

Preventing Iran's Military Reconstitution

What Tehran Lost, What It Will Need, and Opportunities to Disrupt Procurement

By Kate Koren, Patrick Panjeti, Emma Surnow, Kevin Kurland, and Omar Al-Ghusbi

KEY TAKEAWAYS

- Absent regime change, Iran will move quickly to reconstitute its military, which depends heavily on imported foreign dual-use and commercial goods, from raw materials to advanced manufacturing equipment. Much of this originates from the United States and its allies and has historically arrived as re-exports through the United Arab Emirates (UAE).
- Iranian strikes on the UAE during the 2026 conflict have likely ruptured that re-export relationship, pushing Iran toward new procurement routes through Pakistan, the Caspian Sea, and more direct sourcing from China.
- Open-source evidence points to severe degradation: Nearly all of Iran's conventional naval surface fleet was lost, several ports remain blocked by sunken vessels, and Iran retains roughly 70 percent of its prewar missile stockpile but only 40 percent of its drones.
- The reshaping of these networks creates a narrow window for the United States and its allies to slow and raise the cost of reconstitution, chiefly by extending the Russia sanctions playbook to Iran, engaging transit countries early, and conducting outreach to firms exposed to Chinese and Turkish supply chains.

BACKGROUND AND CONTEXT

The full extent of damage to Iran's military from the 2026 U.S. and Israeli strikes remains unclear, but open-source evidence points to significant degradation. Commercial satellite imagery confirms the loss of nearly all of Iran's conventional naval surface fleet and damage to its principal shipyards and naval bases, several of which are now partially blocked by sunken vessels that must be cleared before normal operations can resume.

U.S. government [assessments](#) reported in the press indicate Iran retains roughly 70 percent of its prewar missile stockpile but only 40 percent of its drone arsenal, having expended an estimated 60 percent of its drones and 30 percent of its missiles during the conflict. Much of its missile production sits in hardened underground facilities, and damage to nuclear infrastructure is difficult to assess from open sources, so this brief focuses on conventional reconstitution.

Iran's military industrial base depends on imported foreign dual-use and commercial items, much of which historically arrived as reexports through the UAE—95 percent of the UAE's 2024 non-oil exports to Iran were re-exports of goods whose true origin is unknown. But Iran launched more than 2,800 missiles and drones at the UAE between February and May 2026, more than at any other country, and the UAE closed its embassy in Tehran on March 1. With that route unlikely to endure, Iran will need new channels to import what its reconstitution requires.

LEGISLATIVE AND POLICY IMPLICATIONS

Congress is already active on this front, giving policymakers concrete vehicles to slow Iran's reconstitution before new transshipment routes take root. The Block the Use of Transatlantic Technology in Iranian Made Drones Act ([H.R. 2505](#)), which passed the House on June 9, 2026, directs the Commerce, State, and Defense Departments to identify and disrupt the supply chains that feed Iran's drone program. The Enhanced Iran Sanctions Act ([H.R. 1422](#) / [S. 556](#)) would expand secondary sanctions and direct the State Department to convene a multilateral contact group to coordinate frameworks and enforcement—an avenue to adapt the European Union's "no re-export" clause and anti-circumvention tool to Iran and to engage transit states such as Pakistan and those along the Caspian littoral.

CHALLENGES AND RISKS

Several factors complicate efforts to slow Iran's reconstitution. China is the most likely supplier of first resort for the four categories of goods Iran needs in the near-term: marine salvage equipment, machine tools, drone components, and marine engines. While U.S. and allied alternatives are generally preferable, Chinese materials and equipment are largely good enough to meet the bulk of Iran's needs. Iran also brings more than 40 years of experience operating covert, worldwide acquisition networks, and much of its missile and drone production sits in hardened underground facilities where damage cannot be gauged from open sources.

