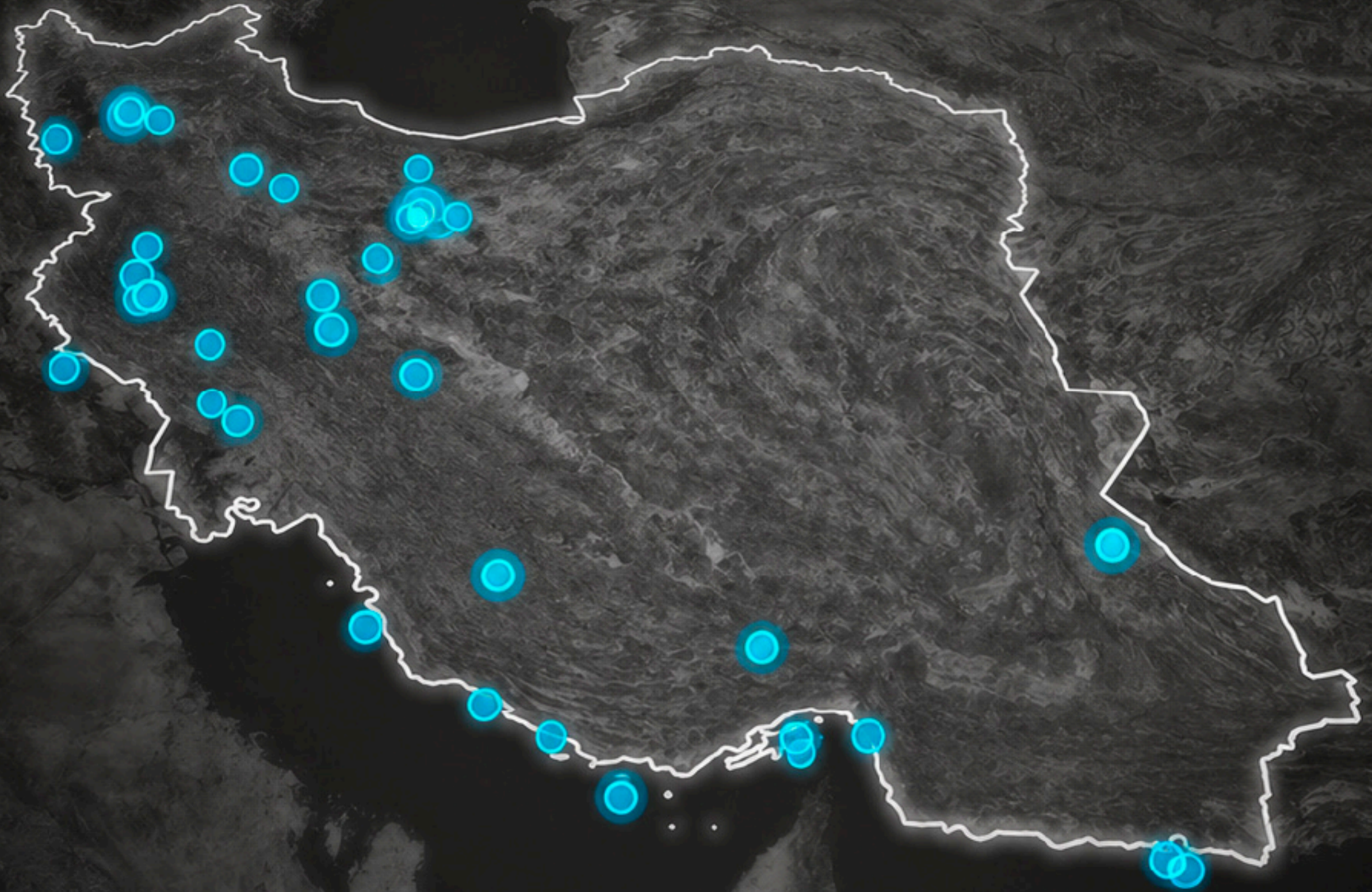




المركز العربي للأبحاث
Arab Center for Research



Risks to the Middle East Following the Iran War



Key Takeaways at a Glance

- Economic strain is imminent driven by energy disruptions and inflation
- Political and security risks dominate concerns, especially conflict spillover
- Environmental damage could have lasting consequences
- Recovery is expected to take 5-10 years for most countries



Economic Risks: Shockwaves Across Markets

Energy & Trade Under Pressure

The Strait of Hormuz, a critical global oil artery emerges as a major vulnerability.

- **66.7%** of experts anticipate *high to very high disruption* to oil exports
- Rising energy prices are expected to hit households hard, with **72.2%** predicting strong inflationary effects

Investment & Growth at Risk

Investor confidence appears fragile:

- **44.4%** foresee a decline in foreign direct investment over the next two years
- Tourism and aviation are particularly exposed, with **88.9%** expecting significant downturns

Supply Chains: Fragile and Exposed

Half of respondents warn of disruptions in key sectors such as petrochemicals and agriculture highlighting vulnerabilities that extend beyond the region into global markets.



Political & Security Risks: A Region on Edge

While full-scale regional war is not seen as inevitable, the risks are real:

- **72.2%** expect increased proxy conflicts
- Shifting alliances and evolving power dynamics are widely anticipated

Governance & Stability

The conflict could reshape political systems:

- **83.3%** believe it may strengthen authoritarian policies or emergency rule
- Institutional stability is expected to weaken, at least moderately, across many states

Global Powers Re-engaging

- Half of respondents expect **increased foreign military presence**
- **66.7%** believe new regional security frameworks could emerge within **10–20 years**



Environmental Risks: The Silent Crisis

Pollution & Ecosystem Damage

Environmental threats are both immediate and severe:

- **61.1%** warn of major air pollution from strikes on oil infrastructure
- **83.3%** foresee serious damage to marine ecosystems in the Persian Gulf

Climate Transition: Delayed or Accelerated?

The long-term outlook is mixed:

- Some experts expect conflict to **slow clean energy investment**
- Others believe instability may ultimately **accelerate the global shift away from fossil fuels**

Resource Stress Intensifies

Water scarcity, land degradation, and soil contamination are all expected to worsen—adding pressure to already fragile ecosystems.




Overall Risk Outlook

When asked about the greatest long-term threat:

- **55.6%** identified political and security risks
- **33.3%** pointed to interconnected systemic risks
- Economic and environmental risks were seen as standalone priorities by a smaller share

Recovery Timeline

- **61.1%** estimate recovery will take **5–10 years**
- Only **22.2%** expect recovery within **5 years**
- A notable minority foresee impacts lasting decades

A map of the Middle East and Central Asia region, showing countries like Syria, Iraq, Iran, Afghanistan, Pakistan, and India. Major cities such as Damascus, Baghdad, Tehran, Kabul, and Islamabad are labeled. The map is in a light gray tone.

What does the ongoing war in Iran mean for the future of the Middle East?

A recent survey we conducted of hundred of senior civil society experts and regional stakeholders sheds light on this pressing question revealing a complex web of economic, political, and environmental risks that could reshape the region for years to come.

Here, we break down the key insights and what they mean for regional resilience.