



THE STRAIT OF HORMUZ AND INTERNATIONAL ENERGY TRADE ATTRICTIONS

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Abstract

The Strait of Hormuz is one of the world's most important maritime chokepoints, serving as a major route for the transportation of crude oil and liquefied natural gas to international markets. This paper examined the strategic importance of the Strait and the factors responsible for disruptions to international energy trade, including regional political tensions, armed conflicts, piracy, maritime terrorism, sanctions, and diplomatic disputes. It also assessed the implications of these disruptions on global oil and gas prices, energy security, international trade, and the economies of energy-exporting and energy-importing States. The paper further examined the international legal framework governing navigation through the Strait, particularly the provisions of the United Nations Convention on the Law of the Sea. It concluded that maintaining the security and stability of the Strait of Hormuz is essential for ensuring uninterrupted global energy supplies and sustainable economic development. The paper recommended stronger international maritime cooperation, peaceful resolution of disputes, and diversification of energy transport routes to enhance global energy security.

Keywords: *Strait, hormuz, international, energy, trade, attriction*

Introduction

The Strait of Hormuz is one of the world's most strategically important maritime passages because it serves as the principal gateway through which a significant proportion of globally traded crude oil and liquefied natural gas is transported from the Persian Gulf to international markets.¹ The Strait links the Persian Gulf with the Gulf of Oman and the Arabian Sea, thereby providing access to the Indian Ocean. Given its narrow navigational width and immense economic significance, any disruption within the Strait has immediate implications for international trade, global energy security, and geopolitical stability.²

International energy trade depends heavily on the uninterrupted movement of petroleum products across maritime routes. The Strait of Hormuz facilitates the export of crude oil from major producers such as Saudi Arabia, Iraq, Kuwait, the United Arab Emirates, Qatar, and Iran to major consumers in Asia, Europe, and North America. Consequently, political tensions, military confrontations, piracy,

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¹ International Energy Agency, *Oil Market Report* (IEA, Paris, 2024).

² L. D. Losman, *International Economic Relations* (Routledge, 2019) 205-212.

sanctions, and threats to freedom of navigation in the Strait frequently generate uncertainty in global energy markets, leading to increased oil prices and supply disruptions.³

In recent years, recurring disputes involving Iran, the United States, and Gulf Cooperation Council states have heightened concerns regarding the security of the Strait. Attacks on commercial vessels, the seizure of oil tankers, and military deployments have demonstrated the vulnerability of this critical maritime chokepoint. These developments underscore the need to examine the strategic importance of the Strait of Hormuz, the causes of disruptions affecting international energy trade, their legal and economic implications, and possible measures for ensuring the uninterrupted flow of energy resources through international shipping lanes. The study therefore analyses the relationship between the Strait of Hormuz and international energy trade attritions from legal, economic, and geopolitical perspectives.”

2.0 Conceptual Clarification

Strait of Hormuz

Losman defines the Strait of Hormuz as a narrow maritime passage through which a significant proportion of the world's oil and liquefied natural gas exports are transported, making it indispensable to international commerce and energy security.⁴ Encyclopaedia Britannica defines the Strait of Hormuz as a narrow channel between Iran and Oman that connects the Persian Gulf with the Gulf of Oman and serves as one of the world's principal maritime trade routes.⁵ The United States Energy Information Administration (EIA) describes the Strait of Hormuz as the world's most important oil transit chokepoint because a substantial share of global petroleum and LNG exports passes through it each day.⁶

International Energy Trade

Stevens defines international energy trade as the exchange of energy commodities between States through international markets to satisfy domestic and industrial energy demand while promoting economic development.⁷ Yergin describes international energy trade as the global commercial system through which oil, natural gas, and other energy resources are produced, transported, marketed, and consumed across national borders.⁸ The International Energy Agency defines international energy

³ United Nations Conference on Trade and Development, Review of Maritime Transport 2024 (UNCTAD, Geneva, 2024) 22.

⁴ Losman (n 2) 205.

⁵ Encyclopaedia Britannica, 'Strait of Hormuz' (2024).

