



The Iran-US War Disruption Index

Assessment of war-induced disruption across 20 Middle East industries

Industries Face Unequal Disruption

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CRISIS INSIGHTS

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INTRODUCING THE IRAN-US WAR DISRUPTION INDEX

Industries Face Unequal Disruption

By assessing 20 Middle East industries across disruption severity and recovery readiness, leaders can see where the real damage is — and where the rebound will come fastest.

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The Strait of Hormuz has been effectively closed since March 4, 2026. Ship transits collapsed from 130 per day to 6. Brent crude surged 88%. The IEA called it the largest supply disruption in the history of the global oil market.

But not every industry is feeling it the same way.

Some sectors face existential damage — frozen aluminum smelters, stranded ships, shuttered free zones — with recovery timelines measured in years. Others are experiencing severe short-term disruption that will reverse within weeks of a ceasefire. A few are outright beneficiaries.

To help leaders understand where their industry actually stands, we built the Iran-US War Disruption Index: a two-dimensional matrix that scores 20 Middle East industries on disruption severity (how bad is it now?) and recovery readiness (how fast can it bounce back?). The intersection of these two scores places each industry into one of four quadrants.

Critical: Operations halted and physical damage means recovery outlasts the conflict itself.

Rubber Band: Demand is frozen, not destroyed; activity snaps back once security normalizes.

Long Road Back: Revenue is bleeding slowly; rebuilding supply chains and investor confidence takes years.

Beneficiary: Conflict drives urgency and spending; these sectors gain from the disruption others suffer.

Exhibit 1

The disruption matrix scores 20 industries across severity and recovery readiness.

Industry	Severity	Recovery	Quadrant	Key signal
Shipping & Logistics	5.0	1.5	Critical	95% traffic collapse; 3,000+ ships stranded
Free Zone / Re-export Trade	5.0	1.5	Critical	75% of liner connectivity dark
Aluminum & Metals	5.0	1.0	Critical	EGA frozen pots; 6–12 month restart
Oil & Gas (upstream)	4.5	2.5	Critical	10M bpd cut; pipeline at capacity
Petrochemicals & Plastics	4.5	2.0	Critical	31+ force majeure; 275-day unwind
Fertilizer Production	4.5	2.5	Critical	QAFCO 5.6MT shut; urea +50%
Agriculture & Fisheries	4.5	1.5	Critical	80% GCC food imports disrupted
Construction & Real Estate	4.0	2.0	Critical	\$6B+ NEOM contracts cancelled
Healthcare & Pharma	4.0	2.5	Critical	Cold-chain stockouts in 4–6 weeks
Tourism & Hospitality	4.5	3.0	Rubber Band	Dubai occupancy 15–20%; F1 cancelled
F&B Manufacturing	4.0	3.0	Rubber Band	70% food imports disrupted
Airlines & Aviation	4.0	3.5	Rubber Band	Emirates 1,200+ flights cancelled
Automotive	3.5	3.0	Rubber Band	Toyota –40K ME allocation
Retail & Consumer Goods	3.5	3.5	Rubber Band	Lulu airlifted 6,000t of produce
Banking & Financial Services	3.0	3.5	Rubber Band	DFM –16.4%; Fitch: banks resilient
Technology & Digital	3.0	3.0	Long Road Back	AWS data centers struck by drones
Telecommunications	2.5	3.0	Long Road Back	12 of 17 submarine cables at risk
Education	2.5	4.0	Beneficiary	Remote learning activated across GCC
Renewable Energy / Solar	2.0	4.0	Beneficiary	NEOM hydrogen 90% complete
Defense & Security	Net +	5.0	Beneficiary	Lockheed +40% YTD; THAAD 4x

Source: HAC analysis based on IEA, UNCTAD, Goldman Sachs, Rystad Energy, Credendo, CNN, CNBC, S&P Global, and 40+ sources (March–April 2026).

The Critical zone: where recovery outlasts the war

Nine industries occupy this quadrant. They share two characteristics: operations have been physically halted, and the damage will take months to years to reverse regardless of when a ceasefire is reached.

Shipping: the epicenter

Hormuz transit collapsed 95%. Over 3,000 ships carrying 20,000 sailors are stranded. All five major container lines suspended Gulf bookings. War-risk insurance premiums exploded from 0.125% to 5–10% of hull value, making the strait effectively uninsurable. DP World's Jebel Ali — 35% of Dubai's GDP — is technically open but receiving almost no vessels. Emergency land corridors via Etihad Rail and Fujairah trucking are workarounds, not replacements. Recovery requires months of insurance recalibration, vessel repositioning, and container rebalancing.

Aluminum: the worst recovery profile on the matrix

EGA's Al Taweelah plant suffered the dreaded "frozen pot" scenario: Iranian missile strikes cut power, causing molten metal to solidify inside smelting circuits. Alba in Bahrain shut 19% of capacity then was directly attacked. LME aluminum surged 40%+ to \$3,424–\$3,544/tonne. Goldman Sachs projects a 900,000-tonne global deficit. Unlike oil wells, frozen smelters require 6–12 months of physical repair to restart.

