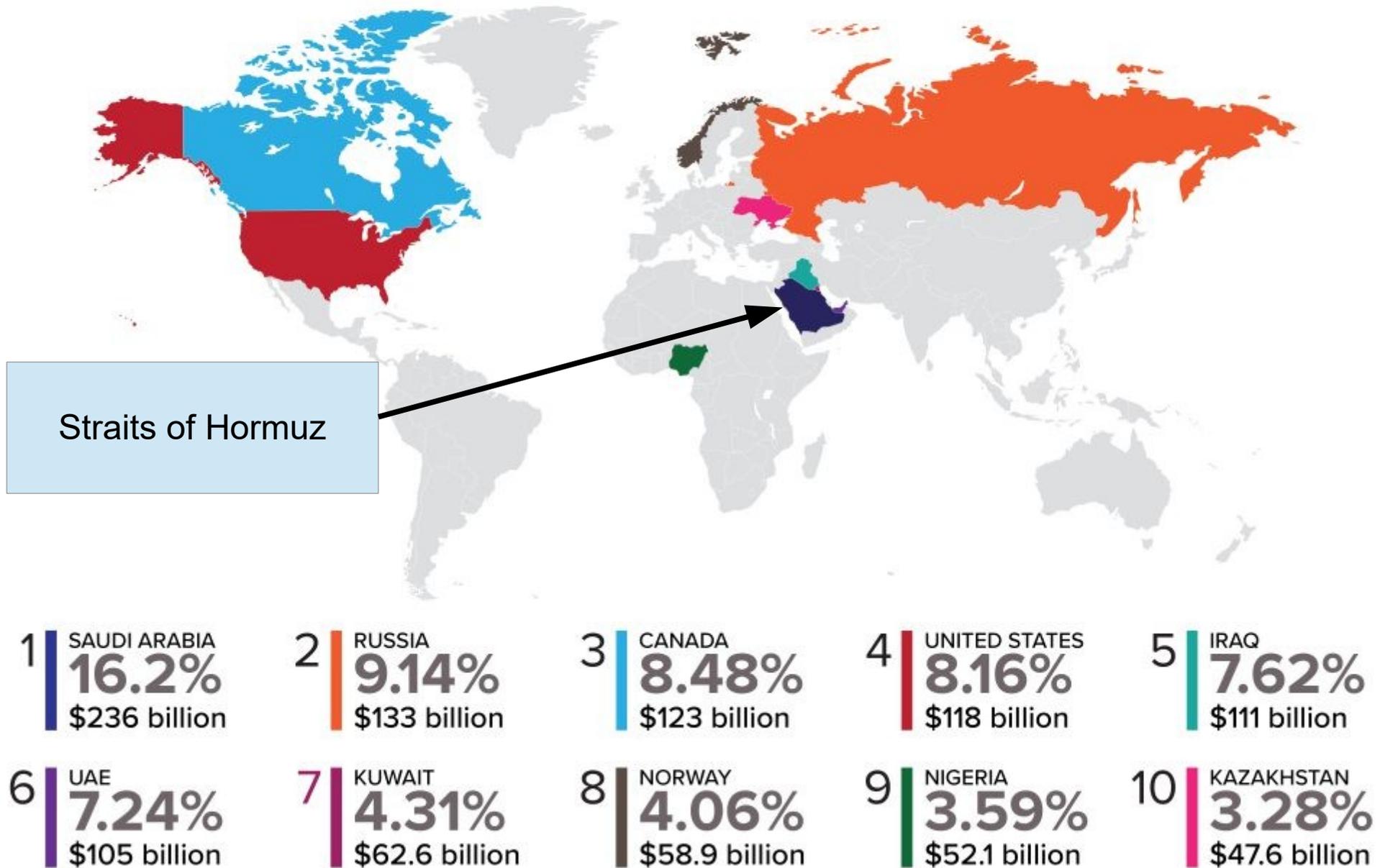




How would a disruption of oil shipments through the Strait of Hormuz affect global energy markets and geopolitical stability?