⁶ United States Energy Information Administration, *The Strait of Hormuz is the World's Most Important Oil Transit Chokepoint* 2024.

⁷ P Stevens, *The Economics of Energy* (Oxford University Press 2000) 45.

⁸ D Yergin, *The Prize: The Epic Quest for Oil, Money and Power* (Simon & Schuster 2008) 54.



trade as the international movement of energy products between producing and consuming countries through pipelines, shipping routes, and electricity interconnections.⁹

Energy Security

Yergin defines energy security as the availability of sufficient energy supplies at affordable prices while ensuring resilience against disruptions arising from political, economic, or technological factors.¹⁰ Sovacool defines energy security as the uninterrupted availability of energy sources delivered in an environmentally sustainable, economically affordable, and socially acceptable manner.¹¹ The International Energy Agency defines energy security as the uninterrupted availability of energy sources at an affordable price, distinguishing between long-term and short-term energy security.¹²

Trade Attrition

Irwin explains trade attrition as the progressive decline in the volume and efficiency of international trade resulting from tariffs, political disputes, wars, sanctions, and other barriers that impede the free flow of goods and services across borders.¹³ Krugman and Maurice Obstfeld describe trade attrition as the reduction in international commercial exchanges caused by economic protectionism, geopolitical tensions, transportation disruptions, and restrictive trade policies that increase transaction costs and reduce market efficiency.¹⁴

Maritime Chokepoints

Rodrigue defines maritime chokepoints as narrow navigational passages that concentrate maritime traffic and whose closure or disruption would significantly affect international shipping, global trade, and supply chains.¹⁵ Stopford describes maritime chokepoints as strategic maritime corridors where the movement of commercial vessels is geographically constrained, making them vulnerable to political instability, armed conflict, piracy, and navigational accidents.¹⁶

3.0 Strategic Importance of the Strait of Hormuz in International Energy Trade

The Strait of Hormuz occupies a central position in the global energy system because it serves as the principal maritime corridor through which a substantial proportion of the world's crude oil, petroleum products, and liquefied natural gas are transported.¹⁷ Its strategic significance is derived not only from its geographical location but also from its role in linking the energy-rich Persian Gulf with international

⁹ International Energy Agency, World Energy Outlook 2024.

¹⁰ Daniel Yergin, *'Ensuring Energy Security'* (Foreign Affairs, 2006) 69.

¹¹ B K Sovacool, *The Routledge Handbook of Energy Security* (Routledge 2011) 55.

¹² International Energy Agency, *Energy Security* (IEA, 2024) 44.

¹³ D A Irwin, *Free Trade under Fire* (5th edn, Princeton University Press 2020) 65.

¹⁴ P R Krugman and M Obstfeld, *International Economics: Theory and Policy* (11th edn, Pearson 2018) 34.

¹⁵ J P Rodrigue, *The Geography of Transport Systems* (5th edn, Routledge 2024) 22.

¹⁶ M Stopford, *Maritime Economics* (3rd edn, Routledge 2009) 45.

¹⁷ International Energy Agency, World Energy Outlook 2024 (IEA 2024) 55.



markets in Asia, Europe, and North America. Consequently, the uninterrupted operation of the Strait is essential for maintaining stability in international energy trade and the global economy.

The strategic importance of the Strait extends beyond commercial shipping. It is a vital geopolitical asset that influences international relations, maritime security, and foreign policy decisions. Gulf States such as Saudi Arabia, Iraq, Kuwait, Qatar, the United Arab Emirates, and Iran rely heavily on the Strait for exporting hydrocarbons. Likewise, major energy-importing countries including China, India, Japan, and South Korea depend on the continuous flow of energy resources through the Strait to sustain industrial production and economic growth.¹⁸ Any disruption caused by armed conflict, sanctions, piracy, or diplomatic tensions can significantly increase transportation costs, insurance premiums, and global oil prices.

