What could Trump achieve by threatening Iran's Kharg Island?

AFP | Paris, France

A scrubby island in the Gulf that is roughly one third the size of Manhattan, Kharg Island is the nerve centre of the Iranian oil industry -- and at the heart of US President Donald Trump's latest efforts to pressure Tehran.

On Monday Trump vowed that a failure by Iran to agree a deal to end the war could see the United States "completely obliterating" the export hub.

A day earlier, he had said the United States could take the island, eyed by the Pentagon for ground operations, "very easily".

So what are Trump's options, and how might Iran react if he presses on this pressure point?

What is Kharg Island?

It may be a mere scrap of land, but Kharg handles around 90 percent of Iran's crude exports, according to a report by US bank JP Morgan.

Located in the north of the Gulf, around 30 kilometres (20 miles) from the Iranian coast and more than 500 kilometres from the Strait of Hormuz, it has no oil wells.

But it has Iran's largest oil terminal, oil pipelines, storage tanks and related infrastructure.

It also has military facilities, some of which have already been hit by Israeli-US strikes.

On March 13, "US forces executed a large-scale precision strike on Kharg Island", Centcom, the US military command for the region, said.

"The strike destroyed naval mine storage facilities, missile storage bunkers and multiple other military sites. US forces successfully struck more than 90 Iranian military targets on Kharg Island, while preserving the oil infrastructure."

Sources close to US intelligence services told US broadcaster CNN Iran had deployed additional troops and defence systems to the area in recent weeks, including MANPAD-type surface-to-air missiles and mines.

Trump's options?

There appear to be three routes for US forces wishing to seize the island -- an airborne attack; an amphibious operation; or a combination of the two.

The Pentagon is currently moving US paratroopers and Marines into the area.

"(The) US combat force build-up sets the stage for (a) potential ground offensive in Iran," said US think tank Soufan.

Centcom former commander General Joseph Votel told The War Zone website this month it would not take that many soldiers to seize Kharg.

"On a small island like Kharg, I imagine you'd need a battalion of Marines. We are therefore talking about a force of 800 to 1,000 men, perhaps a little fewer, certainly not much more," he said.

But taking Kharg and holding onto it "are two different things", stressed Professor Phillips O'Brien of the University of St Andrews in Scotland.

He said the US military would struggle to retain the island within range of Iranian missiles and drones.

Just 60 kilometres away is the city of Bushehr, an important military centre "from which the Iranians defend the entire northern part of the Gulf, including Kharg", noted Pierre Razoux of French research centre FMES.

Why do it?

Trump's war goals remain hazy. It is unclear whether he primarily wants to force Iran to reopen shipping lanes in the Strait of Hormuz; force regime change in Tehran; coerce the Iranians into concessions on their nuclear or ballistic missile programmes.

In the short term, capturing Kharg could give Washington leverage to force Iran to negotiate -- presumably on Trump's terms, given the country's dependence on oil revenue, the Soufan Center said.

It might not have much effect in reopening the Gulf to shipping, however, because Iran controls a string of other islands in the Strait of Hormuz.

And if the Iranians choose not to cede to Trump's demands, "What does the US do?", O'Brien wondered.

"Does the US then, out of spite, level all the economic facilities on Kharg?

"That could easily boomerang back in American faces. It means oil prices skyrocket even more and stay high for much longer," he said.

"It also means Iran will be incentivised to shut down the traffic in the Straits for even longer. If they cannot get their own oil out, why let anyone else's?"

US Fed chief says can look past oil shock but wary of deeper risks

AFP | Washington, United States

US Federal Reserve Chair Jerome Powell said yesterday that the central bank can look past the energy shock from war in the Middle East, but may have to act if rising costs change expectations about inflation.

"The tendency is to look through any kind of a supply shock," Powell told a Harvard University event.

This is because "energy shocks have tended to come and go pretty quickly" but monetary policy changes take time to flow through the economy, he said.

His comments come after US-Israeli strikes on Iran on February 28 triggered Tehran's retaliation that sharply restricted access to the Strait of Hormuz.

