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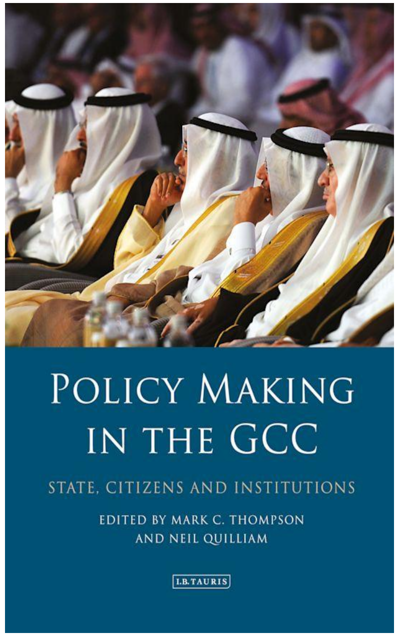
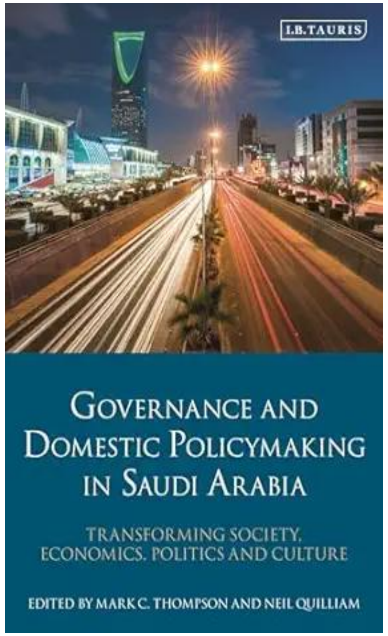
49th Japan Cooperation Forum for the Middle East in Dusseldorf, Germany

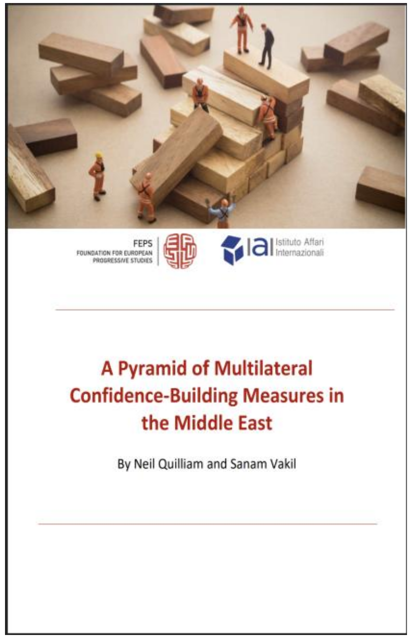
Beyond the 'US Shield': Transitioning to Autonomous Security and Region-Led Rulemaking

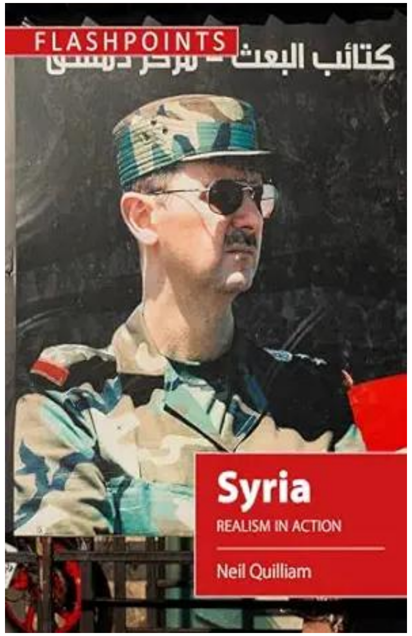
27 August 2026

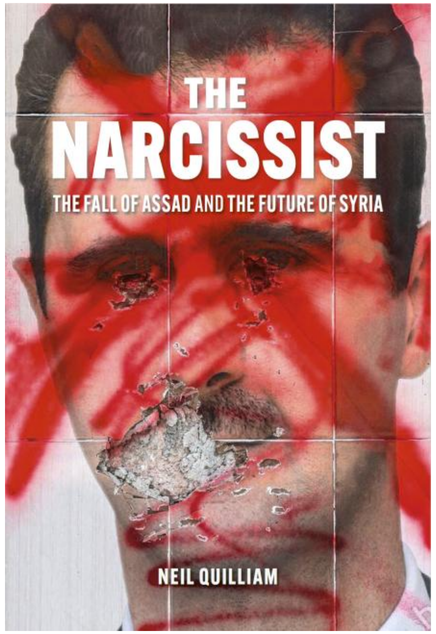
Publications: Books & Policy Reports











SESSION ROADMAP

Three Questions for This Session

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01

European (UK) Perspectives on Gulf Rivalries

How does Europe read the competition unfolding between Gulf states?

