

Short-Term Risk Assessment:

# International Dependence on Iran and the Strait of Hormuz



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The Strait of Hormuz is an economic lifeline for global energy and trade, carrying about 20% of the world’s oil (around 20 million barrels per day) and roughly one-fifth of global LNG shipments.

In mid-June 2025, amid escalating Israel–Iran tensions, Iranian officials threatened to block the Strait. Analysts say that this could send oil to \$100–150/bbl and “hold hostage” the exports of Gulf countries “wholly locked into one tiny passage”.

Any disruption, even brief, would ripple globally: Brent crude spiked ~6% after the Israel–Iran strikes and counterstrikes, underscoring how critical and fragile this chokepoint is. The countries most exposed to a Hormuz closure or Iranian supply cutoff in the next six months are profiled below, including Gulf energy producers and major importers in Asia.

We focus on political stability, economic exposure, supply chain vulnerability, energy dependency, and maritime/shipping risk. (Note: Risk scores are 1 = Low and 5 = Very High.)

## Kuwait

Kuwait’s entire economy revolves around the Persian Gulf and Hormuz. Oil exports (~2.5 million barrels/ day) provide around 90% of government revenue. All of them must transit Hormuz – Kuwait has no alternative pipeline routes. A closure would instantly choke off Kuwait’s export earnings, triggering a fiscal crisis despite its sovereign wealth buffers. Politically, Kuwait is a stable monarchy with an elected parliament. While major unrest is unlikely this year, an extended oil revenue shock could strain its generous welfare state. Beyond oil, Kuwait is highly import-dependent for essential goods. Over 85% of its food is imported (including ~90% of cereals), mostly via maritime trade.

A Hormuz disruption or regional conflict would threaten food and commodity supply lines. Kuwait’s only land outlet (to Iraq and Saudi Arabia) has limited capacity for commercial trade. Kuwait has built significant fuel reserves and even an LNG import terminal to meet power needs. The country was the Middle East’s largest LNG importer in 2024 (6.57 million tons), largely supplied by Qatar via Hormuz. Losing gas supply would force Kuwait to burn more crude for power, straining export capacity. Kuwait faces extreme vulnerability: it is geographically and economically bottlenecked by Hormuz.

### Risk Summary – Kuwait (Short-Term)

Dimension	Risk (1–5)	Assessment
Political Stability	2	Generally stable monarchy; short-term unrest is unlikely even under economic stress, but political gridlock could worsen fiscal responses.
Economic Exposure	5	Oil revenue is ~91% of budget; a Hormuz closure halts exports, causing a severe revenue and GDP shock in months.
Supply Chain Vulnerability	5	Imports ~85% of food and most goods; no viable overland route for volume needed, extremely exposed to shipping disruptions.
Energy Dependency	4	Kuwait relies on imported gas/LNG for power; loss of Qatar LNG via Hormuz would strain domestic energy supply.
Maritime/Shipping Risk	5	Completely reliant on Gulf shipping lanes; no pipeline bypass. Any closure or war in Hormuz would isolate Kuwait’s exports and critical imports.

## Qatar

Qatar is another small Gulf state uniquely exposed to Hormuz. It is the world's second-largest LNG exporter, with over 80 million tons per year of LNG shipped via the strait – accounting for almost all its export revenue. A shutdown would halt Qatar's LNG trade (worth \$50+ billion annually) overnight.

Qatar has no alternate route for LNG exports (aside from a pipeline supplying the UAE/Oman which covers only a fraction of output). Thus, its economic exposure is as high as Kuwait's. However, Qatar's financial reserves and overseas investments are massive, which could cushion a short-term revenue loss.

Politically, the ruling Al Thani family's grip is secure, and the population is small and wealthy; internal stability should hold even if exports pause. However, the government would need to manage potential public concerns over food/fuel supplies. Like its neighbors, Qatar is almost entirely import-dependent for food and consumer goods. Approximately 90%+ of food in GCC states is imported, and Qatar is no exception – it historically relied on Saudi land routes and, since the 2017 blockade, developed new shipping lines from Asia and Turkey.