Dr David Rees. February 2026

TOP 10 LEADING CRUDE OIL EXPORTERS IN THE WORLD





20% of globally-traded oil

Strait of Hormuz:
Key route for global
oil transport



Major Exporters

Saudi Arabia

United Arab Emirates

Kuwait

Iraq

Iran

Key Iranian and U.S. Military Bases



Sources: Congressional Research Service, Scramble.nl

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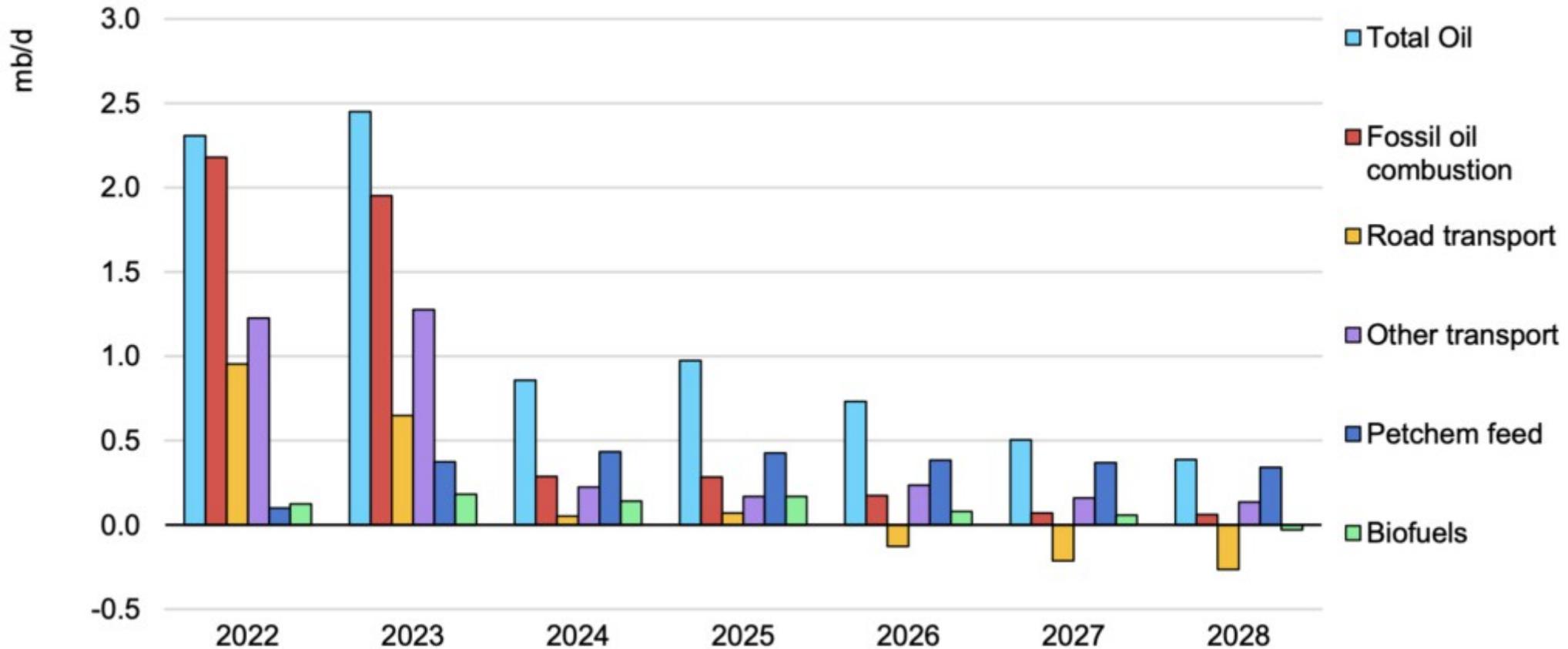
The Oil Market

The market price changes with 'expectations' (partially speculation trading) – therefore 'fear of intervention' changes the market – prior to any real invasion (and eventually a reduction of stocks and supplies).

Most non-affected producers are at maximum capacity and can't increase supply.

Demand declining

Annual oil demand growth, 2022-2028



See Future's Market [Here](#)

Gas and Electricity

Europe, Japan, South Korea, India and China import LNG (Liquified Natural Gas) from Qatar through Hormuz. LNG prices could increase significantly, which would lead to higher electricity prices in the EU.

- Serious disruption possible – airlines, transport costs, food inflation (fertiliser). Inflation might lead to increased IR, and hence decrease growth in the EU (again!)

Likelihood

Military intervention by the USA – possible but current aggression is negotiation muscle. Trump wants control of resources, but an attack would hurt friends (S. Arabia, Qatar etc.) but satisfy Israel and could escalate. The US will work on internal disruption (assist demonstrations, revolution, embargoes, cyber-attacks etc.)

Problem – Iran doesn't have to win a war, just stop shipping through Hormuz (very narrow, easy to attack).

Mines, drones, missiles are sufficient to disrupt all shipping through Hormuz for a considerable time. Insurers would stop insuring shipping.

Likelihood

Anti-intervention – suppliers plus China, Europe and India.

Pro-intervention – USA, Israel, Russia (?)

Losers – EU, China, S. Korea, S. Asia

Winners – USA, Russia, Israel (if nuclear facilities hit),
Brazil, Norway, Guyana

Questions and Comments