02

Impact on Regional Stability & Business Environments

What does that competition mean for operating and investment risk?

03

Implications for Japanese Businesses

What should Japanese companies do differently — starting now?

The War That Reset the Region

28 February 2026 – present, on two fronts: the Strait of Hormuz and the Red Sea / Bab al-Mandab

28 Feb
US and Israel strike Iran; Houthis threaten Red Sea and Gulf of Aden shipping

Mar
Hormuz disrupted, Qatari LNG force majeure, Brent tops $100/bbl

28 Mar
Houthis join the war, resuming missile strikes on Israel

8 Apr
Pakistan-brokered ceasefire halts major combat operations

14 Jun
Memorandum of understanding to formally end the war within 60 days

20 Jul
Houthis declare a Red Sea blockade on Saudi Arabia; US reimposes a naval blockade on Iran

12 Aug
Houthi strike kills six in Bab al-Mandab — first Red Sea shipping deaths in over a year

Reading for today: the truce is real but incomplete — and now contested on a second front. Bab al-Mandab, not just Hormuz, is back in play.

From US Shield to Region-Led Rulemaking

US-Centred Security Order → **Region-Led Rulemaking**

US, Europe, Japan, China, India adapt to Gulf decisions

- The US remains militarily indispensable — but no longer sets the regional agenda alone
- Gulf states increasingly determine the region's economic, diplomatic and security rules themselves
- External powers are adapting to Gulf decisions rather than influencing them
- For business: understanding Riyadh, Abu Dhabi and Doha now matters as much as understanding Washington

CONTEXT

The Gulf Is Not One Bloc

Saudi Arabia

- Leveraged, debt-funded Vision 2030 financing model
- Primary concern: Iranian missiles and Houthi pressure
- Sought decisive US action and Hormuz security guarantees

United Arab Emirates

- Exited OPEC, leaning on ADIA's ~$1.5 trillion buffer
- Deepened Israel/US security integration, incl. Iron Dome
- Pursuing commercial autonomy over collective Gulf strategy

The April 2026 Jeddah summit projected a "unified Gulf stance." The unity was rhetorical — the divisions were operational.

QUESTION 1 OF 3

European Perspectives on Gulf Rivalries

Reading the Gulf through European, not only American, priorities

Europe’s Four Lenses on the Gulf

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Rather than viewing the Gulf through military competition alone, Europe increasingly reads it through four connected lenses.

Energy Security

Oil, LNG, electricity links, hydrogen, critical minerals, supply-chain resilience

Economic Partnerships

Sovereign wealth investment, Gulf capital, trade agreements, technology ties

Industrial Security

Defence production, semiconductors, AI infrastructure, data centres

Regional Stability

Gulf states as crisis managers — Syria, Lebanon, Sudan, Red Sea, Ukraine diplomacy

Energy Security

- Oil remains strategically important — LNG is now equally critical
- Electricity interconnection projects gaining priority
- Hydrogen, critical minerals and supply-chain resilience rising fast

The Gulf holds roughly 30% of global oil and 20% of global gas production — supplying about 20% of EU oil imports and 5% of EU gas imports.

$72→$110+
Brent crude, pre-war to end-March 2026

€30→€60
EU gas benchmark (€/MWh), early 2026

30% / 20%
Gulf share of global oil / gas output

20% / 5%
Gulf share of EU oil / gas imports

EU Sustainability Rules and the Gulf's Gas Pivot

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The headline story isn't CBAM itself — it's the rule that actually threatened Gulf gas, and why Brussels backed off it.