In a Hormuz crisis, Qatar could re-route some imports via Oman or by air/land from Saudi if regional politics allow. Still, supply chain risks are high: Qatar maintains strategic stockpiles, but a prolonged disruption would test its food security. Energy-wise, Qatar is self-sufficient in natural gas (and actually supplies others), so domestic lights would stay on – energy dependency risk (for domestic supply) is low. The main risk is maritime: Qatar's exports and inbound logistics all depend on a safe Gulf. Any conflict around Hormuz would also raise the danger of collateral damage to Qatar's offshore infrastructure or shipping.

Overall, Qatar's short-term resilience is bolstered by its wealth and preparedness (it withstood a multi-year blockade), but a Hormuz closure would still be an unprecedented economic shock.

### Risk Summary – Qatar (Short-Term)

Dimension	Risk (1–5)	Assessment
Political Stability	1	Very stable leadership and social contract; unlikely to face internal unrest even under supply stress, high per-capita wealth and security.
Economic Exposure	5	Hugely dependent on energy exports (LNG/Oil ~all export earnings); Hormuz disruption would freeze Qatar's export revenue.
Supply Chain Vulnerability	4	Imports most goods/food; has stockpiles and can use alternate routes (air, Oman) to mitigate short disruptions. Extended cutoff would strain supplies.
Energy Dependency	1	Domestic energy is secure (large gas reserves for power and fuel). Qatar supplies energy rather than needing imports.
Maritime/Shipping Risk	5	Almost all trade relies on maritime transit via Hormuz. No export pipelines; shipping would halt in a closure or war scenario, isolating Qatar commercially.

## Iraq

Iraq is extraordinarily dependent on both Iran and the Strait of Hormuz, making it one of the most at-risk countries in the short term. On the energy front, Iraq relies on Iran to keep its lights on: historically up to 40% of Iraq's peak electricity supply (≈10 GW) was enabled by Iranian gas and power imports.

Even recently, Iran provided fuel for ~5–8 GW of Iraqi generation, until cuts in late 2024 – Tehran slashed 85% of promised gas in winter 2024–25, causing a 5.2 GW power shortfall. If Iran completely halts gas/ electricity exports (whether as a political move or due to conflict), large parts of Iraq could see immediate power outages. Timing is critical: summer 2025 peak demand is approaching, and Iraq still struggles to meet even 60–75% of power demand on its own.

A sudden cutoff would likely force Baghdad into emergency measures (burning crude oil for power, rationing electricity) with mixed success. The risk of social unrest is high – past electricity shortages caused protests, especially in the sweltering south. Economically, Iraq is dependent on oil exports via the Gulf. It ships 3 to 3.5 million barrels/day from Basra terminals, all of which transit Hormuz.

This generates over 90% of federal revenue. A Hormuz closure would paralyse Iraq’s oil exports, leaving the country essentially bankrupt within weeks. Salaries and essential spending hinge on continuous oil sales. A pipeline to Turkey’s Ceyhan exists but can only carry ~0.4 million bpd and has faced outages; it cannot compensate for lost Gulf exports.

Supply chain vulnerability extends to food and goods: Iraq imports most consumer goods, machinery, and food staples. While it has land trade routes (from Turkey, Jordan, and Kuwait), a huge portion of imports (including food grains, electronics, cars) come through Umm Qasr port in the Gulf.

If Hormuz or the Gulf became a conflict zone, shipping insurance costs would soar or ships might avoid Iraqi ports entirely. Combined with possible closure of the Iran land border (another key trade route) due to hostilities, Iraq could face acute shortages. Politically, the Iraqi government is fragile – a severe economic shock or prolonged outages could destabilize the country’s post-war recovery and empower militias.

**Risk Summary –  
Iraq (Short-Term)**

Dimension	Risk (1–5)	Assessment
Political Stability	4	Fragile stability; a crisis (power blackouts, budget shortfall) could ignite protests or sectarian militia unrest. Government authority brittle under stress.
Economic Exposure	5	Over 91% of government revenue comes from oil; a halt in Gulf exports would trigger fiscal collapse, unpaid salaries, and economic free-fall within months.
Supply Chain Vulnerability	5	Highly import-dependent (fuel, food, consumer goods). Loss of Gulf port access and Iranian trade ties would cause widespread shortages; limited overland alternatives cannot meet demand.
Energy Dependency	5	Heavily dependent on Iranian gas & electricity (formerly ~40% of power). If Iran cuts energy supplies, Iraq faces immediate and severe power outages.
Maritime/Shipping Risk	5	Fully reliant on Hormuz for oil exports and seaborne trade. Minimal workarounds (small Turkey pipeline); a Hormuz shutdown essentially landlocks Iraq’s economy.