The waterway is a critical shipping route for energy resources, and the situation has caused global oil prices to rocket as the war stretches into a fifth week.

Around a fifth of global crude oil and liquefied natural gas passes through the strait in peacetime.

US gasoline prices have surged, threatening higher inflation in the world's biggest economy.

For now, Powell said, "we feel like our policy is in a good place for us to wait and see how that turns out."

He stressed that "inflation expectations do appear to be well-anchored beyond the short term."

But he acknowledged that supply shocks can lead the public to start expecting persistently higher prices.

The Fed faces "tension" between its two objectives of stable prices and low unemployment, Powell said, and there are currently both risks of higher inflation and a weakening labor market.

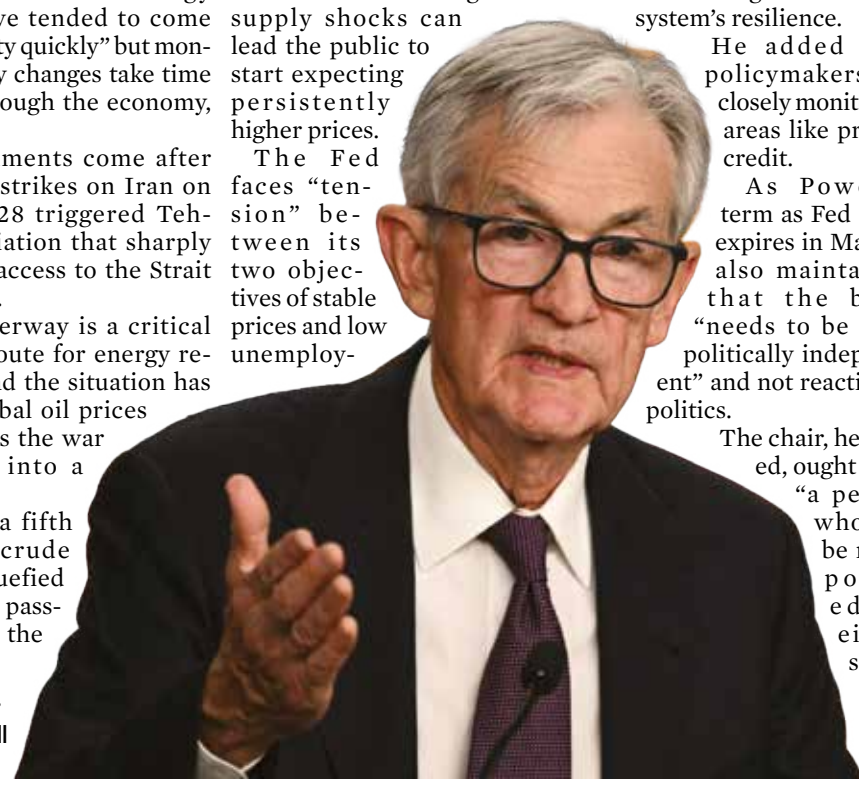
Asked about the risks of another financial crisis, Powell said the United States has "significantly hardened" its system since the 2008 global financial crisis.

While officials should not try to "regulate risk out of existence," he flagged the need for maintaining the financial system's resilience.

He added that policymakers are closely monitoring areas like private credit.

As Powell's term as Fed chair expires in May, he also maintained that the bank "needs to be fully politically independent" and not reactive to politics.

The chair, he added, ought to be "a person who can be reappointed by either side."



US Federal Reserve Chair Jerome Powell

Ebdaa For Microfinance Bahrain

Audited Financial Statement For the year Ended 31st DEC 2025

STATEMENT OF FINANCIAL POSITION
As at 31 December 2025

	2025 BD	2024 BD
ASSETS		
Loans and advances to customers	**1,477,700**	1,703,226
Cash and cash equivalents	**1,048,494**	997,986
Bank deposits	**939,228**	695,292
Equipment, furniture and leasehold improvements	**114,415**	110,054
Prepayments and other receivables	**67,468**	82,197
Right-of-use-assets	**55,250**	23,587
	3,702,555	3,612,342
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	**2,209,720**	2,209,720
Statutory reserve	**89,741**	88,302
Accumulated losses	**(283,481)**	(296,431)
	2,015,980	2,001,591
Liabilities		
Borrowings	**1,400,000**	1,400,000
Accruals and other payables	**153,762**	72,879
Deferred income	**65,230**	65,230
Employees' terminal benefits	**12,968**	48,112
Lease liabilities	**54,615**	24,530
	1,686,575	1,610,751
Total equity and liabilities	**3,702,555**	3,612,342

