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**Oman's Geopolitical Neutrality Under
Pressure in a New Gulf Security Order**

By

Gulf State Analytics



6 July 2026

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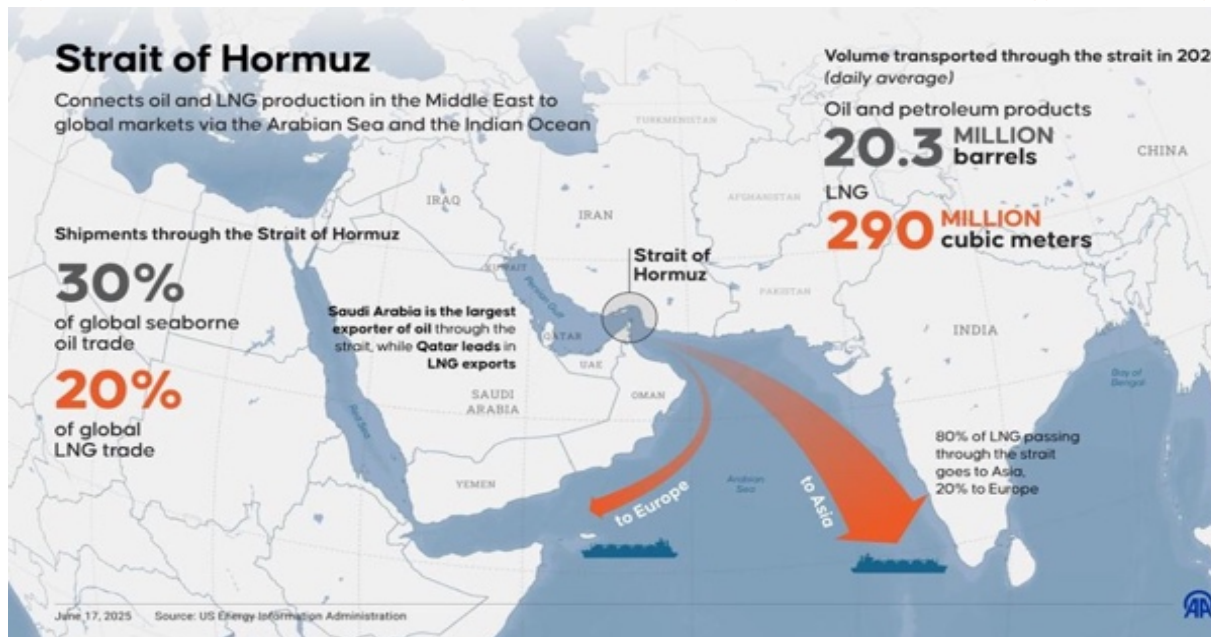
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Gulf State Analytics, Oman’s Geopolitical Neutrality Under Pressure in a New Gulf Security Order, 3 July 2026

Executive Summary

- ✦ The Gulf Cooperation Council is becoming more divided over how to respond to Iran following the escalation of the American-Israeli conflict with Iran, despite shared concern about Iranian missile and drone capabilities.
- ✦ Oman stands out within the GCC for maintaining a long-standing policy of neutrality and engagement with Iran, positioning itself as a diplomatic intermediary rather than a confrontational actor.
- ✦ Muscat’s approach is rooted in the belief that Iran is a permanent neighbor requiring diplomatic integration into regional security structures, even as Oman simultaneously maintains strong ties with Western partners and other Gulf Arab states.
- ✦ Oman’s neutrality has long generated friction within the GCC, with critics accusing it of “negative neutrality,” especially after its role in facilitating secret U.S.–Iran talks during the Joint Comprehensive Plan of Action (JCPOA) negotiations and its refusal to join the Saudi-led Yemen intervention in 2015.
- ✦ Tensions between Oman and some Gulf partners, especially Saudi Arabia and the United Arab Emirates, eased somewhat under Sultan Haitham due to regional détente with Iran, the al-Ula Summit, and Oman’s role in facilitating the Saudi–Houthi truce in 2022.
- ✦ The American-Israeli war against Iran sharply revived intra-GCC tensions after Iranian missile and drone strikes hit certain Gulf Arab states—Bahrain, Kuwait, and the United Arab Emirates—especially hard, intensifying resentment toward Oman’s relative neutrality.
- ✦ Some Gulf Arab elites, particularly in the UAE, increasingly question Oman’s position in the GCC, arguing that its restrained response to Iranian attacks contrasts with the security threats faced by other members.
- ✦ A key emerging flashpoint is the future governance of the Strait of Hormuz, where both Oman and Iran face competing pressures over whether to introduce transit tolls or maintain free passage, following the Islamabad Memorandum of Understanding.
- ✦ Oman is caught between Iranian pressure to adopt a tolling system and GCC/Western opposition to any fees, making the Strait issue a major test of its traditional balancing strategy and diplomatic autonomy.
- ✦ Rising regional polarisation has exposed deep GCC divisions, placing Oman in an increasingly precarious position as it tries to preserve neutrality while maintaining trust with both Iran and its Gulf Arab partners.