**Saudi Arabia**

Saudi Arabia is the world’s largest oil exporter – a cornerstone of global energy supply – and Hormuz is the route for a large share of its exports. In 2024, about 5.5 million bpd of Saudi crude (38% of total Hormuz oil flows) transited the strait.



Unlike Kuwait or Iraq, Saudi does have partial bypass options: the East–West Pipeline to the Red Sea (Yanbu port) can carry about 5 million bpd (expandable to 7 million in an emergency). Riyadh used this pipeline in 2024 to avoid risks at Bab al-Mandeb and could do so if Hormuz is threatened.

However, Saudi Arabia produces ~10 million bpd – meaning roughly half of its output has no alternative route and would be stranded if Hormuz closed. The kingdom’s economic exposure is thus critical: oil revenues are ~80–90% of budget income, so a prolonged disruption would blow a hole in its finances.

That said, Saudi has hundreds of billions in reserves and could weather a shortfall for a few months by drawing down stocks (both oil in storage and financial reserves). Politically, Saudi Arabia is relatively stable under King Salman and Crown Prince MbS, with little tolerance for dissent.

Short-term political stability risk is low – the state can use its reserves to shield citizens from immediate impacts (e.g. by using stored oil to maintain local fuel supply and spending from savings to cover the budget). But there are other risks: conflict with Iran could bring direct attacks (Iran has previously targeted Saudi oil facilities, as in the 2019 Abqaiq missile strike). Such strikes could damage infrastructure and shake investor confidence.

On supply chains, Saudi Arabia imports 80+% of its food, but it has multiple ports (Red Sea and Gulf) and overland links. If Hormuz is closed, Saudi could still import essential goods via the Red Sea (Jeddah port) and via Gulf neighbors (or its Gulf ports if they remain accessible via alternate routes south of Hormuz).

The maritime risk is moderate: Saudi’s Red Sea outlets and domestic infrastructure diversification give it more resilience than smaller Gulf states. Still, losing use of its main Gulf shipping terminals would disrupt supply chains and delay deliveries, as ships would detour via longer routes. In terms of energy dependency, Saudi is a net exporter and has ample domestic energy, so it doesn’t rely on others for fuel. It has spare oil that it could use internally or route differently in a crisis.

The short-term challenge is maintaining exports (for revenue) and protecting critical oil facilities.

Regionally, a Hormuz crisis might push Saudi Arabia to ramp up the East-West pipeline to supply world markets, but that pipeline’s limited spare capacity (~2.6 million bpd) means it cannot fully compensate.

Saudi has also invested in strategic storage abroad and could tap those to stabilize the market. Overall, Saudi Arabia faces very high economic stakes in Hormuz, but it has contingency options and buffers that slightly reduce immediate risk compared to less flexible neighbours.

### Risk Summary – Saudi Arabia (Short-Term)

Dimension	Risk (1–5)	Assessment
Political Stability	2	Stable authoritarian regime; capable of managing short-term crises. Domestic unrest risk is low, but regional conflict could introduce security threats (e.g. missile/drone attacks).
Economic Exposure	5	Oil is the engine of the economy; loss of ~50% export capacity via Hormuz would severely hit GDP and revenue. Large financial reserves mitigate short-term fiscal crises but at high cost.
Supply Chain Vulnerability	3	High food import dependency but has alternatives. Red Sea ports and strategic stocks reduce risk of shortages; internal distribution is robust. Vulnerable for certain imports if Gulf routes shut, not catastrophic in 6 months.
Energy Dependency	1	No dependency on external energy – self-sufficient in oil/gas. Domestic supply would remain stable (can redirect some oil for local use if needed).
Maritime/Shipping Risk	3	Moderate. Able to bypass Hormuz partially (pipeline to Red Sea ~5 Mbpd). Still, millions of barrels and key petrochemical shipments would be delayed or halted; war risks to tankers and facilities remain significant.