From an international law perspective, the Strait of Hormuz constitutes an international strait used for navigation and is governed principally by the provisions of the United Nations Convention on the Law of the Sea (UNCLOS) relating to transit passage. Although political disputes have occasionally threatened freedom of navigation, international law seeks to balance the sovereignty of coastal States with the rights of the international community to unimpeded maritime navigation.¹⁹ The strategic importance of the Strait therefore lies in its economic, legal, political, and security dimensions, making it one of the most closely monitored waterways in the world.

Geographical Location

The Strait of Hormuz is situated between the Islamic Republic of Iran to the north and the Sultanate of Oman and the United Arab Emirates to the south. It connects the Persian Gulf with the Gulf of Oman, which opens into the Arabian Sea and ultimately the Indian Ocean.²⁰ This strategic geographical position makes it the only sea passage through which most oil exported from the Persian Gulf reaches international markets.

The Strait is approximately 167 kilometres (104 miles) long and varies in width, narrowing considerably at certain points. The designated shipping lanes for inbound and outbound vessels are each about 2 miles (3.2 kilometres) wide and are separated by a buffer zone to facilitate safe navigation.²¹ Because of its narrowness, commercial vessels navigating the Strait remain vulnerable to military confrontations, maritime accidents, piracy, and other security threats that may impede international shipping.

¹⁸ D Yergin, *The New Map: Energy, Climate and the Clash of Nations* (Penguin Press 2020) 102

¹⁹ United Nations Convention on the Law of the Sea 1982, arts 37-44.

²⁰ Yergin (n 18).

²¹ United States Energy Information Administration, *The Strait of Hormuz is the World's Most Important Oil Transit Chokepoint* 2024.



The geographical location of the Strait has significantly influenced regional and international politics. Its proximity to major oil-producing States has transformed it into a strategic maritime chokepoint where economic interests intersect with security concerns. Consequently, several naval forces, including those of the United States, the United Kingdom, and regional Gulf States, maintain a regular presence in the area to safeguard freedom of navigation and protect commercial shipping.²² The unique geographical characteristics of the Strait therefore contribute substantially to its strategic and economic importance within the global energy market.

Economic and Geopolitical Significance

The Strait of Hormuz is of immense economic and geopolitical significance because it is the principal maritime gateway through which a substantial proportion of the world's crude oil and liquefied natural gas (LNG) is transported.²³ As one of the world's busiest maritime chokepoints, it facilitates the movement of energy resources from the Persian Gulf to major consumer markets in Asia, Europe, and North America. The uninterrupted operation of the Strait is therefore essential to the stability of global energy markets, international trade, and economic growth.

Economically, the Strait is indispensable to both energy-exporting and energy-importing States. Major oil-producing countries such as Saudi Arabia, Iraq, Kuwait, Qatar, the United Arab Emirates, and Iran rely heavily on the Strait to export hydrocarbons that constitute a significant source of national revenue. Conversely, countries such as China, India, Japan, and South Korea depend on these energy imports to sustain industrial production, electricity generation, and economic development. Any disruption to shipping activities in the Strait often results in increased transportation costs, higher insurance premiums, supply shortages, and fluctuations in global oil prices.²⁴

Geopolitically, the Strait of Hormuz remains one of the world's most sensitive strategic locations. Its proximity to Iran and the Arab Gulf States has made it a focal point of regional rivalries and international diplomacy. The presence of naval forces from the United States, the United Kingdom, and other allied nations reflects the determination of the international community to preserve freedom of navigation and protect commercial shipping. Moreover, disputes involving sanctions, nuclear negotiations, and regional security have frequently heightened tensions in the Strait, demonstrating the close relationship between maritime security and international energy trade.²⁵

²² Stopford (n 16) 33.

²³ Yergin (n 18) 109.

²⁴ International Energy Agency, World Energy Outlook 2024.

²⁵ United Nations Conference on Trade and Development, Review of Maritime Transport 2024 (UNCTAD 2024).



4.0 Major Oil and LNG Export Routes

The Strait of Hormuz serves as the principal maritime corridor for the export of crude oil, petroleum products, and liquefied natural gas (LNG) from the Persian Gulf to international markets. It connects the oil-rich Gulf region with the Gulf of Oman, the Arabian Sea, and the Indian Ocean, thereby enabling energy exports to Europe, Asia, and North America.²⁶ Because of its strategic location, the Strait is regarded as the most important energy transit route in the world.

