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# The U.S.-Israel-Iran Conflict and the Acceleration of Great Power Competition in the Gulf

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### Recalibrating the U.S. Role

The ongoing U.S.-Israel-Iran conflict represents more than a regional confrontation; it has the potential to be a defining moment in the evolution of great power competition in the Gulf. As tensions escalate and the risk of broader instability grows, the conflict may reflect a deeper structural transformation in the international system: The transition from a U.S.-dominated order to a more fluid and contested multipolar landscape. In this context, the Gulf has emerged not only as a strategic energy hub but also as a central arena where global rivalries, regional insecurities, and economic interdependencies converge and play out. This evolving dynamic presents the Gulf states themselves with a complex mix of risks and opportunities, while reshaping future security arrangements and attracting greater involvement from emerging powers.

At the heart of this transformation lies the gradual reconfiguration of the U.S. role in the region. The United States remains the most capable military actor in the Gulf and continues to serve as the primary external security provider. However, the current conflict highlights growing constraints on U.S. power projection. While Washington has demonstrated its willingness to support Israel and counter Iranian actions, it has faced increasing difficulty in mobilizing unified international backing. European responses have been cautious and, at times, fragmented, while Gulf states themselves have avoided full alignment with escalation dynamics. This reflects a broader trend in which U.S. leadership, though still significant, is no longer uncontested or universally accepted. As a result, and amid a growing perception that the U.S. has shown insufficient regard for GCC strategic vulnerabilities, particularly the risk of retaliation against Gulf states, regional actors are becoming less willing to rely exclusively on a single external guarantor, contributing to a more diversified and complex strategic environment.

At the same time, the conflict underscores the rise of selective engagement by other major powers. China has maintained a position characterized by strategic caution, emphasizing calls for de-escalation while avoiding direct military involvement. This approach reflects Beijing's preference for leveraging economic and diplomatic tools rather than assuming security burdens. However, China's deep dependence on Gulf energy imports leaves it in a position of prolonged instability, particularly where disruptions in the Strait of Hormuz may compel it to take on a more active diplomatic role. Similarly, India's expanding economic ties



and energy reliance on the Gulf are pushing it toward greater strategic awareness of regional security dynamics.

China and India have so far steered clear of direct military involvement, and any shift in their posture will likely depend on how the conflict evolves. A prolonged disruption that threatens their energy supplies could prompt greater engagement, whereas a swift de-escalation and reopening of key shipping routes may lead to a continuation of their current approach, particularly in China's case. More importantly, the crisis raises the possibility that GCC states may increasingly expect major energy importers to play a more active role in securing maritime routes, potentially linking stable energy access to greater contributions to regional security.

Energy security remains the primary structural link between global powers and the Gulf region, anchoring its enduring geopolitical relevance. At the center of this dynamic lies the Strait of Hormuz, through which roughly one-fifth of globally traded oil transits daily. This narrow maritime corridor represents one of the most critical vulnerabilities in the global energy system: even limited disruptions, whether through military escalation, blockades, or heightened insecurity, can trigger immediate supply shocks, price spikes, and broader economic instability.

The current conflict has underscored this structural fragility. Sharp increases in oil prices and heightened market volatility are not merely short-term reactions but reflect deeper concerns about the reliability of Gulf energy flows under conditions of geopolitical tension. As a result, Gulf stability is not a regional issue alone but a core determinant of global economic stability.

For major energy-importing economies, particularly China, India, and European states, this creates a shared and systemic vulnerability. Their continued dependence on Gulf hydrocarbons, despite diversification efforts, reinforces the region's strategic centrality. Consequently, these actors are not only economically exposed but are also increasingly compelled to engage politically and, in some cases, security-wise in Gulf dynamics to safeguard energy flows.

For Gulf states, the potential for intensifying competition among major powers, including the United States, China, and Russia, could present a range of risks. First, there is the danger of strategic overexposure, as the region risks becoming a focal point for indirect competition among external actors. The presence of multiple powers with overlapping and sometimes competing agendas could undermine regional autonomy by constraining Gulf states' ability to pursue independent policies, as they may face pressure to align, formally or informally, with one power



over another. At the same time, this environment increases the likelihood of miscalculation, as parallel security arrangements, vague red lines, and uncoordinated actions by external actors can lead to unintended escalation, particularly in a crisis where signaling and intentions are easily misinterpreted.

Second, the fragmentation of security frameworks challenges coherence and effectiveness. Instead of a unified system, the Gulf may witness the coexistence of parallel arrangements, ranging from U.S.-led security structures to European maritime initiatives and potentially new forms of Asian engagement, each with its own priorities and limitations. Third, the conflict raises the risk of escalation spillover, particularly if instability within Iran intensifies. Scenarios involving internal unrest, regime fragmentation, or the proliferation of non-state actors could have direct consequences for Gulf security.

Yet, alongside these risks, the current environment also creates opportunities for Gulf states to enhance their strategic positioning. One of the most notable is the ability to pursue greater strategic autonomy through diversification. By engaging with multiple global actors rather than relying on a single partner, Gulf states can increase their flexibility and bargaining power. This is already evident in practice: Saudi Arabia and the UAE have expanded energy and investment ties with China while maintaining security cooperation with the United States, and have deepened economic partnerships with Europe, particularly in clean energy and infrastructure. At the same time, engagement with Asia is growing, with India strengthening its ties to the Gulf through trade, investment, and defense cooperation.

This diversification is also reflected in a gradual recalibration of international partnerships. While the United States is likely to remain a key security partner, particularly in deterrence and advanced military capabilities, Gulf states are expanding their external engagements, including arms procurement and defense cooperation with actors such as China, Pakistan, and, more selectively, Russia.

