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Iraq's New Premier Faces Pressing Challenges as US-Iran Conflict Rages

Unit for Political Studies

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Unit for Political Studies

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Two weeks after Iraqi President Nizar Amidi charged business tycoon Ali Al-Zaidi with forming a government, on 27 April, the new prime minister's administration secured a vote of confidence from the Iraqi Parliament. This came after six months of political deadlock since 11 November 2025 parliamentary elections, an impasse stemming from the inability of the Coordination Framework (the largest parliamentary bloc, led by 12 Shi'i political leaders) to agree on a consensus candidate for premier. Although the government remains incomplete – with only 14 of the 23 ministerial posts put to the vote, due to disputes over the remaining positions – Al-Zaidi has begun addressing a host of economic, political, and security challenges. Foremost among these is the perilous task of balancing Iraq's relations with both the United States and Iran, in the shadow of the ongoing conflict between the two arch-rivals.

Al-Zaidi's Appointment

Al-Zaidi was presented as a compromise candidate to bridge a rift within the Coordination Framework over the selection of a prime minister. The bloc had split into two camps: one supporting former prime minister Nouri al-Maliki (2006–2014), and an opposing camp that rallied around the outgoing premier, Mohammed Shia al-Sudani (2022–2026) – but had failed to agree on an alternative to challenge al-Maliki. Despite the fact that the faction opposing Al-Maliki held more seats than any other faction within the Framework (including al-Sudani's Reconstruction and Development Coalition, comprising 46 MPs; the Asa'ib Ahl al-Haq movement led by Qais al-Khazali, with 27; and the Al-Hikma Movement led by Ammar al-Hakim; with 20 MPs), it failed to secure a two-thirds majority among the Coordination Framework's leaders to approve a nominee for prime minister, as per the bloc's internal rules.

Furthermore, Al-Sudani's coalition quickly fractured, as some members withdrew and others were arrested on corruption charges. Even US President Donald Trump's public objection to Al-Maliki's nomination, backed up by a threat to halt cooperation with Iraq unless Al-Maliki was excluded from the race, did not decisively alter the balance of power. However, Washington's stance emboldened Al-Maliki's opponents to challenge him openly, and facilitated the reaching of a consensus over Al-Zaidi, backed by the head of the Supreme Judicial Council, Faiq Zaidan.

Another factor in the agreement on Al-Zaidi was his lack of an independent political base, much like former Prime Minister Mustafa Al-Kadhimi (2020–2022) and outgoing premier Al-Sudani. The businessman's ascent to the premiership posed no direct threat to the interests of Iraq's political forces and their system of sharing out power among themselves. It also consolidated the convention that a prime minister should serve only one term. Typically, a consensus prime minister, working within the limits of his powers and lacking a political organization of his own, seeks to appease each faction within the power-sharing system and strike a balance between the patronage networks of various parties, without favouring one side over another.

Under the power-sharing system in place since 2003, the consensus candidate for prime minister does not count toward any single party's quota of executive posts. This allows various parties to claim

other executive positions, without the acquisition of the PM's office diminishing their respective shares. Furthermore, this arrangement makes it easier to disown the consensus candidate later should public pressure demand it, or to undermine his standing should he attempt to build an independent political base that threatens the interests of other political leaders.

In addition to his lack of prior political experience, Al-Zaidi's selection as prime minister was helped by his business background – specifically as the owner of Al-Oweis (a firm which had a contract with the Ministry of Trade to supply the public with rationed goods) and of Al-Janoob Bank. His business career enabled him to cultivate an extensive network of relationships with most Shi'i parties and political factions, including the Sadrist Movement. Its leader, Muqtada al-Sadr,[1] issued a statement supporting a "100-day grace period" for Al-Zaidi's government, and has also backed his anti-corruption campaign, the first phase of which resulted in the arrest of 47 individuals, including members of parliament.[2]

The Rise of a Four-Part Alliance

Following the Coordination Framework's announcement that it was nominating Al-Maliki for the premiership, an olitical alliance emerged in opposition to his understandings the former PM had reached with Kurdistan Democratic Party (KDP) leader Masoud Barzani. That alliance was made up of four key forces, led by Al-Khazali, Al-Hakim, Progress Party leader Mohammed al-Halbousi, and Patriotic Union of Kurdistan (PUK) leader Bafel Talabani. This four-way alliance succeeded in securing the appointment of all its candidates to various legislative and executive posts, whereas candidates from the Maliki-Barzani alliance failed or were forced to withdraw under pressure. One key result was the election of Adnan Faihan, a senior figure in Asa'ib Ahl al-Haq, as First Deputy Speaker of Parliament; this position had been sought by the candidate of the Maliki-Barzani alliance, MP Muhsin al-Mandalawi, who had held the role during the previous parliament.