Several major oil-producing States depend almost exclusively on the Strait for their hydrocarbon exports. Saudi Arabia, Iraq, Kuwait, Qatar, the United Arab Emirates, and Iran transport significant quantities of crude oil and LNG through this maritime passage to major importing countries, particularly China, India, Japan, and South Korea. Qatar, one of the world's leading exporters of LNG, relies heavily on the Strait to access international markets, making the uninterrupted flow of maritime traffic essential to global energy security.²⁷

Although alternative export routes exist such as the Saudi East–West Pipeline, the Abu Dhabi Crude Oil Pipeline, and other regional pipeline networks—they possess limited capacity and cannot fully replace the volume of oil and gas transported through the Strait of Hormuz. Consequently, any disruption to navigation within the Strait can have immediate consequences for global energy supplies, shipping costs, and international trade. The continued security of this maritime corridor therefore remains a priority for exporting States, importing nations, and the international community.²⁸

Causes and Nature of Energy Trade Attritions in the Strait of Hormuz

Energy trade attritions in the Strait of Hormuz arise from a combination of political, military, economic, and legal factors that interfere with the uninterrupted movement of crude oil, liquefied natural gas (LNG), and other energy commodities through one of the world's most strategic maritime chokepoints.²⁹ Because the Strait serves as the principal export route for Gulf oil-producing States, any disruption to navigation has immediate consequences for global energy markets, maritime commerce, and international economic stability.

The nature of these disruptions has evolved over time. While traditional threats such as interstate conflicts and military confrontations remain significant, contemporary challenges now include piracy, maritime terrorism, cyber threats to shipping infrastructure, unilateral economic sanctions, and diplomatic disputes between coastal and user States. These factors often increase freight charges,

²⁶ United States Energy Information Administration, *The Strait of Hormuz is the World's Most Important Oil Transit Chokepoint* 2024.

²⁷ International Energy Agency, *World Energy Outlook* 2024.

²⁸ Stopford (n 16) 33.

²⁹ *Ibid.*



insurance premiums, shipping delays, and market uncertainty, thereby affecting both energy-exporting and energy-importing countries.³⁰

From the perspective of international law, many of these disruptions raise questions concerning the freedom of navigation, transit passage through international straits, State responsibility, and the maintenance of international peace and security. Although the United Nations Convention on the Law of the Sea (UNCLOS) guarantees the right of transit passage through international straits, geopolitical tensions have repeatedly challenged the practical implementation of these legal principles.³¹ Consequently, understanding the causes and nature of energy trade attritions is essential for developing legal and diplomatic mechanisms capable of safeguarding international energy security.

Regional Political Tensions

Regional political tensions constitute one of the principal causes of energy trade attritions in the Strait of Hormuz. The Strait lies within a geopolitically sensitive region characterized by longstanding rivalries among Iran, Saudi Arabia, the United Arab Emirates, and other Gulf Cooperation Council (GCC) States.³² These rivalries frequently influence maritime security and have, on several occasions, resulted in threats to commercial shipping and international energy supplies.

Relations between Iran and the United States have also significantly contributed to instability in the Strait. Following the re-imposition of economic sanctions on Iran and disagreements over its nuclear programme, several incidents involving the seizure of oil tankers, attacks on commercial vessels, and military deployments heightened concerns regarding the safety of international navigation. Such incidents often increase uncertainty in global energy markets, leading to higher oil prices and increased insurance costs for shipping companies.³³

Furthermore, diplomatic disagreements among regional States have complicated efforts to establish a comprehensive maritime security framework for the Strait of Hormuz. Although international organizations and major maritime powers continue to advocate peaceful dispute resolution, political mistrust and competing strategic interests remain significant obstacles. Consequently, regional political tensions continue to pose a substantial threat to the uninterrupted flow of energy resources and the stability of international energy trade.³⁴

³⁰ Yergin (n 18) 107.