Recent debates suggest that the current environment may push Gulf states away from strategic hedging toward more stable and reliable partnerships. However, it remains unclear whether such dependable alternatives truly exist or whether shifting from established, albeit imperfect, arrangements would simply introduce new and untested uncertainties. In practice, current trends indicate that hedging is likely to persist.

Saudi Arabia, for instance, continues to engage multiple partners simultaneously. The Kingdom signed a Strategic Mutual Defence Agreement with Pakistan in



September 2025, while high-level engagement continued during the crisis, including a meeting between HRH Crown Prince and Prime Minister Mohammed bin Salman and Prime Minister Shehbaz Sharif in Jeddah on March 21, 2026. At the same time, Saudi Arabia and Qatar have expanded defense cooperation with Ukraine, following a visit by President Volodymyr Zelenskyy to Jeddah on March 26-27, 2026, and Qatar on March 28, 2026, where all sides agreed to enhance cooperation, including in drone defense technologies.

Taken together, these developments highlight a continued strategy of diversification and selective engagement, suggesting that hedging remains a pragmatic, and likely enduring, approach for Gulf states navigating an increasingly uncertain geopolitical environment, rather than a shift toward exclusive alignment with a single external partner.

Additionally, the Gulf's role as a reliable energy supplier becomes even more important in times of global uncertainty. By maintaining stable energy flows to key markets in Asia and Europe, Gulf states reinforce their geopolitical relevance and strengthen long-term strategic partnerships with major economies, particularly where such ties are accompanied by reciprocal commitments, including support for maritime security and the protection of critical supply routes.

Diplomatically, the conflict provides Gulf states with an opportunity to further consolidate their role not only as mediators but as proactive architects of regional dialogue. In recent years, several Gulf countries have demonstrated an increasing capacity to facilitate negotiations, host sensitive talks, and support de-escalation efforts. This reflects a broader shift in posture, from reactive diplomacy to more deliberate, strategic engagement, in which Gulf states are no longer simply responding to crises but actively shaping diplomatic outcomes.

This evolution underscores a growing political maturity and confidence in Gulf foreign policy. Rather than relying solely on external actors to manage regional tensions, Gulf states are increasingly asserting their agency, positioning themselves as credible, pragmatic, and balanced intermediaries. At the same time, the effectiveness of this convening role is ultimately linked to the presence of credible deterrence capabilities; without sufficient security capacity, diplomatic influence alone may have a limited impact. As geopolitical competition evolves and trust in traditional power brokers fluctuates, the demand for neutral platforms and regionally anchored diplomacy is likely to grow, but its durability will depend on the extent to which it is supported by stronger, more self-reliant security frameworks.



At the same time, uncertainties surrounding external security guarantees have accelerated a parallel shift toward greater self-reliance in defense and security. Gulf states are no longer viewing security as something to be outsourced, but as a domain requiring sustained domestic investment and regional coordination. This recognition is not new; calls for deeper collective defense mechanisms within the GCC have been articulated repeatedly, but progress has remained limited, in part due to differing threat perceptions and strategic priorities among member states.

However, the current conflict highlights that the threat environment is increasingly shared across the region rather than confined to individual states. As such, the traditional model, characterized by limited coordination and largely national approaches to defense, is becoming less viable. While longstanding differences among GCC states are unlikely to disappear, this moment serves as a critical stress test, reinforcing the need for more cohesive and practical forms of cooperation. It may therefore act as a renewed catalyst to incrementally strengthen the GCC's collective defense framework, enhance military integration where feasible, and improve coordination mechanisms as part of a broader effort to reinforce regional deterrence.

Taken together, these developments point to a gradual shift: Gulf states are becoming more proactive in shaping their security and diplomatic agendas while cautiously advancing regional coordination, despite persistent differences. Repeated crises and the limits of past collective defense efforts are reinforcing the need for more practical, incremental cooperation.

At the same time, partnerships with global powers remain essential but are being recalibrated to reduce dependency and preserve strategic autonomy. Rather than full alignment, Gulf states are likely to continue balancing external ties with efforts to strengthen internal capacity and selective coordination.

### **Conclusion: Navigating Competition with Agency**

Looking ahead, the conflict points to a clear shift toward more pluralistic and layered security arrangements in the Gulf. Rather than relying on a single dominant framework, the region is moving toward a hybrid model that combines continued U.S. security involvement with complementary roles for European and Asian actors, alongside a growing emphasis on regional mechanisms. Security cooperation is likely to become more functional and issue-driven, taking the form of flexible coalitions focused on specific priorities such as maritime security, energy



infrastructure protection, and cybersecurity. This marks a broader transition away from rigid alliance structures toward more adaptive and interest-based partnerships.

Within this evolving landscape, the role of emerging powers is set to expand. The increasing engagement of Asian actors signals the gradual integration of the Gulf into a wider Indo-Pacific strategic space. While India is unlikely to assume a traditional security role in the near term, its deepening economic ties, energy dependence, and expanding naval capabilities position it as a more active stakeholder in safeguarding regional stability. Over time, this could translate into greater involvement in maritime security, infrastructure protection, and multilateral coordination, further diversifying the region's external partnerships.

Ultimately, the U.S.-Israel-Iran conflict is both a reflection and an accelerator of great power competition in the Gulf, exposing the limits of existing security architectures while hastening the emergence of a more complex, multipolar order. For Gulf states, the central challenge is not simply to navigate this environment, but to actively shape it. This requires moving beyond reactive positioning toward a more deliberate strategy that combines diversified partnerships, strengthened regional coordination, and sustained investment in indigenous capabilities. In doing so, Gulf states can reduce their vulnerability to external rivalries while enhancing their strategic leverage. The future of Gulf security will therefore hinge on the region's ability to transform from an arena of competition into an actor with agency, capable of setting the terms of engagement in an increasingly contested global order.

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