## United Arab Emirates (UAE)

The UAE is a major oil producer and regional trade hub with dual exposure: it both exports energy and imports the bulk of its goods via the Gulf. About 30% of UAE's oil (roughly 0.4 million bpd) that once transited Hormuz has already been rerouted through the UAE's Habshan–Fujairah pipeline, which bypasses the strait. This pipeline can carry up to ~1.8 million bpd (nearly all Abu Dhabi's onshore output). In recent years the UAE expanded local refining and pipeline use, cutting Hormuz exports by 0.4 million bpd as more oil went out via Fujairah.

The UAE can export a significant portion of its crude from the Gulf of Oman coast, reducing immediate disruption if Hormuz closes. However, any remaining exports from Dubai/Abu Dhabi fields that go via the Strait (offshore oil, condensates) would be stuck, and the pipeline's excess capacity is limited if all shippers scramble to use it.

Economically, the UAE would take a hit from reduced oil revenues, but energy is a smaller share of its diversified economy. Abu Dhabi's oil funds the budget, but Dubai's economy is trade, tourism, and finance. A short-term outage might be absorbable, though painful.

More worrying for the UAE is the logistics impact. Dubai's Jebel Ali port – one of the Middle East's busiest container ports – lies inside the Gulf. A conflict in Hormuz could disrupt UAE's role as a re-export and shipping hub. Global shipping lines might avoid Jebel Ali, causing supply chain snarls for goods headed to and from the region.

The UAE imports ~85–90% of its food and consumer goods, so any sustained interference with maritime traffic would require routing via Fujairah (outside Hormuz) or other ports. Fujairah is already a major port (for oil bunkering and some bulk goods) on the open ocean: the UAE could shift more cargo there if needed, assuming no active hostilities directly threaten it.

Politically, the UAE is stable (authorities tightly control security). There is little chance of internal instability. Risks are more external, e.g. an errant missile or mine hitting a UAE tanker or port. The UAE has a recent history of tanker sabotage incidents near Fujairah (2019), so war would raise maritime risk. Insurance premiums for ships in UAE waters would spike, increasing costs.

The UAE has built-in resilience (alternate pipeline and port) that many neighbors lack, but faces broad vulnerability to conflict in its backyard. Its short-term risk profile is slightly lower on energy disruption, but still elevated across supply chains due to its integration in regional shipping networks.

### Risk Summary – UAE (Short-Term)

Dimension	Risk (1–5)	Assessment
Political Stability	1	Extremely stable federation (authoritarian governance, strong security). Unlikely to see domestic unrest; leadership can manage crisis response centrally.
Economic Exposure	4	Oil is important (especially to Abu Dhabi's finances), but the diversified UAE economy (trade, tourism) provides some cushion. Still, an oil export drop and higher insurance/shipping costs would dent growth.
Supply Chain Vulnerability	4	High import dependence for food/goods. Can divert shipments to Fujairah (outside Gulf) to mitigate, but disruption to Dubai's Jebel Ali port would temporarily snarl regional trade and local inventories.
Energy Dependency	2	Produces its own oil. Imports natural gas via pipeline from Qatar (for power in Dubai/Abu Dhabi). That could be affected if conflict impedes the pipeline or prompts Qatar to cut supply. Overall domestic energy is mostly secure.
Maritime/Shipping Risk	4	Significant risk. As a major shipping hub, the UAE is exposed to any conflict at sea – threats to tankers, higher war-risk insurance, and potential port attacks. Fujairah pipeline/port lessens reliance on Hormuz, regional naval conflict would still hamper trade flows and put vessels at risk.

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## India

India is one of the largest importers of Gulf oil and gas, making it highly exposed to a Hormuz disruption despite lying outside the immediate conflict zone. India sources roughly 45–50% of its crude oil from the Middle East, with Iraq, Saudi Arabia, and the UAE among its top suppliers.

While India has diversified its crude basket somewhat (boosting imports from Russia to about one-third since 2022), nearly half its supply still arrives via the Arabian Sea from Hormuz. If those flows were cut or even reduced, India would face a dual problem: physical shortages and price spikes.