³¹ United Nations Convention on the Law of the Sea 1982 (UNCLOS), arts 37-44.

³² Yergin (n 18) 133.

³³ United Nations Conference on Trade and Development, Review of Maritime Transport 2024.

³⁴ International Crisis Group, The Iran-US Crisis and Gulf Security 2023.



Armed Conflicts and Security Threats

Armed conflicts and security threats have consistently undermined the stability of international energy trade through the Strait of Hormuz. The strategic importance of the Strait has made it a focal point for military confrontations involving both regional and external powers.³⁵ Historical conflicts, including the Iran-Iraq War (1980–1988), particularly the ‘Tanker War’ phase, witnessed attacks on commercial oil tankers navigating the Persian Gulf and the Strait of Hormuz. These attacks disrupted maritime trade, endangered civilian shipping, and significantly increased the cost of transporting energy resources.

In recent years, security threats have extended beyond conventional warfare to include missile attacks, naval confrontations, drone strikes, sabotage of oil infrastructure, and the seizure of commercial vessels. Such incidents heighten uncertainty in global energy markets by delaying shipments, increasing insurance premiums, and exposing shipping companies to substantial financial risks.³⁶ The deployment of naval forces by regional States and foreign powers has therefore become a common measure to safeguard commercial shipping and maintain freedom of navigation.

From an international legal perspective, armed conflicts affecting the Strait engage the application of the United Nations Charter, the United Nations Convention on the Law of the Sea (UNCLOS), and the rules of International Humanitarian Law (IHL). These legal instruments seek to regulate the use of force, protect civilian vessels, and preserve the right of transit passage through international straits. Nevertheless, recurring security threats continue to challenge the effective implementation of these legal norms, thereby affecting international energy trade.³⁷

Piracy and Maritime Terrorism

Piracy and maritime terrorism constitute significant non-traditional threats to maritime security and international energy trade in the Strait of Hormuz. Although incidents of piracy are less frequent in the Strait than in some other maritime regions, the possibility of attacks on commercial vessels remains a persistent concern due to the strategic value of the waterway.³⁸ Acts of piracy and terrorism can disrupt shipping schedules, damage vessels, threaten the safety of crews, and increase the costs associated with maritime transportation.

Maritime terrorism involves deliberate attacks against ships, ports, offshore installations, or other maritime infrastructure with the objective of advancing political, ideological, or religious goals. Terrorist attacks targeting oil tankers or energy infrastructure in or around the Strait of Hormuz have

³⁵ Yergin (n 18) 124.

³⁶ *Ibid.*

³⁷ UNCLOS 1982, arts 37-44; Charter of the United Nations 1945, arts 2(4) and 51.

³⁸ Stopford (n 16) 89.



the potential to interrupt global oil and LNG supplies, create panic in energy markets, and undermine international confidence in maritime security. Consequently, shipping companies are often compelled to incur higher insurance premiums and adopt additional security measures to mitigate these risks.³⁹

The international community has adopted several legal instruments to combat piracy and maritime terrorism. The United Nations Convention on the Law of the Sea (UNCLOS) provides the legal framework for the suppression of piracy on the high seas, while the Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation (SUA Convention) 1988 criminalizes unlawful acts against ships and maritime navigation. These instruments, together with international naval cooperation and intelligence sharing, play an important role in protecting commercial shipping and ensuring the uninterrupted flow of international energy trade through the Strait of Hormuz.⁴⁰

5.0 Sanctions and Diplomatic Disputes

Economic sanctions and diplomatic disputes are among the major factors contributing to energy trade attritions in the Strait of Hormuz. Sanctions imposed by individual States or international organizations often restrict the export of crude oil, petroleum products, and liquefied natural gas (LNG), thereby disrupting the normal flow of international energy trade.⁴¹ In particular, sanctions imposed on Iran over its nuclear programme have significantly affected oil exports and heightened tensions in the Gulf region.

