



IRAN CRISIS ENTERS A DANGEROUS NEW PHASE

RAPIDLY DEVELOPING

what happened?

After Joint U.S.-Israeli strikes on Tehran, Tabriz, and Isfahan Ali Khamenei was killed in the strikes, according to Israeli and U.S. accounts, marking the most consequential leadership decapitation in the history of the Islamic Republic. Defense Minister Amir Nasirzadeh and IRGC Commander Mohammad Pakpour were reportedly killed. Civilian casualties were also recorded, including a fatal strike on a girls' school in the south. The escalation follows the collapse of Geneva nuclear talks and growing concern over Iran's enrichment activities

What Does It Mean?

The current escalation marks a qualitative shift toward overt interstate confrontation, moving the Iran file beyond sanctions and diplomacy into direct, high-risk military exchange. Nuclear uncertainty remains a central driver of risk, as unresolved questions over enrichment and stockpiles increase the likelihood of further strikes and rapid deterioration. Iran is entering this confrontation from a position of domestic fragility, where economic pressure and public frustration could deepen instability while also enabling harsher internal securitization. The confrontation is also unlikely to remain contained, with consequences already spreading across the region through security, aviation, maritime, and energy channels.

Remarks OPV Conclusion

The Iran crisis has entered a more dangerous and less predictable phase, with the confrontation shifting from proxy dynamics to direct military exchange tied to the unresolved nuclear file. Inside Iran, the escalation is deepening public fear and economic disruption, worsening existing currency weakness, inflation, and civil unrest. Pressure on access to cash, fuel, and essential goods is likely to intensify, increasing the risk of further domestic instability while reported deaths and injuries add to the humanitarian and political costs.

Khamenei's death also opens a critical succession question at the heart of the regime. The central issue is no longer only how Iran responds militarily, but whether the system can produce a successor quickly enough to project continuity, preserve elite cohesion, and secure public acceptance during a moment of acute national shock. Any delay, contestation, or perception of imposed succession could deepen internal uncertainty and heighten the risk of factional struggle. The Assembly of Experts is formally tasked with selecting a successor, while hardline IRGC elements could become especially influential in a post-Khamenei scenario.

At the regional level, spillover is already visible, with missile activity, interceptions, or impacts linked to Abu Dhabi, Dubai, Bahrain, Kuwait, Qatar, Saudi Arabia, and Jordan, alongside rising risks to shipping, aviation, and energy flows, especially around the Strait of Hormuz. The convergence of military escalation, nuclear uncertainty, succession pressure, and domestic fragility creates a highly volatile environment with potentially far-reaching consequences for regional security, stability, and economic continuity.