Key Picture: Oman’s Role in the Strait of Hormuz – A Major Hubs for Global Energy and Security



Source: [Atlas Institute for International Affairs](#)

Introduction

One of the clearest geopolitical consequences of the 2026 American-Israeli war against Iran has been the resurfacing of longstanding fractures within the Gulf Cooperation Council (GCC). Although the Gulf Arab monarchies share a common view of Iranian missile and drone attacks as a grave threat to regional security and the Gulf's economic prosperity, they remain divided over how best to respond to an increasingly emboldened and radicalised Islamic Republic.

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Among the GCC states, Oman has long enjoyed the most cordial, stable, and normalised relationship with Iran. Anchored in a foreign policy that prioritises geopolitical balance in the Gulf, Muscat has consistently cultivated constructive ties with Tehran while using its strong relations with fellow Arab states and Western powers to position itself as a trusted intermediary between Iran and its adversaries. So often observers refer to the Sultanate as the “Switzerland of the Middle East.”¹

Whereas several GCC states have supported Washington's pressure campaign against Iran and collective Arab efforts to counter Tehran's regional influence, Oman has consistently avoided joining anti-Iranian blocs or endorsing U.S.-led initiatives to isolate the Islamic Republic. From Muscat's perspective, Iran is not an adversary but a permanent neighbour that must be engaged diplomatically and incorporated into regional security arrangements. At the same time, as a founding member of the GCC and a close security partner of both the United States and the United Kingdom, Oman has not endorsed Iranian actions that it views as adventurous, destabilising, or as infringements on the sovereignty of Arab states.

Omani-Iranian Ties and Muscat's Longstanding Neutrality

Oman's distinctive approach to Iran has nevertheless long been a source of unease among some of its GCC partners. Since the 1979 Islamic Revolution, critics within the Gulf have at times accused Muscat of practising a form of “negative neutrality”, arguing that it has too often prioritised its relationship with Tehran over collective GCC security interests. These concerns were reinforced by Oman's role as the “unsung hero” of the 2015 Joint Comprehensive Plan of Action (JCPOA), having hosted secret U.S.-Iran talks without consulting fellow GCC members, many of which viewed the resulting agreement and its sanctions relief for Tehran with scepticism.²

Similar concerns surfaced when Oman declined to join the Saudi-led military intervention in Yemen in 2015, prompting some Gulf policymakers to question whether Muscat's foreign policy had a pro-Iran tilt. The same pattern re-emerged in January 2016, when Oman was the only GCC member to refrain from taking diplomatic action against Iran following the execution of Sheikh Nimr Baqir al-Nimr in Saudi Arabia and the subsequent attacks on Saudi diplomatic missions in Iran.

By the end of Sultan Qaboos' reign in early 2020, Oman's relations with Saudi Arabia and the United Arab Emirates (UAE) had become increasingly strained, largely owing to differences over Iran, the first Trump administration's “maximum pressure” campaign against Tehran, the conflict(s) in Yemen, and the Emirati- and Saudi-led blockade of Qatar. Early in Sultan Haitham's reign, however, these tensions began to ease. This reflected several converging factors, including Riyadh's and other GCC capitals' growing preference for détente with Iran, the resolution of the 2017–21 Qatar crisis through the al-Ula Summit, which restored GCC cohesion in line with Oman's longstanding objectives, and Muscat's diplomatic efforts to facilitate the Saudi-Houthi truce that took effect in April 2022.