The four-way alliance also managed to compel the Kurdistan Democratic Party (KDP) to change its nominee for the post of Second Deputy Speaker of Parliament, a position allocated to the KDP under the power-sharing system. Furthermore, prior to the government's formation, the alliance secured a parliamentary resolution confirming Abdul-Amir Yarallah as Army Chief of Staff, despite KDP objections on the grounds that filling that position is a Kurdish prerogative.[3]

The efforts of this alliance, combined with US pressure aimed at preventing armed factions close to Iran from assuming executive roles in Al-Zaidi's government, scuppered a vote for ministerial nominees from Maliki's State of Law Coalition and the Azem Alliance led by Muthanna al-Samarrai, who was

1 "His Eminence Sayyid Muqtada al-Sadr (may God honour him) extends his thanks to the brothers who formed a committee to provide services for the Sha'bania Pilgrimage," Website of the Private Office of Sayyid Muqtada al-Sadr, 28 January 2026, accessed 23/7/2026, at: https://acr.ps/hBxMwaH.

2 Muzaffar Mazouri, "Al-Sadr announces support for Al-Zaidi's anti-corruption campaign and calls for peaceful rallies next Friday," *Kurdistan 24*, 29/6/2026, accessed 23/7/2026, at: https://acr.ps/hBxMwoi.

3 "Kurdistan Democratic Party: The Vote on the position of Army Chief of Staff is a constitutional violation and a breach of consensus agreements," *Dijlah Satellite Channel*, via Facebook, 17/2/2026, accessed 23/7/2026, at: https://acr.ps/hBxMvX6.

later arrested on corruption charges. Nor were ministerial positions allocated to parties linked to these factions put to a vote, with the exception of the Badr Organization – the only Iran-aligned political entity not currently subject to US sanctions. Consequently, the Al-Sudani government won a vote of confidence by a narrow margin, as votes were cast for only 14 ministers out of the proposed 23. Under the Iraqi constitution, a government transitions to a caretaker status if more than half of its cabinet members withdraw. Accordingly, Al-Zaidi's government could lose its mandate were just three ministers to resign or be dismissed – a situation that gives the Coordination Framework extensive leverage over Al-Zaidi's decisions.

Early in his tenure, and with Zaidan's backing, Al-Zaidi launched an anti-corruption campaign aimed at building an independent base of popular support. The campaign targeted a wide network of politicians and vested interests, particularly within the Ministry of Oil. Notably, the most prominent figures arrested belonged to Sunni political factions; politicians linked to armed factions we tipped off, allowing them to flee before being arrested, as in the cases of Hussein Mo'nis (linked to Kata'ib Hezbollah) and Ahmed al-Asadi (commander of the Jund al-Imam militia and former Minister of Labor and Social Affairs). Although figures linked to Al-Sudani were also targeted,[4] the campaign has so far avoided clashing with entrenched power centres or prominent politicians and business leaders.

Al-Zaidi and the Trump Administration

No sooner was Al-Zaidi tasked with forming the government than the Trump administration, which had previously opposed the nomination of Al-Maliki, figures close to Iran, or those aligned with armed factions, rushed to declare its support for him. Trump was the first to offer his congratulations, during a call on 30 April 30 2026, in which he invited Al-Zaidi to visit Washington once the government was formed. Through its support for the Al-Zaidi's government, the US is aiming to achieve several objectives, including pushing for the disbanding of militias linked to Iran's Islamic Revolutionary Guard Corps (IRGC), halting the smuggling of hard currency from Iraq into Iran as part of a reinstated policy of "maximum pressure," generating investment opportunities for US companies in Iraq, and strengthening Iraq's economic ties with Syria in order to steer it away from Iranian influence and integrate it with US allies in the region (Turkey and the Arab Gulf states).