Enforcement tools carry their own costs. Extraterritorial controls can strain alliance relationships, invite retaliation, and push foreign firms to design controlled content out of their products. Diplomatic pressure on China may simply drive further trade obfuscation, with goods making multiple stops to obscure their origin—slowing and raising the cost of procurement but making supply sources harder to identify. New routes are also harder to interdict: The Caspian is a closed sea governed by its five littoral states, and Pakistan offers a contiguous land corridor less exposed to U.S. or Israeli interdiction than Gulf maritime chokepoints.

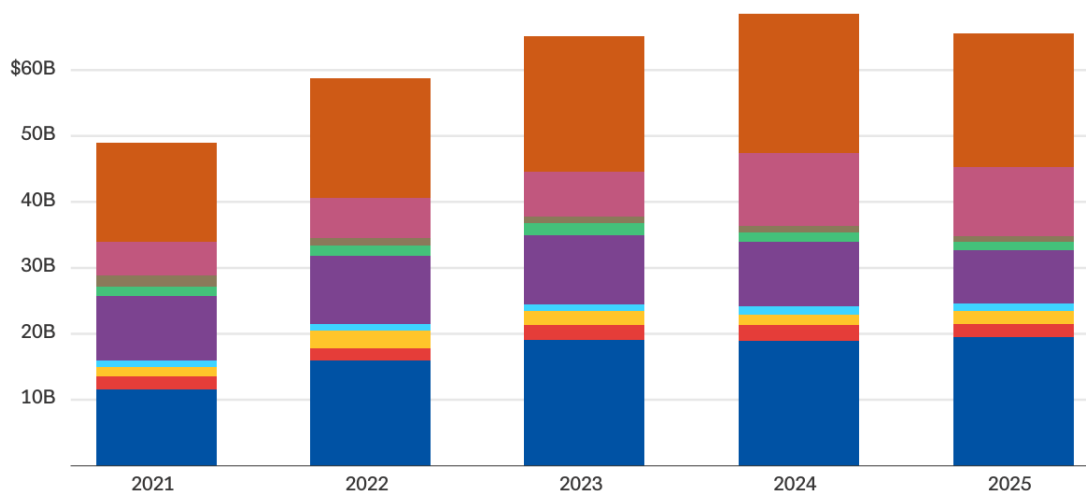
RECOMMENDATIONS

Recommended adjustments to bills under consideration include:

- Adding language to H.R. 2505 to require that its mandated strategies also address the Chinese-origin components Iran is increasingly substituting for Western parts.
- Incorporating the establishment of a multilateral working group from S. 556 into H.R. 1422, creating a standing mechanism to coordinate the multilateral actions needed to stem the flow of critical technologies to Iran.
- Additionally, Congress retains review authority over sanctions relief tied to any agreement relating to the nuclear program of Iran under the Iran Nuclear Agreement Review Act (H.R. 1191). Lawmakers should guard against relief that reopens the procurement channels Iran needs to rearm.