Iranian Retaliation and Diverging GCC Threat Perceptions

Despite major improvements in Oman's relations with Abu Dhabi and other Arab Gulf capitals at the start of Sultan Haitham's reign, it did not take long for the American-Israeli war against Iran to reopen these fault lines. After the conflict erupted on 28 February 2026, Iran quickly retaliated with missile and drone strikes against

several GCC states, reigniting tensions between Oman and some of its Gulf neighbours. The GCC members most heavily targeted during the conflict – Bahrain, Kuwait, and the United Arab Emirates (UAE) – have, to varying degrees, grown increasingly resentful of what they perceive as Muscat’s accommodating approach towards Iranian aggression against fellow Gulf Arab states. According to a well-placed source interviewed by the author, one question increasingly raised by elites in Abu Dhabi is why Oman remains a member of the GCC while the Arab world’s two non-Gulf monarchies – Jordan and Morocco – are not.

Oman’s comparatively limited exposure to drone attacks since 28 February 2026 has reinforced perceptions among some Gulf Arab states that Muscat has been insulated from the costs of its Iran policy. Its reluctance to publicly condemn Tehran’s attacks on fellow GCC members, coupled with Sultan Haitham’s swift congratulations to Supreme Leader Mojtaba Khamenei following his succession, has further fuelled resentment in the United Arab Emirates (UAE) and elsewhere in the Gulf.³

The Strait of Hormuz as a Future Flashpoint

Looking ahead, the future governance of the Strait of Hormuz following the expiry of the 60-day negotiating period established under the “Islamabad Memorandum of Understanding” is likely to shape Oman’s standing within the GCC. Across Saudi Arabia and other Gulf Arab states, there is a strong preference for restoring the Strait’s pre-war status quo and reversing the changes brought about by this year’s American-Israeli conflict with Iran.⁴

At this stage, it remains unclear what arrangement Oman and Iran (the two states with land on the Strait of Hormuz’s shores) will ultimately reach regarding the waterway’s governance. Muscat is under pressure from Tehran to adopt a tolling system for vessels transiting the Strait, while facing countervailing pressure from GCC partners, Western governments, and other international actors to refrain from introducing any form of transit fees. This increasingly delicate issue is likely to complicate Oman’s long-standing posture of neutrality. Although Muscat will seek a compromise that avoids aligning fully with either side, the practical contours of such an arrangement remain uncertain.

Overall, the American-Israeli war against Iran has exposed and sharpened underlying divisions within the GCC over how best to respond to the Islamic Republic, with Oman once again occupying a distinctive position that has at times created controversy within the Gulf. While Muscat continues to regard engagement with Tehran as essential to preserving regional stability and safeguarding its own security interests, several Gulf partners increasingly view this approach as incompatible with the collective security imperatives shaped by Iran’s willingness to directly target fellow GCC states. As a result, longstanding suspicions over Oman’s strategic orientation have resurfaced with renewed intensity.

The evolving dispute over the future of the Strait of Hormuz is likely to become a defining test of Oman’s balancing strategy. Any arrangement perceived as granting Iran ‘sovereign control’ over one of the world’s most strategically vital waterways risks further eroding trust between Muscat and its Gulf Arab neighbours. Conversely, closer alignment with the preferences of other GCC members and Western partners would come at the expense of the autonomy that has long underpinned Omani foreign policy. The war and its impact on the Gulf’s security order have thus placed Oman in an increasingly precarious position. Looking ahead, heightened regional polarisation will likely further challenge Muscat to maintain constructive relations across competing regional and international blocs.

NOTES

¹ <https://www.cnb.com/2026/07/03/oman-strait-hormuz-fees-iran-trump.html>

² <https://www.foreignpolicyjournal.com/2015/07/23/oman-the-unsung-hero-of-the-iranian-nuclear-deal/>

³ <https://www.aa.com.tr/en/middle-east/oman-s-sultan-congratulates-mojtaba-khamenei-on-becoming-iran-s-new-supreme-leader/3857088>

⁴ <https://www.nytimes.com/2026/06/30/world/middleeast/iran-war-oman-strait-hormuz-fee-ships.html>