In this context, the Trump administration, through its envoy Tom Barrack, has sought to reactivate the currently defunct Kirkuk-Baniyas oil pipeline, an initiative agreed upon by Iraq and Syria under US auspices. The pipeline, which could eventually transport approximately two million barrels per day (bpd) of Iraqi oil across Syrian territory, is to be executed by a consortium of companies, including TI Capital, Qatar's UCC Holding, and Chevron.[5] The project would partially help address the crisis Iraq

4 Walid al-Khazraji, "Al-Zaidi topples Al-Sudani's apparatus before assuming the Iraqi premiership," *Arabi21*, 19/7/2026, accessed 23/7/206, at: https://acr.ps/hBxMwBT.

5 "Iraq and Syria, Together with UCC, Chevron and TI Capital, Advance Strategic Oil Corridor to the Mediterranean," *Zawya*, 18/7/2026, accessed on 23/7/2026, at: https://acr.ps/hBxMvLq.

faces due to the closure of the Strait of Hormuz,[6] which has caused oil exports to plummet by nearly 80 percent[7] – triggering a severe financial crisis in a country that relies on oil exports for as much as 90 percent of federal government revenue.

During Al-Zaidi's visit to Washington in mid-July, Iraq signed 48 memoranda of understanding and agreements worth nearly $60 billion, notably including one granting a license for satellite internet provider Starlink to operate within Iraq.[8] Al-Zaidi's policy is clearly predicated on securing Trump's support by offering facilities and privileges to American companies. This approach aims to alleviate the currently economic pressures on Iraq, particularly regarding the inflow of dollars; the US government had frozen deliveries of cash greenbacks to pressure the country into adhering to Washington's policy of maximum pressure against Tehran. This came after the US Treasury accused several Iraqi banks of facilitating the transfer of dollars in cash to Iran. The freeze was lifted following Al-Zaidi's visit, and Washington also initiated measures to lift the ban on dealings with seven Iraqi banks – including Al-Janoob Bank, which is managed by Al-Zaidi and his family.[9]

By supporting Al-Zaidi's government, the US is also seeking to curtail Chinese and Russian influence in Iraq's oil sector, starting with the acquisition of the West Qurna 2 field (one of the world's largest) following the withdrawal of the Russian company Lukoil—a move prompted by US sanctions imposed during Al-Sudani's tenure. During Al-Zaidi's Washington visit, Iraq also signed memoranda of understanding with American oil companies such as Shell, GE Vernova, and KBR. These moves align with Iraq's push within the Organization of the Petroleum Exporting Countries (OPEC) for a larger output quota, and its stated intention to increase oil production.[10]

Disarming the Factions

During the press conference with Trump, Al-Zaidi indicated a deadline of 30 September 2026 for armed factions to "surrender their weapons"[11] – a date that neatly corresponds with the completion of the US military withdrawal from Iraq. Numerous armed forces and factions have issued statements supporting this move. Yet the three factions closest to Iran – namely Kata'ib Hezbollah, Harakat al-Nujaba, and Kata'ib Sayyid al-Shuhada – have rejected it, making the surrender of their weapons conditional upon what they term the "departure of the Turkish occupation" and "liberation from American economic hegemony." These factions have also linked their positions to the regional

6 "Between opportunities and challenges: The Kirkuk-Baniyas pipeline redraws the regional energy map," *Al Jazeera Net*, 18/7/2026, accessed 23/7/2026, at: https://acr.ps/hBxMvZ1.

7 During the first month of the closure of the Strait of Hormuz, Iraq's oil exports dropped from $7 billion per month to approximately $1 billion. See: Samriddhi Vij, "Hormuz Chokes the Iraqi Economy," *ORF Middle East*, 17/7/2026, accessed 23/7/2026, at: https://acr.ps/hBxMwcC.

8 "Iraq signs 48 dals with US companies during PM's visit to Washington," *Al Jazeera*, 18/7/2026, accessed on 23/7/2026, at: https://acr.ps/hBxMwqd.

9 Abdul Wahab Al-Jundi, "Iraqi-US agreement reintegrates seven Iraqi banks into the global financial system," *Youm7*, 19/7/2026, accessed 23/7/2026, at: https://acr.ps/hBxMwDO.

10 Laith Al-Junaidi, "Al-Zaidi: Iraq will not leave OPEC; we seek a fair production quota," *Anadolu Agency*, 9/7/2026, accessed 23/7/2026, at: https://acr.ps/hBxMvNl.

