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THE STRAIT OF HORMUZ AND ITS IMPORTANCE IN MIDDLE EAST AND WORLD

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Abstract

The Strait of Hormuz, a tiny waterway linking the Persian Gulf with the Arabian Sea, is one of the world's most geographically critical chokepoints in geopolitics and energy shipping. This research piece analyzes the geopolitical, economic, and security implications of the Strait, highlighting its pivotal position in the global petroleum supply chain—carrying almost one-third of the world's seaborne oil. It examines the interests of the main regional and international players, such as Iran, the GCC states, the United States, and the world's energy-importing countries. It also examines historical flashpoints and tensions that render the Strait a potential international flashpoint. Through an interdisciplinary methodology that integrates political analysis, international law, and energy economics, this paper aims to underscore why the security and stability of the Strait of Hormuz are at the centre of Middle Eastern politics as well as of international economic stability and maritime law. The paper ends with strategic suggestions for diplomatic and legal arrangements to guarantee free and secure navigation in this vital sea conduit.

Introduction

Strait of Hormuz, single sea channel connecting oil-producing Persian Gulf (west) with Gulf of Oman and Arabian Sea (southeast). Over 20 percent of the world's oil and liquefied natural gas exports transits the strait, which is the main route for petroleum exported by Iran, Iraq, Kuwait,

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Qatar, and the United Arab Emirates (though the United Arab Emirates can reroute most of its exports via its Fujairah emirate on the Gulf of Oman). The exports are geographically concentrated—roughly four-fifths export to Asian importing countries, particularly China, India, Japan, and South Korea—but the size of the supply significantly influences prices around the globe because of the low price elasticity of petroleum products. In addition to the Strait of Malacca, which links the Indian Ocean and the Pacific Ocean, the Strait of Hormuz is among the most critical oil chokepoints in the world economy.

The Strait of Hormuz, which lies between Oman and Iran, links the Persian Gulf and the Gulf of Oman and the Arabian Sea. The Strait of Hormuz is the global most critical oil chokepoint due to vast amounts of oil passing through the strait. In 2022, its average oil flow was 21 million barrels per day (b/d) or the equivalent of approximately 21% of worldwide petroleum liquids consumption. During the first half of 2023, overall oil shipments via the Strait of Hormuz were flat with 2022 as rises in oil products flow offsetting falls in crude oil and condensate.

Geostrategic Location

The strait of Hormuz is 35 to 60 miles (55 to 95 km) in area and separates Iran from Oman's on the Arabian Peninsula (south). Its northern coastline has the Iranian port of both economic and military significance, Bandar Abbas, near which are the Iranian islands of Qeshm , Hormuz, Hengām , and Lārak. The United Arab Emirates is also close to the strait, located approximately 40 to 50 miles (65 to 80 km) to the strait's most constricted point on either side of the Musandam Peninsula. While headquartered some distance from the strait, the U.S. Navy's Fifth Fleet has been headquartered in Bahrain since 1995 and contributes to ensuring safe passage through the strait.

Oil tankers travel through the strait in incoming and outgoing shipping channels that are 2 miles (3 km) wide and divided by a two-mile buffer zone. Shipping channels are located primarily in Omani territorial waters, and partially in Iranian territorial waters, but are subject to international maritime law and under the auspices of the United Nations Convention on the Law of the Sea (UNCLOS). Iran control the strait to the north of the shipping vessel and Oman control the strait to the south. Even though Iran could interfere with shipping, the majority of the strait is deep

enough (200 to 330 feet [60 to 100 meters]) to accommodate oil tankers and Iran cannot extend an ability to block the whole width of the strait for any significant amount of time.

Economic Significance

The Strait of Hormuz is the world's most vital oil transit chokepoint, handling a significant portion of global energy trade. In 2023, approximately 20 million barrels of crude oil and refined products per day passed through the strait, accounting for about 20-30% of global seaborne oil trade and roughly one-fifth of global oil consumption. Additionally, around 20% of the world's LNG, primarily from Qatar, the largest global LNG exporter, transits the strait. Importance oil-producing countries , including Saudi Arabia, Iran, Iraq, Kuwait, and the UAE, depend on the strait to export their crude oil and petroleum products, with over 80% of these exports destined for Asian markets such as China, India, Japan, and South Korea.The strait's economic significance extends beyond oil and gas. It serves as a critical route for petrochemicals, electronics, and manufactured goods, linking Middle Eastern producers to global markets.

About one Fifth of daily global production, pass through the strait every day. For this reason strait of Hormuz also called the **Critical oil Chokepoioil.** The Strait of Hormuz is vital pass for the global energy trade; Twenty percent of world oil and 35% of world liquefied natural gas pass through this strait.