Diplomatic disputes among regional and global powers have also contributed to instability in the Strait. The strained relationship between Iran and the United States, coupled with disagreements involving the Gulf Cooperation Council (GCC) States, has resulted in the seizure of commercial vessels, threats to close the Strait, and increased military deployments. These developments have created uncertainty in international energy markets, leading to fluctuations in crude oil prices, increased insurance premiums, and delays in maritime transportation.⁴² Consequently, energy-importing countries that depend on uninterrupted supplies from the Persian Gulf are particularly vulnerable to the adverse effects of these disputes.

From the standpoint of international law, sanctions and diplomatic disagreements must be implemented consistently with the principles of the Charter of the United Nations, international trade obligations, and the law governing international navigation. While States retain the sovereign right to pursue foreign policy objectives, such measures should not unlawfully interfere with the internationally

³⁹ *Ibid.*

⁴⁰ UNCLOS 1982, arts 100-107; Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation 1988

⁴¹ United Nations Conference on Trade and Development, Review of Maritime Transport 2024.

⁴² Yergin (n 18) 124.



recognized right of transit passage through international straits. Therefore, dialogue, diplomacy, and multilateral cooperation remain the most effective means of resolving disputes affecting the Strait of Hormuz and ensuring the stability of international energy trade.⁴³

Naval Presence of Major Powers

The continuous naval presence of major powers in and around the Strait of Hormuz reflects the strategic importance of the waterway to global peace, maritime security, and international energy trade. Countries such as the United States, the United Kingdom, and France, alongside regional powers, maintain naval forces in the Gulf to safeguard commercial shipping, deter hostile activities, and ensure the uninterrupted movement of oil and liquefied natural gas (LNG).⁴⁴ Their presence is intended to protect one of the world's most critical maritime chokepoints from threats that could disrupt international commerce.

Naval deployments have played an important role in responding to attacks on commercial vessels, escorting oil tankers, conducting surveillance operations, and combating piracy and maritime terrorism. Multinational maritime security initiatives have also enhanced cooperation among States in intelligence sharing, joint patrols, and maritime law enforcement. While these operations contribute to the safety of international navigation, they also increase the strategic competition among major powers, particularly during periods of heightened political tension in the Gulf region.⁴⁵

Legally, the activities of foreign naval forces in the Strait must conform to international law, especially the United Nations Convention on the Law of the Sea (UNCLOS) and the Charter of the United Nations. These instruments recognize the rights of navigation through international straits while requiring States to respect the sovereignty of coastal States and refrain from the unlawful use or threat of force. Maintaining an appropriate balance between maritime security and State sovereignty is therefore essential to preserving peace and ensuring the uninterrupted flow of international energy trade through the Strait of Hormuz.⁴⁶

6.0 Implications of Strait of Hormuz Disruptions on International Energy Trade

Disruptions in the Strait of Hormuz have profound implications for international energy trade because the Strait serves as the principal maritime route for transporting crude oil, petroleum products, and liquefied natural gas (LNG) from the Persian Gulf to global markets.⁴⁷ Given that a significant proportion of the world's energy exports passes through this narrow waterway, any interruption to

⁴³ Charter of the United Nations, arts 1 and 2; United Nations Convention on the Law of the Sea, arts 37-44.

⁴⁴ International Maritime Organization, Maritime Security 2024.

⁴⁵ Yergin (n 18) 124.

⁴⁶ United Nations Convention on the Law of the Sea, arts 37-44; Charter of the United Nations, arts 2(4) and 51.

⁴⁷ Yergin (n 18) 124.



maritime navigation immediately affects global supply chains, energy prices, and international economic stability.

The consequences of such disruptions extend beyond the Gulf region. Energy-importing countries experience increased costs of crude oil and natural gas, while exporting States may suffer revenue losses due to delayed or reduced shipments. Shipping companies also incur higher insurance premiums, freight charges, and security expenses arising from increased risks associated with navigating the Strait.⁴⁸ These economic consequences often affect manufacturing, transportation, electricity generation, and international trade, thereby slowing economic growth in both developed and developing countries.