11 Walid Al-Khazraji, "A Pledge to Trump: Will Al-Zaidi succeed in restricting arms despite defiance by the factions?" *Arabi21*, 16/7/2026, accessed 23/7/2026, at: https://acr.ps/hBxMvPg.

situation in Syria and the war on Lebanon and Iran. Overall, the government's move to impose a state monopoly on arms has divided Iraqi armed factions and groups into two camps. The first, while wary that surrendering its weapons could weaken its position and result in the loss of state-granted privileges, views itself as part of Iraq's political life and is seeking acknowledgment of its legitimacy by having its institutions and leadership removed from US sanctions and terrorism lists; the second views itself as part of the Iran-led "Axis of Resistance."

Nevertheless, the disarmament process faces numerous challenges, despite being accepted by some of the factions. A prominent challenge is the internal division that has recently become apparent within certain groups, casting doubt on the ability of political leaders to compel their military wings to comply with their directives, especially given fears that this would weaken them. Furthermore, other factions insist on retaining their weapons. This trend has emerged even within entities that have become less radical of late, such as Asa'ib Ahl al-Haq, one of whose military wings refuses to abide by with leader Al-Khazali's instructions to de-escalate tensions with the US, instead engaging in operations targeting US interests and allies in the region.

Furthermore, there is no clear definition or procedural roadmap regarding the handover of weapons or the types of arms involved, which creates loopholes that could allow the process to be circumvented. Some factions have refused to acknowledge that they possess any weaponry other than what they received from the state during the war from 2014 onwards against the Islamic State group (IS).

Meanwhile, the armed factions that refuse to surrender their weapons are attempting to assert their presence as a fait accompli, and defying government efforts in this regard. A case in point comes in the form of repeated drone attacks on Erbil, the capital of the Kurdistan region (KRG) – including attacks just hours after Al-Zaidi met Trump in Washington and announced the deadline for the handover of weapons. Although Al-Sadr pre-empted all the other factions by announcing that the Saraya al-Salam militia would dissolve and give up its weapons,[12] the move was widely viewed as an attempt to embarrass his rival. Moreover, Al-Sadr retains the ability to rebuild his movement rapidly should the need arise, unlike other militias, which would find it far more difficult to regroup once their organizational structures were dismantled.

The handling of Saraya al-Salam's dissolution does not appear promising. The Prime Minister referred a request by Al-Sadr to attach Saraya al-Salam (comprising three brigades) to the Ministry of Defence, as a transitional measure, to Falih Al-Fayyad, the head of the Popular Mobilization Forces (PMF), which would effectively place the group in a position similar to that of the factions affiliated with the Shi'i holy shrines. However, Al-Fayyad issued an order to replace the commander of the Samarra Operations Sector and appoint a new commander from Asa'ib Ahl al-Haq instead of one from Saraya al-Salam – a move aimed at ousting the Sadrist Movement from its primary stronghold. Al-Fayyad also informed Sadrist leaders of his intention to deal with the movement's 13,500 or so

12 "Al-Sadr announces the detachment of Saraya al-Salam from [his] movement and its integration into the Iraqi state," *Al Jazeera Net,* 27/5/2026, accessed 23/7/2026, at: https://acr.ps/hBxMw0W.

fighters on an individual basis, randomly distributing them across three geographic zones within the PMF's areas of operation. The most pressing question remains: what action will the state take beyond 30 September against factions that still refuse to surrender their weapons, given mounting US pressure to resolve the issue?

Relations with Iran

Ali Akbar Velayati, an advisor to the Iranian Supreme Leader, described Al-Zaidi's visit to Washington as a "source of regret and sorrow for our people and for the faithful Iraqi people."[13] The visit took place just days after mourning processions for late Supreme Leader Ayatollah Ali Khamenei in the Iraqi cities of Najaf and Karbala. Through these ceremonies, Iran and its allied groups sought to demonstrate that the majority of Iraqi Shi'is support Iran's policy. While Al-Zaidi sought to mitigate any potential damage the funeral procession might cause to his Washington visit, he also tasked his chief of staff with heading the committee responsible for organizing the mourning ceremonies. The PMF and other Iraqi government bodies made extensive preparations, including informing their employees that participation was mandatory, and the event received broad coverage in state-run and pro-Iran media outlets.