Petrochemicals: 275 days to normalize

84% of GCC polyethylene exports transit Hormuz. ICIS counted 31+ force majeure declarations. Borouge suspended Al Ruwais operations. Sadara Chemical shut Jubail. Dow CEO Jim Fitterling warned at CERAWEEK that unwinding the shortages could take up to 275 days, stating that the trajectory for the rest of the year has already been set.

Oil & gas: the pipeline helps, but the gap is massive

Gulf production dropped 10 million+ bpd. Saudi Aramco's East-West Pipeline reached 7 million bpd — full capacity — enabling roughly 5 million bpd through Yanbu. But combined bypass capacity covers only 6.5–7 million bpd versus 20 million normally through Hormuz. QatarEnergy's Ras Laffan was directly struck, destroying two LNG trains with 3–5 year repair timelines.

Fertilizer, agriculture, construction, healthcare

These four sectors round out the Critical zone. QAFCO shut its 5.6 million-tonne urea plant. GCC states import over 80% of their food through Hormuz. Over \$6 billion in NEOM contracts were cancelled. Cold-chain pharmaceuticals face stockouts within 4–6 weeks. Each faces a distinct recovery constraint: fertilizer lost the spring planting window permanently, agriculture depends on desalination plants under missile threat, construction requires years to rebuild investor confidence, and healthcare must rebuild cold-chain logistics from scratch.

The Rubber Band zone: demand deferred, not destroyed

Six industries sit here. They are in pain, but their demand has not evaporated — it has been frozen by security concerns and logistics constraints. Once those constraints lift, these sectors snap back.

Tourism and aviation are the clearest examples. Dubai hotel occupancy collapsed to 15–20%. Emirates cancelled 1,200+ flights. The F1 Bahrain and Saudi Grands Prix were cancelled. WTTC estimates \$600 million per day in regional tourism losses. But the 2003 Iraq invasion saw Dubai recover within one quarter. Dubai's AED 1 billion support package signals the government shares this confidence.

Retail and F&B showed impressive crisis resilience. Lulu Group chartered 37+ cargo flights, airlifting 6,000+ tonnes of produce. Large retailers are absorbing air freight costs short-term. The supply chain is stressed but functional.

Banking fundamentals remain sound. Fitch assesses GCC banks face few immediate credit risks despite DFM posting its worst monthly decline since the pandemic (–16.4%). Sovereign wealth buffers exceeding \$1.5 trillion provide system-level resilience.

Automotive faces delayed deliveries, not cancelled demand. Toyota cut 40,000 vehicles from Middle East allocation, but S&P Global notes that if the war resolves within 3 months, delayed purchases are quickly recouped.

Long Road Back and Beneficiary zones

Technology and telecom face moderate but structurally significant disruption. The March 1 strikes on three AWS data centers were the first-ever military attacks on commercial cloud infrastructure. Of 17 submarine cable systems in or transiting the Gulf, 12 pass through waters with confirmed IRGC operations. These are multi-year infrastructure investments to rebuild or reroute.

Defense is the conflict's clearest winner. Lockheed Martin is up roughly 40% since January. The Pentagon is requesting a \$200 billion supplemental. THAAD interceptor production is being quadrupled. Gulf defense localization now carries existential urgency.

Renewable energy occupies a uniquely favorable position. NEOM's green hydrogen plant (90% complete, \$8.4 billion) sits on the Red Sea, bypassing Hormuz. ACWA Power signed \$8.3 billion in deals for 15 GW of new solar capacity. The energy security argument for renewables has never been stronger.

Five insights for leaders

The matrix reveals patterns that cut across individual industries. Five stand out.

- 1. The GCC's circular dependency is now visible.** The region exports energy through Hormuz and imports everything else — food, materials, pharmaceuticals — through the same chokepoint. When it closes, Gulf states can neither sell their products nor buy what they need.
- 2. Recovery readiness is the variable that matters most.** Severity gets the headlines. But the real strategic question is how fast your industry can come back. Aluminum and petrochemicals have similar severity scores, but aluminum's recovery is far slower due to physical infrastructure damage. That difference should drive fundamentally different crisis playbooks.
- 3. Physical damage creates multi-year tails.** Qatar's LNG trains need 3–5 years to repair. EGA's smelters need 6–12 months. Struck airports and ports will constrain the region long after any ceasefire.
- 4. Pricing power inversely correlates with humanitarian exposure.** Shipping and aluminum can pass costs freely. Food, healthcare, and agriculture cannot. This creates an asymmetric recovery where profit-generating sectors recover first while essential services remain strained.
- 5. The conflict is compressing years of structural transition into weeks.** Saudi megaproject retrenchment, the renewable energy pivot, defense localization, and food security investment were all trends before the war. The Hormuz crisis has accelerated them dramatically, creating both enormous risk and an unprecedented window for repositioning.

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