Limited Gulf Gas Exposure — So Far

CBAM

- Covers aluminium, steel, cement, fertiliser, hydrogen and electricity - not LNG
- Gulf exposure concentrated in aluminium: UAE (~$2.7bn) and Bahrain (~$1.3bn) of exports affected
- 2026 simplification eased compliance mainly for smaller importers; large exporters remain fully in scope

The Real Flashpoint for Qatari LNG

CSDDD

- Qatar threatened in 2025 to halt LNG supply to Europe over due-diligence liability under this directive
- July 2026: EU sharply narrowed its scope, from ~10,000 to ~1,200 affected non-EU companies
- Gulf relief is real but partial — concern has shifted to the cumulative reach of EU rules

$2.7bn / $1.3bn

UAE / Bahrain exports currently exposed to CBAM (mostly aluminium)

10,000 → 1,200

Non-EU firms still caught by CSRD/CSDDD after the July 2026 narrowing

Not Yet

LNG remains outside CBAM's scope — for now

OPEN QUESTION FOR THE ROOM

As Saudi Arabia and the UAE scale up gas investment, does a future CBAM extension to LNG become the next flashpoint — and does the Gulf's rising value as a post-war gas supplier shift its negotiating leverage?

Economic Partnerships

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Sovereign Capital

Gulf sovereign wealth funds are now major, and needed, investors in Europe — ADIA alone holds an estimated ~US$1.5 trillion in assets.

European Demand

European governments and firms are actively seeking Gulf capital to fund reindustrialisation and the green transition.

Trade & Technology

EU–GCC trade discussions and bilateral technology partnerships continue to advance despite regional volatility.

Industrial Security

The war has intensified Europe's own resilience and "war economy" debates — pulling Gulf capital and supply chains directly into that conversation.

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Defence Production

Co-investment in defence manufacturing and joint procurement

Semiconductors

Gulf capital entering semiconductor supply chains and fabrication

AI Infrastructure

Data centres and compute capacity as a new investment frontier

Industrial Resilience

Diversifying critical inputs away from single points of failure

Regional Stability: Gulf States as Crisis Managers

Europe increasingly values Gulf states as crisis managers — not simply as energy exporters.

Syria	Lebanon	Sudan	Red Sea	Ukraine Diplomacy

- Pakistan brokered the US–Iran ceasefire of April 2026
- Oman is mediating the ongoing Hormuz transit-fee talks
- Qatar and Egypt remain central to Gaza and Lebanon diplomacy

For Europe, Gulf mediation capacity is now a strategic asset in its own right — not a courtesy.

QUESTION 2 OF 3

Impact on Regional Stability & Business Environments

How Gulf competition and crisis-management roles translate into operating risk

Security Is Becoming Economic

- Defence
- Investment
- Technology
- Infrastructure
- Shipping
- Energy

Increasingly overlapping — and converging on the same physical assets

- Ports
- Undersea cables
- Desalination
- AI infrastructure
- Critical minerals
- Food security

These are now strategic assets — not neutral commercial infrastructure.

Strategic Assets Under Pressure

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Ports

Saudi Arabia and the UAE are building a direct coastal corridor to bypass Hormuz entirely

Desalination & Cables

Plants struck in Iran’s Hormozgan province and Kuwait, leaving tens of thousands without water

AI Infrastructure

Gulf states racing to duplicate and secure compute capacity amid regional risk

Minerals & Food Security

Hormuz sits at the centre of global fertiliser trade — disruption reaches far beyond the region

Business implication: price Gulf-linked infrastructure exposure as geopolitical risk, not just operational risk.

Competition for Strategic Dominance

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Gulf rivalries are about who sets the region's rules — not simply personality or ideology.

What Dampens Rivalry

- Shared exposure to Iranian strikes
- Need for collective deterrence and reconstruction financing
- Shared demands of managing the US relationship

What Inflames It

- Divergent policy on Yemen
- Sudan
- Pace of Israel normalisation and oil/OPEC strategy after the UAE's exit

Implication: analyse each Gulf capital's own priorities and the regional conditions in play — not a generic "Gulf strategy."

QUESTION 3 OF 3

Implications for Japanese Businesses

From chokepoint dependence to a new set of rules for market entry

Chokepoint Dependence Is No Longer Theoretical

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~94%	−67%	$72→$110+	~254 days
of Japan's 2025 crude oil came from the Middle East	fall in Middle East crude imports in April 2026 — a record low	Brent crude during the acute phase of the war	of strategic reserves drawn on to bridge the gap

Exposure concentrates at a small number of physical chokepoints:

- **Strait of Hormuz**
- **Bab al-Mandab**
- **Red Sea Corridor**
- **Regional Logistics Hubs**

Japan also drew on IEA-coordinated global reserve releases alongside its own stockpile to sustain refinery throughput during the disruption.

