

THE IRAN WAR'S INDIRECT SHOCKWAVES IN THE MEDITERRANEAN MAGHREB

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North Africa may appear, paradoxically, as one of the calmest regions in a deeply unstable international environment. Yet, while the Iran war is not turning the Mediterranean Maghreb into a direct theatre of escalation, it is already reshaping the region's political economy.

Among the four states of the Mediterranean Maghreb — Libya, Tunisia, Algeria, and Morocco— the effects will be uneven. Algeria stands to benefit the most strategically, while Tunisia is the most vulnerable economically. Libya, and to a lesser extent Morocco, may gain from higher export revenues even as rising import costs and regional uncertainty offset those advantages. For Europe, the search for alternative energy partners and regional stability will push it towards Libya for oil, Algeria for gas, and Morocco — and to a smaller degree Tunisia — for green hydrogen and electricity.

A silver lining, so far

So far, the war has not been felt directly in the Maghreb, because the Gulf is not a major energy source for North Africa. Tunisia, Algeria, and Morocco are also partly industrialised, and they have strong agricultural sectors that serve local needs, hence **the minimal impact so far**. It has also been a good year for agriculture as rainfall was favourable, and North Africa benefited from favourable conditions for crops and water reserves, except for Libya. The growing season has already passed for most North African crops, so there is less urgency when it comes to fertilizers.

Economic exposure will come through changing prices

Tripoli, Tunis, and Algiers did not take any immediate precaution, unlike Cairo, for instance, which ordered shops to close early, increased the price of fuel, and depreciated its currency. They seem to hope that

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the war will end soon or are waiting for the Ramadan and Eid season to pass. Rabat did, however, slightly increase the price of oil.

Tunisia's budget has been drafted on \$63 per barrel, and Morocco is on \$65. Now, both countries need to prepare supplementary budgets. Morocco has an International Monetary Fund (IMF) credit line that it can use to support its budget. Tunisia, however, refused to renew its negotiations with the IMF in 2023 and has to find other donors, a complicated task due to the wider international context. Furthermore, 90% of Tunisia's trade is via maritime routes; the rise of shipping costs will be heavy on a country that is already struggling. Tunisia and Morocco both produce phosphates and phosphate-based fertilizers, but for that they need sulphur and ammonia, partially produced in the Gulf, and that will be disrupted.

The Libyan and Tunisian dinars as well as the Moroccan dirham will decrease against the dollar, increasing import costs. Furthermore, Libya is the second largest exporter of oil in Africa, but it imports 80% of its needs, so this war will have direct consequences on Libyan consumers once products start to be scarce.

If tourism survives, Tunisia and Morocco could benefit, as they are geographically close to Europe and many tourists will avoid the Middle East in the upcoming summer season. But overall, **it seems certain that the four countries will face inflation and limited growth**, even stagflation.

Diplomatic hedging

The four states have stakes in their relations with the Gulf states, and very little with Iran. In Libya, Tunisia, and Algeria, the diplomatic position is similar: condemning the attacks against the Gulf states, while avoiding condemning the United States (US) and Israel, including voting for the United Nations Resolution 2817 which condemned Iran. This is unlike their June 2025 position, when Algiers and Tunis openly backed Iran (at that time Tripoli was distracted by an internal conflict and did not issue statements).

These developments show that the supposed rapprochement between Tunis and Tehran in 2025 was illusory. It was largely performative, directed towards the country's Western partners, to demonstrate that it may look beyond its traditional partners if pressed, and towards its local population, anti-imperialist and pro-Palestinian in the context of the Gaza war. It was not a concrete change in policy, as some observers thought. The same can be said about the often-decried Algiers-Tehran axis.

Morocco, by contrast, did take a clear pro-Gulf, pro-US position. Rabat had a prior anti-Iran position and continued floating the idea that Tehran and its revolutionary guards are threatening it directly, and that they might use the Polisario and Algeria to target Moroccan and European interests. Here, Rabat is trying to position itself as a reliable partner for the Gulf and the US, especially considering the ongoing Western Sahara negotiations.