From a legal and geopolitical perspective, disruptions in the Strait of Hormuz raise significant issues concerning freedom of navigation, transit passage through international straits, maritime security, and the peaceful settlement of disputes. International legal instruments, particularly the United Nations Convention on the Law of the Sea (UNCLOS) and the Charter of the United Nations, provide the legal framework for protecting navigation and promoting international peace and security.⁴⁹ The following subsections examine the specific implications of disruptions in the Strait on global oil and gas prices, energy security, exporting and importing States, maritime law, and alternative transportation strategies.

7.0 Impact on Global Oil and Gas Prices

Disruptions in the Strait of Hormuz have an immediate effect on global oil and natural gas prices because the Strait is the world's most significant energy transit chokepoint.⁵⁰ Any threat to shipping, including military confrontations, attacks on oil tankers, or temporary closure of the Strait, often reduces market confidence and creates fears of supply shortages. Consequently, international crude oil prices rise rapidly as traders anticipate disruptions in supply.

Higher oil and gas prices affect virtually every sector of the global economy. Increased energy costs raise transportation expenses, manufacturing costs, electricity prices, and the prices of consumer goods. Developing countries that depend heavily on imported energy are particularly vulnerable because rising fuel prices contribute to inflation and reduce economic growth.⁵¹ The volatility associated with disruptions in the Strait also affects financial markets and investment decisions within the global energy sector. Governments and private investors often respond by increasing strategic

⁴⁸ *Ibid.*

⁴⁹ UNCLOS, arts 37-44.

⁵⁰ United States Energy Information Administration, *The Strait of Hormuz is the World's Most Important Oil Transit Chokepoint* 2024.

⁵¹ *Ibid.*



petroleum reserves, diversifying supply sources, and investing in alternative energy infrastructure to reduce dependence on the Strait of Hormuz.⁵²

8.0 Effects on Global Energy Security

The security of the Strait of Hormuz is fundamental to global energy security because uninterrupted access to energy resources is essential for economic development and industrial production.⁵³ Disruptions in the Strait threaten the continuous availability of crude oil and LNG, thereby exposing importing countries to supply shortages and increased energy costs.

Countries that rely heavily on Gulf oil exports often respond by diversifying their energy sources, increasing domestic production, investing in renewable energy, and maintaining strategic petroleum reserves. These measures reduce vulnerability but cannot entirely eliminate the strategic importance of the Strait.⁵⁴ The international community also promotes maritime cooperation, diplomatic engagement, and naval security operations to ensure that commercial shipping continues without interruption. These efforts demonstrate that protecting the Strait of Hormuz is central to maintaining global energy security and economic stability.⁵⁵

Economic Consequences for Energy-Importing and Energy-Exporting States

Disruptions in the Strait of Hormuz have significant economic consequences for both energy-exporting and energy-importing States. Exporting countries experience reduced revenues due to delays or interruptions in oil and LNG exports, while importing countries face increased import costs and inflationary pressures.⁵⁶

For exporting States such as Saudi Arabia, Iraq, Kuwait, Qatar, and the United Arab Emirates, prolonged disruptions may reduce government revenue, affect national budgets, and hinder economic development. Conversely, importing countries such as China, India, Japan, and South Korea experience increased production costs because of higher energy prices.⁵⁷ These economic consequences often encourage governments to diversify export routes, strengthen diplomatic relations, and invest in alternative transportation infrastructure to reduce dependence on the Strait of Hormuz.⁵⁸

9.0 Legal Framework Governing Navigation and Maritime Security

The legal framework governing navigation through the Strait of Hormuz is principally established by the United Nations Convention on the Law of the Sea (UNCLOS), which recognizes the right of transit

⁵² Yergin (n 18) 78.

⁵³ Yergin (n 18) 78

⁵⁴ Sovacool (n 11) 202.

⁵⁵ *Ibid.*

⁵⁶ Yergin (n 18) 78.

⁵⁷ United Nations Conference on Trade and Development, Review of Maritime Transport 2024.

⁵⁸ Stopford (n 16) 43.



passage through international straits used for international navigation.⁵⁹ These provisions seek to balance the sovereign rights of coastal States with the interests of the international community in maintaining freedom of navigation.