Localisation and Sovereign Alignment

Commercial success increasingly depends on understanding government priorities — not simply customers.

Growing Localisation Expectations

- Local hiring
- In-country manufacturing
- Technology transfer
- Long-term local partnerships

Know the sovereign strategies:

Saudi Vision 2030 · We the UAE 2031 · Qatar National Vision · sector industrial strategies

Demand Areas Matching Japanese Strengths

Advanced manufacturing & robotics	Hydrogen & LNG technology
Defence & maritime security technologies	Smart infrastructure & AI
Healthcare	Water technologies

SESSION SYNTHESIS

From Three Questions to Three Answers

Bringing the session's three guiding questions back together before we close.

Q1

European Perspectives on Gulf Rivalries

Europe reads the Gulf through four connected lenses — energy, capital, industrial security and crisis management — and increasingly values Gulf states as regional stabilisers, not just energy exporters.

Q2

Impact on Regional Stability & Business

Security and economics now converge on the same physical assets — ports, cables, desalination, AI infrastructure. Rivalry is about strategic dominance, and operational exposure is geopolitical exposure.

Q3

Implications for Japanese Businesses

Treat each Gulf capital as an independent strategic actor, price infrastructure and supply-chain exposure as geopolitical risk, and align with localisation and sovereign priorities to keep market access.

Together: read Gulf capitals individually, price infrastructure as geopolitical exposure, and treat localisation as the price of entry.

CLOSING

Key Takeaways

1. Treat Gulf capitals as independent strategic actors, not a bloc
2. Price infrastructure and supply-chain exposure as geopolitical risk
3. Localisation and sovereign-priority alignment are now market-access requirements
4. A European lens complements — it does not replace — reading US policy

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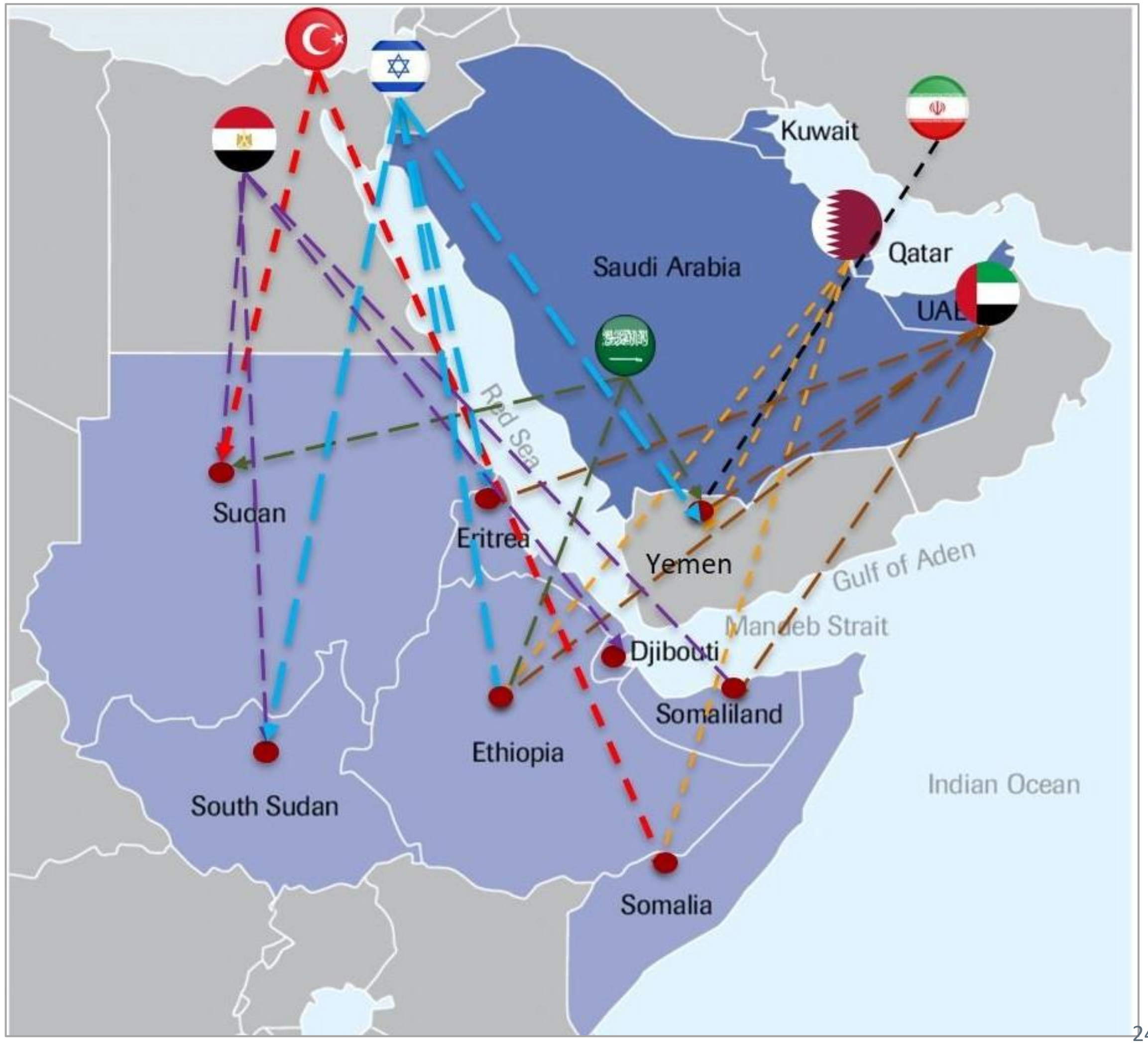
“Adaptability and flexibility to new realities” is not a slogan for the Gulf — it is now the operating model. Japanese firms that read it that way will out-position those still waiting for clarity.