In the short-term (0–6 months), India could draw on strategic petroleum reserves (which cover only ~9 days of demand at present, though expanding) and increase purchases from alternative suppliers (e.g. more Russian or African oil, albeit via longer routes). However, alternative supplies cannot fully replace Gulf volumes immediately. Competition for non-Gulf barrels would drive up costs. A sharp oil price rise would be particularly damaging for India's economy – it strains the trade balance and fuels domestic inflation.

The government heavily subsidizes fuels and fertilizers; a price spike or supply shock would force tough choices between raising subsidies (worsening fiscal deficits) or allowing inflation to hit consumers. Either scenario poses political risks given India's large population and upcoming elections (fuel protests have occurred in the past over high prices). India's political system is currently stable under a strong central government, and it has some policy tools (strategic reserves, diplomatic channels to Gulf/Russia) to manage a brief crisis. Short-term political stability risk is moderate: protests or public anger could flare if shortages occur, but the government is likely to stave off the worst impacts through emergency measures. India's supply chain vulnerability extends beyond crude oil. It is a significant importer of LNG, with Qatar being a longstanding supplier under long-term contracts.

A disruption in Qatari LNG (all shipped via Hormuz) would hit India's gas-fired power plants and city gas distribution – though in the six-month horizon, this might be partially offset by increased LNG spot purchases (at higher cost) from elsewhere or switching to coal.

Additionally, India imports fertilizers and petrochemicals from the Gulf, and sends millions of its expatriate workers to Gulf countries. A Hormuz crisis that causes economic contraction in the Gulf could see layoffs of Indian expats (reducing remittances) and potential evacuation of workers, which is a secondary socio-economic risk. On the maritime front, while India's own ports (Mumbai, Kochi, etc.) are well away from the Strait, any conflict would disrupt shipping schedules and raise freight costs for all routes in the northwest Indian Ocean.

Indian exports to the Middle East (such as foodstuffs, textiles, chemicals) would face delays, and imports of certain commodities (like pulses or edible oil that often transit via Middle East hubs) could be delayed too. However, India has a long coastline and multiple trading partners; it can reroute shipping to avoid conflict zones if necessary (with added time and cost). Overall, India's energy dependency on the Gulf is its Achilles heel in the short term – it can handle temporary logistic hiccups, but a severe oil/gas supply crunch would pose both economic and political challenges.

## Risk Summary – India (Short-Term)

Dimension	Risk (1–5)	Assessment
Political Stability	2	Generally stable democracy. Risk of public unrest if fuel shortages or price spikes occur, but government can use subsidies and reserves to maintain stability for a few months.
Economic Exposure	4	High exposure to oil price and supply shocks – as a net importer, an oil spike or loss of Gulf supplies would widen the trade deficit and dent GDP growth. Short-term disruption manageable but costly.
Supply Chain Vulnerability	3	Moderate. Critical imports (oil, LNG, fertilizer) depend on Gulf routes, but India can seek alternate suppliers or use inventories short-term. Broader trade is diversified. A Gulf crisis would inconvenience supply chains more than devastate them in 6 months.
Energy Dependency	4	High dependence on external energy. ~46% of crude from Middle East, plus significant LNG from Qatar/Oman. While India can pivot to other suppliers (e.g. Russia, Africa), it cannot quickly replace lost Gulf volumes without shortages or high costs.
Maritime/Shipping Risk	3	Indirect risk. Indian ports are outside the conflict zone, but shipping via the Arabian Sea would face higher costs and longer routes if Hormuz is closed. The Indian Navy may boost escort measures. Trade with Gulf nations (India's key export market) would be temporarily hampered.

## Japan

Japan is among the most vulnerable advanced economies to a Hormuz disruption, due to its heavy reliance on Middle Eastern energy. Japan imports nearly 97% of its crude oil from Arab Gulf countries– a dependence that actually grew in 2023 after it stopped buying from Russia.

Key suppliers include the UAE (~38% of Japan's oil in early 2024), Saudi Arabia (~39%), Kuwait (~7%), and Qatar. In effect, Japan's transport and industry run on Gulf oil. It also imports significant LNG from Qatar (historically around 5–10% of its LNG mix, though that share has been declining as Japan diversifies to U.S. and Australian gas).