Any disruption, even temporary, could lead to substantial supply delays, increased shipping costs, and spikes in global energy prices. For instance, energy analysts estimate that a prolonged closure could push Brent crude oil prices above $150 per barrel, with worst-case scenarios projecting prices as high as $350 per barrel, potentially triggering a global economic downturn. The lack of viable alternative routes exacerbates this vulnerability. While Saudi Arabia and the UAE have pipelines bypassing the strait (e.g., Saudi Arabia's East-West Pipeline with a capacity of 5 million barrels per day and the UAE's Habshan-Fujairah Pipeline with 1.5 million barrels per day), these can only handle a fraction of the strait's volume, estimated at 3.5-4.2 million barrels per day, insufficient to offset a full closure.

Regional Political Tension

The tensions between Israel and Iran escalate, the Strait of Hormuz has again become an international flashpoint. The diminutive sea lane, which has historically been considered one of the world's most important chokepoints, is now under intense watch for fear it might become a battlefield, causing global oil shipments to fail and sending shudders through the energy markets.

Only 33 kilometres wide at its most constricted point, the strait lies between Iran and Oman and serves as the gateway of the Gulf to the Indian Ocean and the Arabian Sea. It is a crucial blood vessel for world energy, through which about one-fifth of the world's daily oil supply flows.Between early 2022 and mid-2025, between 17.8 to 20.8 million barrels of fuels and crude oil, condensates have daily moved through the strait, solidifying Its position as a key strategic nexus in the global energy network.

Iran has used the threat of shutting the strait as a deterrent for years, but it has never followed through. But now with the crisis with Israel on the verge of escalating into wider regional conflict, the danger that the strait becomes an arena of escalation, via naval clashes, cyberattacks or seizure of ships, is more and more real.

The Strait of Hormuz is the main export route for Saudi Arabia, the UAE, Kuwait, Iraq and Iran's oil, all members of OPEC. Also dependent on the strait for exporting the majority of its production are Qatar, the world's number one liquefied natural gas exporter, adding yet another layer of global energy security to the safety of the waterway.

Although a few Gulf states, notably Saudi Arabia and the UAE, have made investments in alternative export infrastructure, like pipelines to the Red Sea, the strait remains irreplaceable in the short term.For years, Hormuz has been the focal point in local tensions, ranging from the 1980s "Tanker War" to Tehran's multiple threats of closure under sanctions, and the series of tanker hijackings and sabotage attacks in 2019 and 2021.

Nevertheless, the danger of escalation is real. Any direct or indirect conflict between Iran and Israel in this constricted waterway can bring oil shipments to a stop or drastically interfere with them, with instant ripple effects on world markets and prices.

Global Security Dimensions

Iran's Legislature has voted unanimously to close the Strait of Hormuz, the global most vital oil and gas shipping route, as a retaliatory act to US airstrikes against Iranian nuclear plants at Fordow, Natanz, and Isfahan. The legislative action is a potentially disastrous escalation that may invite global economic anarchy. But Iran's Supreme National Security Council has the ultimate authority to carry out the closure and so far has not ordered the blockade formally.

US and other European countries reacted the Iranian action as 'economic suicide' and threatened that blocking off the strait would trigger a robust American and allied military reaction. He has appealed urgently to China to apply its leverage with Tehran to halt the closure, highlighting Beijing's heavy reliance on the waterway for imports of oil. Oil prices have already started surging on global markets as shipping firms put their fleets on stand-by alert, with analysts suggesting prices might rise well above 100 US dollars a barrel if the blockade continues.US military leaders have put the region's forces on high alert. The Pentagon is said to be preparing for a possibility of naval battles in order to keep the strait open, since a prolonged shutdown would pose an existential threat to global energy security and economic stability.

The Iranian parliament's action poses the most severe threat to world energy supplies since the 1980s Tanker War, when Iran and Iraq attacked commercial shipping in their extended war. Existing tensions within West Asia have already caused international air and shipping routes to be disrupted. Nevertheless, a closure of Hormuz would pose an extraordinary test for the global economy at a moment when energy markets are still unstable and geopolitical tensions are still ratcheting higher in several regions.

Challenges and Other alternatives

The Strait of Hormuz is a critical maritime chokepoint, with about 20% of global oil trade and a significant portion of liquefied natural gas passing through its narrow passage between the Persian Gulf and the Gulf of Oman. Its strategic importance makes it vulnerable to geopolitical, economic, and environmental challenges. Below, discuss the challenges associated with the Strait of Hormuz and potential alternatives to mitigate dependence on it.

Challenges of the Strait of Hormuz

A. Geopolitical Tensions:

The Strait is located between Iran and Oman, with Iran frequently threatening to close it during conflicts (e.g., U.S.-Iran tensions or regional disputes). Such closures could disrupt global energy supplies.Military incidents, like the 2019 attacks on oil tankers or Iran's seizure of vessels, highlight the risk of escalation. Regional rivalries (e.g., Saudi Arabia vs. Iran) increase the potential for disruptions.

B. Piracy and Security Risks:

Piracy and terrorist attacks pose threats to vessels, requiring naval patrols and increasing shipping costs.The narrowness of the Strait (only 21 nautical miles at its narrowest) makes it easier for hostile actors to target ships.

