularly in a high-price post-conflict environment - it aims to reach 5 million barrels per day by 2027.

The UAE's exit from OPEC, strongly backed by the United States, is increasing global crude supply, exerting downward pressure on prices, accelerating the Emirati transition strategy, and weakening the cartel's cohesion.

Consolidation of Alignments

The two competing alignments around Riyadh and Abu Dhabi have progressively consolidated through a network of bilateral and multilateral arrangements.

The Saudi-led bloc has taken shape primarily through a “regional coordination framework” linking Pakistan, Turkey, and Egypt, with integrated operational components (including Pakistani air assets and Turkish drone capabilities). The objective is to reduce dependence on the United States while jointly containing both Iran and Israel. This alignment, however, should be understood more broadly as embedded in a wider Gulf environment in which Qatar and Oman continue to play distinct but complementary de-escalatory roles vis-à-vis Tehran, even if they are not formal components of a Saudi-led bloc.

The UAE-led bloc has strengthened through a strategic defense and cooperation agreement with India - covering LNG, nuclear energy, and military partnership - as a direct counterweight to the Saudi-Pakistan axis. This alignment is further reinforced by deep integration with Israel under the Abraham Accords, as well as close cooperation with the United States in defense, intelligence, and advanced technologies. Bahrain may also gravitate toward this axis, not least because its normalization with Israel and its threat perception of Iran make it more compatible with the Emirati-Israeli posture.

The United States is effectively hedging between the two coalitions: while prioritizing its relationship with the UAE, it remains a key security guarantor for Saudi Arabia. China, in turn, acts as the principal external backer of the Saudi alignment, facilitating engagement with Tehran. By leveraging both relationships, Riyadh positions itself as a privileged interlocutor for both Beijing and Washington, maximizing its strategic autonomy.

Conclusions

The war in Iran has transformed a latent rivalry into a structural security divide: existential confrontation for the UAE versus pragmatic appeasement for Saudi Arabia. These competing coalitions are reshaping the balance of power in the Gulf in an increasingly post-American context, with the UAE's exit from OPEC and new defense partnerships with India and Pakistan serving as key operational tools. Yet the regional picture is more nuanced than a simple binary split. Qatar and Oman remain important channels for talks with Tehran. Kuwait may prove less rigidly aligned than traditionally assumed, and Bahrain appears more likely to converge with the Emirati-Israeli position.

The result is a more fragmented and competitive regional system, in which Riyadh and Abu Dhabi openly compete for leadership, leveraging Washington and Beijing as external balancers in support of their respective security and projection strategies. The Horn of Africa also forms part of this competition, as it directly touches on rival concepts of regional order.

Strategically, the region appears locked in an unstable equilibrium, whose durability will depend heavily on the outcome of the war in Iran.

If, as seems plausible, the conflict produces a provisional settlement primarily designed to provide the United States with an exit, Iran's political and strategic survival would likely favor the Saudi approach - while leaving significant dissatisfaction on the Israeli and Emirati side as a key source of future instability.

In the energy transition domain, however, the vulnerability of fossil fuel supply chains - highlighted by disruptions around the Strait of Hormuz - may accelerate the shift toward electrification and green alternatives. This would enhance the UAE's competitive positioning while, in relative terms, weakening Saudi Arabia's.

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