If the Strait of Hormuz were closed or conflict severely curtailed shipments, Japan would face an immediate energy crunch. It maintains strategic oil reserves (about 150 days' worth of net imports) – these could cover a short-lived outage, but using them would only be a stopgap if the disruption extended toward 6 months.

Japan could scramble to source oil from elsewhere (West Africa, the Americas), but replacement barrels would take longer to arrive and come at a much higher price. A spike in energy import costs would hit Japan's economy hard, potentially tipping it into recession (as seen in past oil crises).

Inflation, already a concern, would rise with higher fuel and electricity prices. On the political front, Japan is a stable democracy with low risk of domestic upheaval. However, energy security is a national priority, and a protracted supply crisis might intensify political debates about restarting more nuclear reactors or further diversifying energy sources.

In the short term, the government would likely step in with emergency measures (fuel allocations, asking industry to curtail usage, etc.) to manage the crisis. Supply chain vulnerability for goods beyond energy is relatively low: Japan's imports of food and industrial goods are sourced globally (North America, Asia, etc.), not particularly through the Gulf.

The main supply chain issue would be if petrochemical feedstocks or specific metals from the Gulf were delayed, but those are minor compared to oil/LNG. Japan's sophisticated refineries also supply refined products to other countries; if crude supply falters, it might cut export of products to prioritize domestic needs, affecting regional fuel markets.



Maritime risk is a significant factor: Japanese tankers use the Hormuz route, and one was notably attacked in the June 2019 tanker incidents. In a conflict scenario, Japan would likely coordinate with allies and possibly deploy naval assets to escort its vessels, but insurance costs for chartering tankers would skyrocket. Some shipping companies might refuse to enter the Gulf, forcing Japan to bid for oil that can be loaded at safer ports (e.g. Saudi's Red Sea terminals or Oman).

This adds delay and cost, effectively a "Hormuz tax." Japan's energy dependency risk is extremely high: a short-term cutoff would be painful but manageable through reserves and alternative sourcing, whereas a six-month outage could severely strain its economy.

Nonetheless, strong governance and contingency planning place Japan in a better position to cope than less-developed nations – it can weather a storm, albeit at great economic cost.

### Risk Summary Japan (Short-Term)

Dimension	Risk (1–5)	Assessment
Political Stability	1	Very stable democracy. Government can maintain order and implement crisis measures; no serious threat from an external supply shock alone.
Economic Exposure	4	High exposure – nearly all oil is imported, so an outage means surging energy costs and potential fuel shortages. Could cause economic contraction, though Japan's wealth and reserves help buffer the impact short-term.
Supply Chain Vulnerability	4	Critical vulnerability in energy imports specifically. Other supply chains (food, manufactured goods) are diversified globally. Japan has strategic oil stockpiles and can ration non-essential usage if needed.
Energy Dependency	5	Very high. ~96% of oil from the Middle East; significant LNG via Hormuz. Few immediate substitutes for Gulf oil. Japan is essentially at the end of a very long, exposed supply line for its primary energy.
Maritime/Shipping Risk	4	High risk. Japan's energy travels thousands of miles by sea. Conflict in Hormuz forces rerouting or naval convoys. Shipping insurance and freight costs would soar, raising import costs. Delays likely until new routes stabilise.

### South Korea

South Korea's situation parallels Japan's: it is a heavily industrialized economy dependent on imported energy, much of it from the Gulf region. South Korea imports around 70–75% of its crude oil from the Middle East (Saudi Arabia, Kuwait, Iraq, UAE are major suppliers).

South Korea has pursued diversification (including greater U.S. crude imports in recent years), but Middle Eastern sour crudes remain essential for its refineries. Additionally, South Korea is one of the world's largest LNG importers, and historically Qatar was its top LNG supplier. Qatar provided ~19% of Korea's LNG in 2023, down from ~32% a few years prior as Korea added U.S./Australia supplies.