Domestic politics matter

Maghrebi public opinion is largely supportive of Iran. While the Salafi minority continues to see Iran through a sectarian eye, **those who came of age after the 2003–2020 sectarian conflicts of Iraq and Syria do not share the negative view of Iran held by their elders and instead see it as an anti-imperialist bastion.** However, this sympathy has not led to public mobilisation.

There were no public protests, unlike for previous conflicts when people were allowed to protest even against official policy. Algiers and Rabat banned protests, and only one was recorded in Tunis. But there, in the meantime, the pro-Palestinian and anti-imperialist organisers of the Sumud Flotilla were arrested before they could begin their campaign to sail to Gaza. There seems to be a clear intention in both Algiers and Tunis to avoid antagonising the Gulf states and the US.

Still, in Tunisia, the Iranian ambassador gave a press conference on 12 March, where he lashed out at the US, Israel, and the Gulf states. Moreover, pro-Qatar Islamist figures in Libya, Algeria, and Morocco seem to condemn Iran and ignore their Gulf allies, as they did in 1990 after Saddam invaded Kuwait. In Libya, for instance, the Islamist Mufti Sadiq al-Ghariani took a pro-Iran position. In Morocco, the Justice and Development Party (PJD) condemned the attacks on Iran, and so did Movement of Society for Peace (MSP) in Algeria. Only Ennahdha in Tunisia tried to avoid the question, focusing on broader topics of pan-Islamism, peace, and democracy.

Algeria benefits most strategically — but within limits

Algeria is the economy that would survive this war best: a closed economy based on limited imports, with enormous gas reserves and a stable political system. But it has little spare gas to offer. The idea of Algeria as a saviour for Europe was floated in 2022 after Ukraine, but nothing major happened afterwards; new investments in energy infrastructure were announced, but these projects are unlikely to be ready before 2030.

Algeria cannot replace Qatar in gas production, but it can help stabilise the situation, or rather keep it from getting worse. It has already increased its gas exports to Europe by around 30% since the start of the war. European leaders are currently courting Algiers, where they are welcome.

The country has also been improving its ties with the US in recent years (but at the same time, its security apparatus continues to see itself as a prime target of Western-Israeli plots). Algiers, now one of the most important providers of natural gas to Europe, may strengthen its position vis-à-vis Washington and Rabat in the negotiations over Western Sahara, and regarding its broader regional position.

Gulf investments

Gulf investments are expected to be redirected away from the Maghreb and towards the Gulf's own strategic and security priorities. Morocco is the closest Maghrebi country to the Gulf states.

Therefore, it is surprising that Morocco was not invited to the meeting in Saudi Arabia where other Arab and Islamic countries -Türkiye, Azerbaijan, etc.- were invited, and it is also unusual not to see the Moroccan Foreign Minister travelling to the Gulf to express solidarity. Tunisia has had a complicated and uneven relationship with Gulf states, but the current crisis will keep them away. As for Libya, it may see the Qatari investment that was pledged in January 2026 to develop the Misrata Free Zone Port fall apart. It could also see a decrease of the meddling of the Gulf in its internal politics.

Europe-Maghreb: a forced reboot?

The European Union will feel more dependent on the Maghreb than before. With Russian and Gulf energy flows disrupted by war, the -relatively- safe Maghreb will gain in importance.

However, **this will come at a cost.** Algeria wants to improve its negotiation posture regarding Western Sahara, and Morocco would also seek continued support for its own plans in these negotiations. This is therefore a dilemma for Brussels.

Moreover, because of their mounting economic pressures, Morocco and Tunisia may once again see increased outward migration pressure. As for Libya, it continues to be unstable and unreliable. Mid-March, amidst the war, there was a possible sabotage of the Sharara oil pipeline, which is linked to the most important oil field in the country, halting production.

Nonetheless, despite these configurations, there are opportunities to seize on both sides. Europe's needs are clear: energy sources and stability on its southern border, which translates into less migration flows. These needs should therefore be stated clearly by Brussels and not negotiated capital-by-capital. They should also be framed as they are and not hidden behind rhetorical disguises. The Maghreb's needs are also clear on the other side: employment for their youth, limited inflation, border security, and technological and educational scale-up. **If Maghrebi governments take less risk-averse, less security-focused, less bureaucratic, and more business-friendly positions, they may attract important investments and reboot a stalling relationship.**