Any Questions

Regional Security Architecture

- US and China
- STEP v Abraham Accords
- Arab NATO
- KSA v UAE



Visions and Diversification

- New priorities:
  - Defence and security
  - CNI
  - Food security
  - Infrastructure

Connectivity and Corridors

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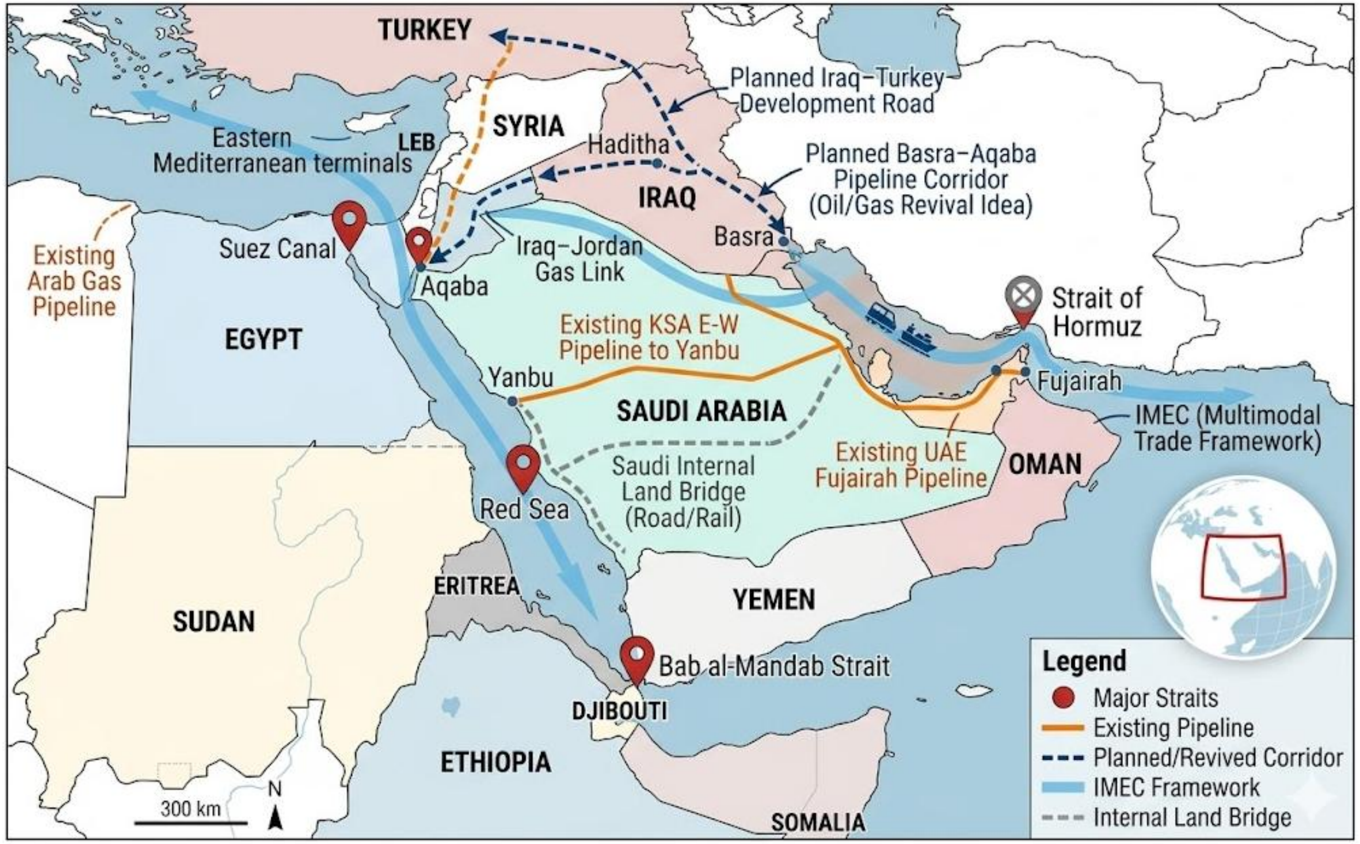
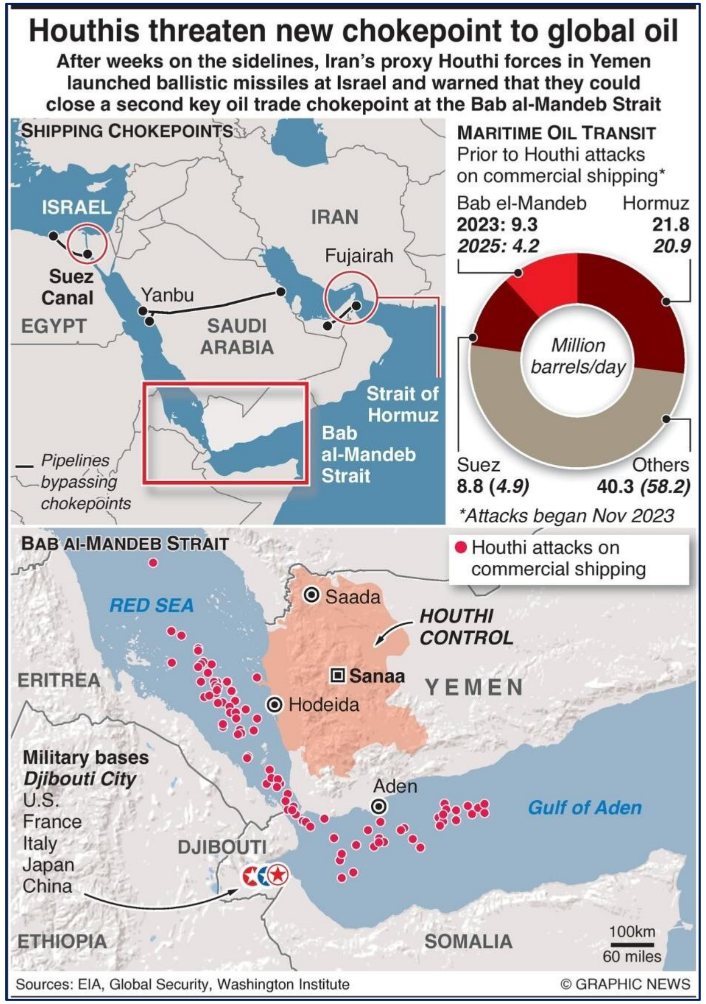
- Saudi Arabia's East–West Pipeline
- UAE's Fujairah Pipeline
- The Iraq–Turkey Development Road
- Saudi Arabia's Internal Land Bridge
- The Basra–Aqaba Pipeline Corridor
- The Iraq–Jordan Gas Link & Arab Gas Pipeline Network
- The India–Middle East–Europe Economic Corridor (IMEC)



The Strategic Importance of Bab-al-Mandab



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ABOUT US

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