A cut-off of Hormuz would jeopardize a substantial portion of South Korea's oil supply and some of its LNG deliveries, risking fuel shortages for transportation, heating, and industry. Like Japan, Korea holds strategic oil reserves (usually about 90 days) and could draw those down to mitigate short-term disruptions. It could also ramp up imports from other sources. There is some flexibility to take more oil from the Americas, or spot LNG from Malaysia/Australia, but replacement volumes would come at a premium price.

The economic shock would be significant: as an export-driven economy with major petrochemical and manufacturing sectors, higher energy costs would cut into corporate margins and potentially lead to reduced output or higher prices for Korean goods.

Politically, South Korea is a stable democracy. Short-term energy troubles are unlikely to threaten the government's stability, though they could become a hot issue domestically (e.g. criticism of the government for any fuel price surges). Seoul would likely coordinate with international partners (such as the U.S. and perhaps Japan) on securing alternative supplies and possibly naval protection for tankers.

On the supply chain front, beyond energy, South Korea is less directly tied to Middle Eastern routes than Japan – it imports iron ore from Australia, electronics components from East Asia, etc., so general goods supply chains would be impacted mostly by the higher shipping costs rather than unavailability.

One exception: South Korea is a leading shipbuilder and relies on Middle Eastern customers and routes for its shipping industry (e.g. delivering new ships, receiving parts). A conflict could disrupt those logistics mildly.

The maritime risk for Korea is high in terms of energy transit: many of its tankers transit Hormuz, and in a conflict scenario, Korean-flagged ships could be at risk, or ship insurers may demand military escorts. The country has a blue-water Navy that might be deployed to protect its shipping lanes if needed.

South Korea's short-term risk profile is characterized by extreme energy import dependence, mitigated slightly by strategic reserves and diversification efforts. It shares many vulnerabilities with Japan, though its oil import portfolio is ever-so-slightly more diversified. Any prolonged disruption would force difficult decisions on rationing and likely push Seoul to secure emergency energy deals with alternative suppliers.

### Risk Summary South Korea (Short-Term)

Dimension	Risk (1–5)	Assessment
Political Stability	1	Stable democratic governance. While energy shortages would cause public anger and economic strain, they are very unlikely to cause political instability in the 6-month timeframe.
Economic Exposure	4	High exposure through energy prices – a Hormuz crisis would raise import costs substantially, harming Korea's trade balance and industrial competitiveness in the short run.
Supply Chain Vulnerability	4	Very vulnerable in energy supply chains (few substitutes for Gulf oil/LNG in near term). Non-energy supply chains are globally diverse; impacts would be due to higher fuel/transport costs rather than physical unavailability of goods.
Energy Dependency	4	Very high dependency on imported energy. ~71% of crude from Middle East; significant LNG from Qatar. South Korea can tap inventories and alternate suppliers to mitigate, but it cannot avoid a major impact if Gulf supplies stop.
Maritime/Shipping Risk	4	High. South Korea's lifeline for oil/LNG is via sea lanes through or near Hormuz. War-risk would disrupt tanker schedules and raise costs. Korea would likely join international naval efforts to keep routes open, but logistical slowdowns are inevitable.

### China

China is the world's largest oil importer. While it has diversified its sources in recent years, the Middle East (including Iran) remains a crucial part of its supply. Roughly 40–50% of China's crude oil imports come from the Gulf region (Saudi Arabia, Iraq, Oman, UAE, Kuwait) when including shipments via the Strait.

For instance, in the first 9 months of 2024, China imported 14.4% of its crude from Saudi and 6.6% from the UAE, alongside substantial volumes from Iraq and Oman. Iran – under sanctions – has also been exporting oil almost exclusively to China (China buys an estimated 1+ million bpd of Iranian crude via "shadow" fleets).

If Hormuz were closed or conflict severely restricted Gulf shipping, China stands to lose a large chunk of its oil inflow. However, several factors moderate China's risk. First, China has strategic petroleum reserves and has been stockpiling crude; as of mid-2025 it was building a "war chest" of surplus oil (adding ~1 million bpd to storage in recent months).

This could cover import shortfalls for a time. China also has alternative supply routes: it can get pipeline oil from Russia (via Siberia) and Central Asia, which bypass sea chokepoints. It also imports a lot from Russia via Pacific routes, and from West Africa and South America (though those long-haul voyages are pricier). These alternatives mean China's import dependence on Hormuz, while large in volume, is somewhat fungible – it could increase draws from Russia or tap its reserves to tide over a 2–3 month crisis.