Statement of profit or loss and other comprehensive income
For the year ended 31 December 2025

	2025 BD	2024 BD
Interest income	**555,342**	464,751
Interest expense	**(14,652)**	(15,322)
Net interest income	**540,690**	449,429
Fee income	**170,857**	215,791
Other income	**87,955**	104,102
Total income	**799,502**	769,322
Expenses		
Staff costs	**(556,522)**	(542,721)
Depreciation on equipment, furniture and leasehold improvements	**(29,193)**	(30,240)
Expected credit loss provision	**(15,179)**	4,614
General and administrative expenses	**(184,219)**	(169,810)
Total expenses	**(785,113)**	(738,157)
Net profit and other comprehensive income for the year	**14,389**	31,165

STATEMENT OF CASH FLOWS
For the year ended 31 December 2025

	2025 BD	2024 BD
OPERATING ACTIVITIES		
Net profit for the year Adjustments for:	**14,389**	31,165
Depreciation on equipment, furniture and leasehold improvements	**29,193**	30,240
Amortisation on right-of-use assets	**40,328**	47,721
Expected credit loss provision	**15,179**	(4,614)
Interest on lease liabilities	**2,080**	1,862
Gain on sale of equipment, furniture and leasehold improvements	**-**	(193)
Loss on write-off of equipment, furniture and leasehold improvements	**6,931**	-
Changes in operating assets and liabilities:		
Loan and advances to customers	**216,411**	(501,449)
Prepayments and other receivables	**14,729**	(53,666)
Deferred income	**-**	(112)
Accruals and other payables	**80,883**	(42,874)
Employees' terminal benefits, net	**(35,144)**	1,049
Net cash provided by/(used in) operating activities	**384,979**	(490,871)
INVESTING ACTIVITIES		
Purchase of equipment, furniture and leasehold improvements	**(40,485)**	(45,089)
Additions in bank deposits	**(250,000)**	(700,000)
Proceeds from sale of equipment, furniture and leasehold improvements	**-**	800
Net cash used in investing activities	**(290,485)**	(744,289)
Financing activities		
Principal and interest paid on lease liabilities	**(43,986)**	(50,372)
Borrowings obtained during the year	**-**	300,000
Net cash (used in)/provided by financing activities	**(43,986)**	249,628
Net increase/(decrease) in cash and cash equivalents	**50,508**	(985,532)
Cash and cash equivalents, beginning of the year	**997,986**	1,983,518
Cash and cash equivalents, end of the year	**1,048,494**	997,986

The Financial Statement were extracted from the audited Financial Statement on which BDO-Bahrain issued as unqualified opinion dated 29 March 2026

The Financial Statement wereauthorized for issue in accordance with approval of board of Directorson 29 March 2026

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2025

	Share capital BD	Statutory reserve BD	Accumulated losses BD	Total BD
At 31 December 2023	2,209,720	85,185	(324,479)	1,970,426
Total comprehensive income for the year	-	-	31,165	31,165
Transfer on statutory reserve	-	3,117	(3,117)	-
At 31 December 2024	2,209,720	88,302	(296,431)	2,001,591
Total comprehensive income for the year	-	-	14,389	14,389
Transfer on statutory reserve	-	1,439	(1,439)	-
At 31 December 2025	**2,209,720**	**89,741**	**(283,481)**	**2,015,980**

Abdulhameed Mohamed Hasan Dawani Board member

Mona Yousif Khalil Almoayyed Chairperson

Badr Eldin Abdelrahim Ibrahim Abdelmagid Chief Executive Officer

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