The Charter of the United Nations further complements this framework by promoting the peaceful settlement of disputes and prohibiting the unlawful use of force in international relations. These principles are essential to preventing conflicts that could disrupt maritime commerce and international energy trade.⁶⁰ International organizations, including the International Maritime Organization, also contribute to maritime safety by developing standards relating to navigation, vessel security, and the protection of the marine environment. Together, these legal instruments provide the foundation for safeguarding international shipping through the Strait of Hormuz.⁶¹

Alternative Shipping Routes and Mitigation Strategies

To reduce dependence on the Strait of Hormuz, Gulf States have invested in alternative export routes, including pipelines that bypass the Strait. Examples include the Saudi East–West Pipeline and the Abu Dhabi Crude Oil Pipeline, which enable a portion of Gulf oil exports to reach international markets without passing through the Strait.⁶²

In addition to alternative infrastructure, governments and international organizations have adopted mitigation strategies such as strengthening naval cooperation, improving maritime surveillance, enhancing intelligence sharing, and maintaining strategic petroleum reserves. These measures reduce the risks associated with disruptions and improve the resilience of international energy supply chains.⁶³

Long-term mitigation also requires diplomatic engagement, regional cooperation, and investment in renewable energy and diversified energy sources. By combining legal, political, economic, and technological measures, States can minimize the adverse effects of disruptions in the Strait of Hormuz and promote a more secure and sustainable international energy trade system.⁶⁴

10.0 Conclusion

The Strait of Hormuz remains one of the most strategically significant maritime waterways in the world, serving as the principal transit route for a substantial proportion of global crude oil and liquefied natural gas exports. Its geographical location, economic importance, and geopolitical relevance make it indispensable to international energy trade and global energy security. However, recurring regional

⁵⁹ UNCLOS 1982, arts 37–44.

⁶⁰ Charter of the United Nations 1945, arts 1, 2(3), 2(4), and 33

⁶¹ Stopford (n 16) 34-55.

⁶² United States Energy Information Administration, World Oil Transit Chokepoints 2024.

⁶³ International Energy Agency, World Energy Outlook 2024.

⁶⁴ Stopford (n 16) 74



political tensions, armed conflicts, piracy, maritime terrorism, economic sanctions, and diplomatic disputes continue to threaten the uninterrupted flow of energy resources through the Strait. These disruptions have far-reaching consequences, including volatility in global oil and gas prices, increased transportation and insurance costs, supply chain disruptions, and heightened geopolitical instability. Although international legal instruments such as the United Nations Convention on the Law of the Sea and the Charter of the United Nations provide a framework for protecting freedom of navigation and maintaining international peace and security, their effectiveness depends largely on the cooperation and compliance of States. Therefore, preserving the security and stability of the Strait of Hormuz through diplomatic engagement, adherence to international law, and strengthened international maritime cooperation is essential for ensuring the uninterrupted flow of global energy supplies and sustaining international economic development.

11.0 Recommendations

- **Strengthening International Maritime Security Cooperation:** Coastal States, major maritime powers, and international organizations should enhance joint naval patrols, intelligence sharing, and maritime surveillance in the Strait of Hormuz to deter piracy, armed attacks, terrorism, and other threats to commercial shipping. Such cooperation should be conducted in accordance with international law to ensure the continued safety and security of international energy transportation.
- **Promoting Diplomatic Dialogue and Compliance with International Law:** States with strategic interests in the Strait should prioritize peaceful dispute resolution through diplomacy, negotiation, and mediation in line with the Charter of the United Nations and the United Nations Convention on the Law of the Sea. Respect for the principles of freedom of navigation and transit passage will reduce regional tensions and promote stability in international energy trade.
- **Diversifying Energy Transport Routes and Energy Sources:** Energy-exporting and energy-importing States should invest in alternative pipeline networks, strategic petroleum reserves, and renewable energy infrastructure to reduce excessive dependence on the Strait of Hormuz. Diversification will enhance global energy security, minimize the economic impact of disruptions, and improve the resilience of international energy supply chains.