

Minet Risk Watch

Middle East Geopolitical Tensions Business Risk Implications for Africa

9 March 2026

Executive Snapshot

Current geopolitical tensions in the Middle East may have significant implications for global trade and insurance markets. Businesses should be aware of the following potential impacts:

- Disruptions to key maritime corridors affecting global cargo movement
- Increasing war risk premiums and changing insurance coverage conditions
- Rising fuel and logistics costs due to shipping and aviation rerouting
- Potential supply chain disruptions affecting imports and exports



Dear Valued Client,

Minet is closely monitoring the evolving geopolitical situation in the Middle East and its potential implications for global trade, supply chains and insurance markets.

Recent developments in the region have heightened tensions across key strategic maritime and aviation corridors that support global trade. Of particular concern is the disruption to shipping routes around the Strait of Hormuz, the Persian/Arabian Gulf, the Gulf of Oman, the Red Sea, and the Bab-al-Mandab Strait, all of which are critical channels for global energy and cargo transportation.

The international insurance market has already begun responding to the situation. Insurers and reinsurers are reviewing their exposure to war-related risks, and certain marine insurers have issued notices invoking war risk cancellation clauses affecting transit through these high-risk zones.

Insurance Lines Most Immediately Affected



Marine Insurance

Marine insurance is typically the first line of coverage affected by geopolitical conflict, as global trade flows through well-known maritime chokepoints.

Key impacts may include:

- Cancellation or repricing of war risk cover
- Navigation restrictions through designated high-risk waters
- Increased marine insurance premiums
- Delayed cargo shipments due to vessel rerouting
- Reduced insurer appetite for vessels transiting conflict zones

The closure or disruption of key routes such as the Strait of Hormuz or the Red Sea corridor may force vessels to take longer alternative routes, increasing transit times and freight costs while exposing cargo to additional operational risks.



Aviation Insurance

The aviation sector is particularly sensitive to geopolitical instability.

Potential risks include:

- Airspace closures or restrictions
- Aircraft grounding
- Continued aircraft lease obligations despite operational disruption
- Increased aviation war risk premiums
- Flight rerouting leading to higher fuel consumption and operational complexity

For airlines operating leased fleets, grounded aircraft may still generate fixed lease liabilities, meaning revenues decline while significant operating costs remain.



Travel Insurance

Travel insurance exposure may increase significantly due to:

- Emergency evacuation costs
- Flight cancellations and travel disruptions
- Medical evacuations
- Political evacuation of nationals

In active conflict zones, insurers may invoke war exclusions, meaning evacuation and related costs may not automatically be covered unless specific political or war risk extensions are in place.

Sectoral Impact on African Economies

Aviation

Airlines may face higher operating costs due to flight rerouting, rising fuel prices, and operational disruptions. Aircraft leasing costs may continue even where operations are temporarily suspended.

Agriculture and Perishable Exports

Export sectors such as flowers, meat, and other perishable goods may experience logistical disruptions due to delays in cargo transportation and increased freight costs. In addition planned or emerging trade arrangements with certain Middle Eastern markets may face delays or temporary suspension due to geopolitical uncertainty.

Energy Sector

Many African economies remain heavily reliant on oil imports from Gulf nations. Disruptions to shipping routes may result in:

- Increased fuel prices
- Supply chain delays
- Higher operational costs across multiple sectors

Manufacturing and Trade

Many manufacturing industries depend on imported raw materials. Disruptions to global shipping routes may lead to:

- Delayed imports of critical inputs
- Increased freight and logistics costs
- Production slowdowns due to supply shortages

Risk Management Considerations for Businesses

Considering these developments, Minet recommends that organizations review their operational risk exposure and consider the following measures:

Supply Chain Diversification

Businesses should identify and evaluate alternative sourcing options where possible to mitigate dependency on affected regions.

Alternative Energy Sources

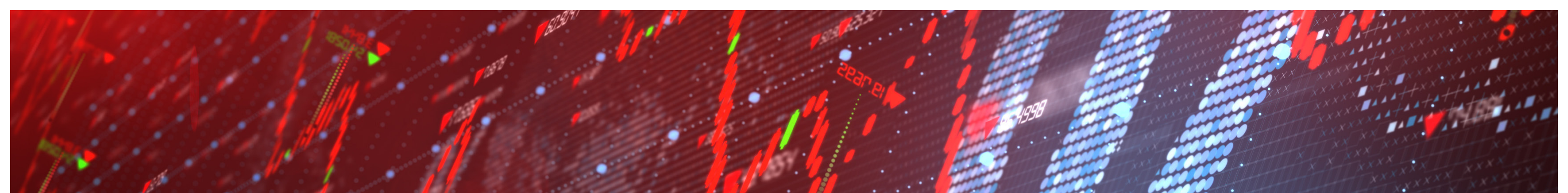
Organizations heavily reliant on diesel or gas should assess contingency energy sources, including renewable power solutions or alternative fuel supply arrangements.

Business Continuity Planning (BCP)

Organizations are encouraged to review and strengthen their business continuity plans to ensure preparedness for:

- Supply chain disruptions
- Energy shortages
- Logistics delays
- Market volatility

A robust BCP should clearly define operational responses to prolonged supply interruptions or transportation constraints.



How Minet Can Support

Minet continues to monitor developments in the Middle East and their implications for African businesses and insurance markets.

Our team is available to support clients through:

- Insurance policy reviews for war risk and geopolitical exposures
- Marine cargo and logistics risk assessments
- Travel risk management and evacuation planning
- Supply chain risk advisory
- Business continuity planning support

Clients with operations, supply chains, or travel exposure linked to the Middle East or affected trade routes are encouraged to engage with their Minet relationship manager to review potential risk exposures and insurance implications.

For further information or advisory support, please contact:



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