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## Gulf Research Center (GRC) Webinar Escalation and Diplomacy: Gulf Perspectives on the Israel-Iran War

### SPEAKERS:



#### MODERATOR:

**Dr. Christian Koch**  
Director of Research, GRC  
Executive Manager  
GRC Foundation Brussels



**Dr. Abdulaziz Sager**  
Chairman  
Gulf Research Center (GRC)



**Dr. Mustafa Alani**  
Director of Security and  
Defense Program  
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**Prof. Giacomo Luciani**  
Trustee and a Founding  
Member of the Gulf Research  
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**Dr. John Sfakianakis**  
Chief Economist, Head of  
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**Prof. Saleh Al-Khathlan**  
Senior Advisor  
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# Escalation and Diplomacy: Gulf Perspectives on the Israel-Iran War

## Webinar Summary



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## Escalation and Diplomacy: Gulf Perspectives on the Israel-Iran War

### Webinar Summary & Key Outcomes

On June 30, 2025, the Gulf Research Center (GRC) hosted a webinar titled “Escalation and Diplomacy: Gulf Perspectives on the Israel-Iran War.” The session brought together GRC experts and analysts to examine the implications of the recent Iran-Israel conflict, focusing on the potential repercussions for the Gulf region and broader Middle East.

Speakers included Dr. Abdulaziz Sager, Chairman of the GRC; Giacomo Luciani, Trustee and a Founding Member of the Gulf Research Center Foundation Geneva; Dr. Mustafa Alani, Director of Security and Defense Studies at the GRC; Dr. John Sfakianakis, Chief Economist and Head of Economic Research at the GRC; and Prof. Saleh Al-Khathlan, Senior Advisor at the GRC. Dr. Christian Koch, Director of Research at the GRC, moderated the webinar.

The webinar covered six themes:

1. Gulf states’ diplomatic and strategic positioning in light of recent regional events
2. Assessment of the Israel-Iran military exchange and nuclear implications
3. Impact on oil markets and fiscal stability in the Gulf
4. The limits of external mediation and the need for regional engagement.
5. Prospects for GCC-led diplomacy and security frameworks
6. Lessons for nuclear non-proliferation and geopolitical changes

The discussions assessed military outcomes, regional stability, diplomatic engagement, and the shifting balance of power in light of Iran’s nuclear program and the Gulf’s strategic position.

Dr. Abdulaziz Sager emphasised that the Gulf states condemned the Israeli aggression and its actions under international law but remain cautious toward Iran, particularly its nuclear ambitions. He highlighted the importance of diplomacy and reaffirmed the Kingdom’s stance on the two-state solution in the Israel-Palestine conflict as a precondition of Saudi Arabia’s normalization with Israel. Dr. Sager also pointed out that foreign military operations, especially on Gulf territory (i.e., Al Udeid Air Base in Qatar), are unacceptable and undermine sovereignty. In addition, he asserted the GCC’s opposition to regime change in Iran, stressing that such matters must be resolved internally by the Iranian people. He expressed a Saudi willingness to mediate between Iran and the US, citing historical efforts such as that



of Russia and Ukraine, but called for Iran to abandon threatening rhetoric and militia-based regional influence.

Prof. Giacomo Luciani emphasized that oil prices are more influenced by speculation than real geopolitical disruptions. Therefore, markets remained relatively stable during the recent crisis. He stated that OPEC+ dynamics may shift post-conflict with Saudi Arabia increasing oil production, aiming to lower prices and undercut high-cost producers, especially in the US. Arguing that issues of nuclear enrichment and proliferation are likely to dominate much of the agenda in the coming period, he advocated for a collective and regional approach to nuclear enrichment, including Iran, to prevent proliferation crises.

Dr. Mustafa Alani evaluated the military operation against Iran's nuclear facilities, claiming that the military operation against Iran's nuclear facilities achieved around 90% of its objectives. He underlined the fact that the operation was not put together at the last minute but had, in fact, been in preparation for about 10 years backed by intense intelligence planning from both Israel and the US. Despite this, Iran's broader nuclear ambitions remain unresolved. Dr. Alani dismissed any suggestion that Iran was close to nuclear weapon capability, yet affirmed the program was military in intent. He also questioned Iran's ability to recover quickly under the threat of continued strikes from the US and Israel, despite Iran's surviving leadership structures. He then noted how the GCC's influence over the nuclear dimension remains minimal, although its strategic alignment will matter in the post-conflict phase. Dr. Alani also highlighted how two nuclear-armed states joining forces to attack a non-nuclear state in order to prevent it from acquiring nuclear weapons.

Dr. John Sfakianakis observed that global financial markets are extremely desensitized to the Middle East's unpredictable circumstances unless it directly impacts supply chains. For example, he noted the disconnect between economic analysts and Middle East conflicts except in cases involving global escalation or nuclear risk. He mentioned that high oil prices could benefit Saudi's fiscal situation, particularly in funding its Vision 2030 projects, though unpredictable circumstances remain a concern. Dr. Sfakianakis warned that the war could affect the GCC's international image as a stable, emerging hub of soft power and neutrality.

Prof. Saleh Al-Khathlan labeled the conflict the most dangerous since the 2003 Iraq War due to its regional implications. He argued that both Israel and Iran emerged from the conflict politically weakened, presenting the GRC with the golden opportunity to pursue constructive engagement. He outlined a three-track response: opposition to Iran's nuclear armament, renewed diplomatic outreach to Iran, and



stronger political pressure on Israel over its destabilizing regional policies. Dr. Al-Khathlan argued that strategic decisions often rely on perception, not just facts, and that the Gulf must be active in shaping both.

Overall, the webinar conveyed a sense that the GCC states must use their diplomatic leverage and position of economic influence in shaping the post-conflict landscape. This would include:

- ***Reinvesting in Multilateral Diplomacy:*** The GCC is encouraged to actively pursue confidence-building frameworks with Iran and other neighbours--especially around nuclear risk and military transparency.
- ***Reasserting Commitment to a Two-State Solution:*** Normalization with Israel must be tied to concrete advances toward Palestinian statehood.
- ***Balancing Energy Diplomacy with Stability:*** While oil price gains benefit fiscal goals, Gulf producers are advised to manage perception by reinforcing their commitment to global stability.
- ***Shaping Strategic Narrative:*** With Iran and Israel both politically weakened, the GCC has an opportunity to shape the next phase of regional order through proactive engagement and multilateral alignment.

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