Iran's Total Imports by Country

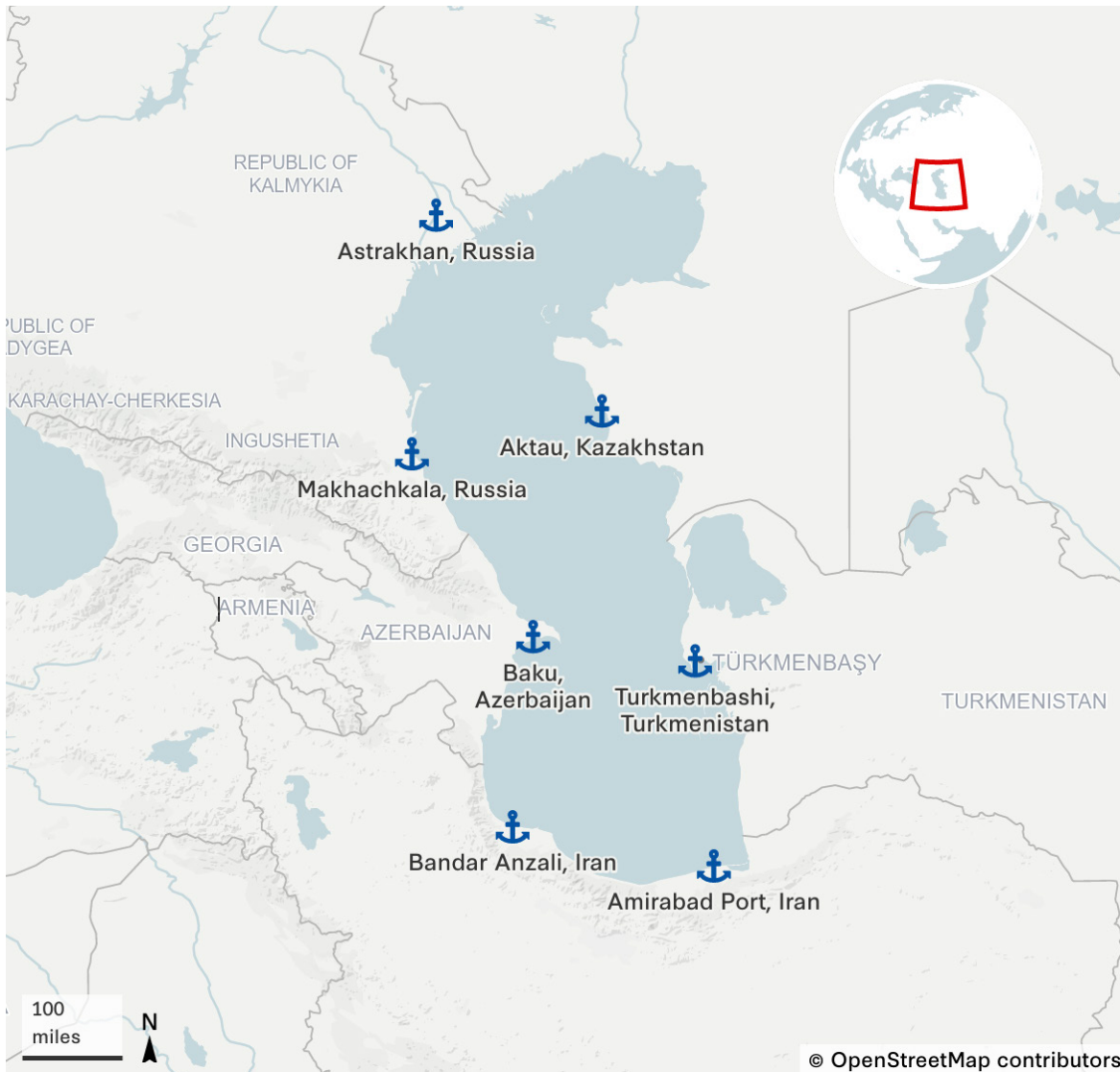
China Germany India Netherlands Russia Switzerland Turkey
United Arab Emirates Others



Note: The Islamic Republic of Iran Customs Administration (IRICA) suppresses import statistics for crude oil, lignite, coal gas, explosives, and arms and ammunition. Partner country is based on the country of sale and may differ from the country that dispatched.

Source: CSIS analysis of data from IRICA.

Map of Countries and Ports Bordering the Caspian Sea



Source: CSIS.

Additional Resources and Contact Information

Kate Koren, Patrick Panjeti, Emma Surnow, Kevin Kurland, and Omar Al-Ghusbi, "Preventing Iran's Military Reconstitution: What Tehran Lost, What It Will Need, and Opportunities to Disrupt Procurement," CSIS, June 23, 2026, <https://www.csis.org/analysis/preventing-irans-military-reconstitution>.

Benjamin Jensen, "How to Lose a Navy in 10 Days," CSIS, Commentary, March 12, 2026, <https://www.csis.org/analysis/how-lose-navy-10-days>.

"CSIS Latest Analysis: War with Iran," CSIS, updated June 23, 2026, <https://www.csis.org/programs/latest-analysis-war-iran>.

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