Despite Iran's apparently weak position in Iraq, it is evident that the US-Israeli war has reinforced the Iranian narrative of "resistance" and defiance. It has also heightened fears within Shi'i religious circles that a collapse of Iran's position could translate into a broader weakness affecting Shi'is across the entire region.

During the 2025 elections, Iran and its allies succeeded in sidelining the reformist forces in Iraq that were opposed to Iranian influence, securing a third of the seats in the Iraqi parliament and nearly half of the seats held by the Coordination Framework. While the armed factions' patronage networks played a pivotal role in this outcome, regional developments –such as the Israeli assault on Gaza, the assassination of Hassan Nasrallah, and the fall of the Assad regime – have fostered a general sense of apprehension. This has facilitated the factions' ability to conduct open electoral activities under political cover.

Nevertheless, the Shi'i political class appears keen to navigate this period with minimal losses. Accordingly, it has avoided directly or explicitly aligning with Iran in the war. It accepts, even if it does not actively support, Al-Zaidi's efforts to alleviate US pressure on Iraq, in exchange for vague promises to restrict the weaponry held by armed factions, offer economic advantages to US companies, and foster rapprochement with the government of Syrian President Ahmad al-Sharaa, something bitterly opposed by some Coordination Framework leaders. Conversely the Coordination Framework has not taken a clear stance on Iraqi factions' attacks on Gulf states during the war, beyond verbal statements,

13 "Iranian Supreme Leader's Advisor Ali Akbar Velayati: Al-Zaidi's visit to Washington is a source of regret and sorrow for our people and the faithful Iraqi people," *Nabd,* 19/7/2026; accessed 23/7/2026, at: https://acr.ps/hBxMwex.

while Al-Zaidi's government limited its response to issuing condemnations and demanding that Gulf states provide evidence of such attacks.[14]

At the political level, there are indications that Iran's influence in Iraq is on the wane, given Iran's preoccupation with its conflict with the US and Israel, alongside the Trump administration's adoption of a hardline stance toward the leaders of Iraqi armed groups, whether through military strikes targeting key figures in armed factions and IRGC officers active in Iraq or the application of economic pressure. Yet this does not imply that Iran's influence, deeply embedded within the structures of the Iraqi state and society, is in full retreat. Rather, the current US-Iran conflict has narrowed its room for manoeuvre in Iraq and facilitated the formation of a government open to strengthening ties with the US – even as Iran retains key sources of power, including the "resistance factions." It is notable that Al-Zaidi began a visit to Tehran on 23 July, in an effort to demonstrate that Iraq remains committed to maintaining strong relations with Iran.[15]

Conclusion

It appears that Al-Zaidi's government and most elements of the Coordination Framework have opted to approach the current situation through crisis management and by making partial concessions to the US, with the aim of alleviating pressure on Iraq amidst an economic situation that is continues to deteriorate, given the decline in Iraq's oil export capacity resulting from the closure of the Strait of Hormuz. However, this does not mean that Al-Zaidi's government is poised to take rigorous steps against Iran-aligned armed factions, for several reasons. Firstly, these factions are part of the Coordination Framework, and constitute a primary line of defence for the ruling system and its internal power dynamics. Secondly, the potential outcomes and consequences of the US-Iran war have yet to become clear. Third, any armed clash with these factions could trigger an internal conflict among Shi'i forces.

Ultimately, the current policy appears to be one of navigating the Trump era with minimal losses, an approach embodied by Al-Zaidi. He is pragmatic enough to secure US acceptance, yet lacks an independent political base, meaning he can be reined in whenever his actions conflict with the core interests of the dominant Shi'i forces. This amounts to a hedging strategy with the aim of maintaining regime stability in the shadow of the escalating US-Iran conflict and the resulting economic crisis.

14 "Iraq rejects 'any attack or targeting' against the Gulf or Jordan launched from its territory," *Asharq Al-Awsat*, 20/11/2024, accessed 23/7/2026, at: https://acr.ps/hBxMws8.

15 Adel Al-Nawab, "Al-Zaidi to visit Tehran this weekend as part of a tour including Ankara, Riyadh, and Damascus," *Al-Araby Al-Jadeed*, 20/7/2026; accessed 23/7/2026, at: https://acr.ps/hBxMvBF.