C. Economic Vulnerability:

Any disruption (e.g., conflict or blockade) could spike oil and gas prices, impacting global markets, especially for oil-dependent economies like Japan, China, and India. Insurance costs for ships transiting the Strait rise during periods of heightened risk, increasing global trade expenses.

D. Environmental Risks:

Oil spills or accidents in the Strait could cause ecological disasters, harming marine life and coastal economies.Heavy traffic increases the risk of collisions or groundings in the congested waterway.

E. Capacity Constraints:

The Strait's limited width restricts the number of vessels that can pass simultaneously, causing delays during peak traffic.Growing global energy demand could strain the Strait's capacity over time.

Alternatives to the Strait of Hormuz

To reduce reliance on the Strait of Hormuz, several alternative routes and strategies have been developed or proposed, though each has limitations. These pipelines, alternative maritime routes, maybe overcome the reliability of Strait of Hormuz in future.

A. Pipelines Bypassing the Strait

Pipelines offer a way to transport oil and gas overland, avoiding the Strait's vulnerabilities.

Saudi Arabia's East-West Pipeline (Petroline):Connects oil fields in eastern Saudi Arabia to the Red Sea port of Yanbu, bypassing the Strait. Approximately 5 million barrels per day (bpd).High maintenance costs, vulnerability to sabotage (e.g., 2019 drone attacks on facilities), and limited capacity compared to the Strait's 21 million bpd.

Habshan-Fujairah Pipeline (UAE): The pipelines connects from Abu Dhabi's oil fields to the port of Fujairah on the Gulf of Oman, outside the Strait.Around 1.5 million bpd is his capacity. Obtacles here is covers only a fraction of UAE's oil exports and is susceptible to regional instability.

Iraq's Basra-Yanbu Pipeline (Closed): Previously connected Iraqi oil fields to the Red Sea but was shut down after the 1990 Gulf War.Could be revived to diversify export routes, but requires significant investment and political stability.

Proposed Pipelines: Concepts like a pipeline from Oman to India or expanded networks to Central Asia, China's Belt and Road Initiative exist but face funding, geopolitical, and logistical hurdles.

B. Alternative Maritime Routes

The start of Hormuz is vital for Middle east Economy while no direct maritime route can fully replace the Strait, other pathways can reduce dependence:

Red Sea Routes via Saudi Ports: Oil transported via the East-West Pipeline to Yanbu can be shipped through the Red Sea, avoiding the Strait.Obstacleshere is the Red Sea has its own chokepoints , Bab el-Mandeb) and security risks Houthi attacks in Yemen.

Gulf of Oman Ports: Ports like Fujairah (UAE) and Duqm (Oman) allow direct access to the Arabian Sea, bypassing the Strait. But limited infrastructure and capacity compared to major Gulf ports like RasTanura lack behind to replace the Strait.

Way Forward and Conclusion

The Strait of Hormuz is vital and Critical Oil Chokepoint of global energy and trade, assist the economic stability of the Middle East and the world. Its role as the conduit for 20-30% of global seaborne oil trade and 20% of LNG makes it a cornerstone of energy security, particularly for oil-dependent Asian economies like China, India, Japan, and South Korea. The strait's narrow geography, with shipping lanes just 2 miles wide, amplifies its vulnerability to disruptions, which could have catastrophic economic consequences, including skyrocketing oil prices and global supply chain chaos. Geopolitically, the strait is a perennial flashpoint, with Iran's strategic influence and threats to close the waterway in response to Western pressures creating ongoing risks of conflict. The presence of the U.S. Fifth Fleet and allied forces underscores the international commitment to maintaining open passage, yet incidents like the 2019 tanker attacks and historical events such as the Tanker War demonstrate the strait's precariousness.

The limited alternatives to the strait, such as Saudi Arabia's East-West Pipeline and the UAE's Habshan-Fujairah Pipeline, cannot fully compensate for its capacity, emphasizing its irreplaceable role. China's growing reliance on Gulf oil and its diplomatic efforts, such as mediating the Saudi-Iran reconciliation in 2023, highlight the strait's importance to global powers beyond the West. Historically, its significance as a trade route along the Silk Road and during the colonial era further cements its enduring relevance.

Looking forward, the Strait of Hormuz will remain a critical node In global trade and energy security, but its future is fraught with challenges. Political instability, regional conflicts, and Iran's unpredictable actions pose persistent threats. Climate change, including rising sea levels and extreme weather, could affect navigability and port infrastructure, while technological advancements like autonomous ships may enhance efficiency but introduce new risks. Efforts by Gulf nations to develop alternative routes, such as pipelines and railways, aim to reduce dependence on the strait, but these solutions remain limited in scope. The strait's strategic importance ensures it will continue to shape global economic and geopolitical dynamics, serving as both a lifeline and a potential trigger for international crises. Its delicate balance of power, economic weight, and historical legacy make it a unique and indispensable feature of the global landscape, demanding vigilant diplomacy and robust security measures to safeguard its stability.

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