Additionally, China's government controls the energy sector and can mandate demand reductions (e.g. throttling industrial use) to conserve fuel in an emergency. On the gas side, China is less reliant on LNG from Hormuz than some others – most of its LNG comes from Australia, the US, and Russia, with Qatar forming a smaller portion of its mix (China's LNG imports from Qatar have been around 5–6% in recent years, though new long-term deals are set to ramp up later). A temporary stop in Qatari LNG would be manageable via increased purchases from elsewhere (albeit at higher spot prices).

Economic exposure for China is notable: an oil price spike raises input costs for its industries and could rekindle inflation, but China, as a centrally managed economy, can absorb some pain (through subsidies or controlled prices) and even take advantage of lower spot prices later by using stored oil. In fact, if prices soar, China might briefly draw down inventories (reducing imports) to cool global prices.

Politically, China's authoritarian system insulates the government from public discontent over fuel shortages to a degree – rationing can be imposed if needed. The more significant political calculus for Beijing would be geopolitical: it has strong ties with Iran and Gulf states and would likely use diplomatic leverage to de-escalate a Hormuz crisis. Beijing would also carefully manage its stance to ensure it isn't cut off from remaining Iranian oil flows; note that analysts warn Iran itself relies on Hormuz to supply China (its "only major customer"), so a closure hurts Tehran-Beijing trade directly.

China's maritime risk is moderate. It has a long supply chain to monitor – Chinese-flagged or chartered tankers in the Indian Ocean would face similar insurance and rerouting issues as others. However, China's navy has an anti-piracy task force in the Gulf of Aden and could be mobilized to protect Chinese shipping interests in a wider conflict scenario. Additionally, China could reroute some oil shipments: for example, use storage in Pakistan's Gwadar or the Sino-Myanmar pipeline (if any spare capacity) to move small volumes outside normal routes. These are limited measures, though. By and large, China would be relying on its inland pipelines and stored oil to compensate for a maritime supply interruption. It is somewhat less immediately fragile than countries like Japan or India, due to its buffers, but given the scale of its needs, a Hormuz disruption still poses a high risk to China's energy security and economy if it lasts many months.

## Risk Summary – China (Short-Term)

Dimension	Risk (1–5)	Assessment
Political Stability	1	Very low risk of instability. Centralized authority can manage resource allocation and suppress dissent if shortages occur. No elections or open political pressures to destabilize the government in a six-month timeframe.
Economic Exposure	3	Moderate. China's economy is huge and somewhat insulated; higher oil prices hurt but can be cushioned by state interventions. Shortfall in Gulf oil would slow industry, but China can draw on reserves and alternate suppliers in the immediate term.
Supply Chain Vulnerability	3	Mixed. Energy supply chain is vulnerable (large volumes at risk), but China has diversified routes (pipelines from Russia/Central Asia) and massive storage. Non-energy goods supply is global and not highly dependent on Middle East logistics.
Energy Dependency	4	High in absolute terms: ~40% of oil imports via Hormuz and significant reliance on Iran/Gulf for oil. China's strategic reserves and non-Hormuz imports keep this just below the highest risk level – it has a cushion that others lack.
Maritime/Shipping Risk	3	Moderate. A Hormuz conflict would disrupt Chinese tanker routes, but China can reroute some shipments and increase overland pipeline intake. It also may leverage its naval presence to secure shipping. Still, expect slower deliveries and higher freight costs in the interim.

## Conclusion and Interdependencies

The most exposed countries to an Iran/Hormuz supply disruption are those either geographically tied to the Strait (the Gulf exporters and Iran's immediate neighbors) or heavily dependent on Gulf energy (key Asian importers).

Small Gulf monarchies like Kuwait and Qatar face existential risks to their economic model if their one export route is cut, though their wealth funds and alliances offer some relief. Regional powers like Saudi and the UAE have built partial workarounds (pipelines, alternate ports) that improve resilience, but cannot fully escape the chokepoint's gravity.

Countries like Iraq uniquely depend on both Iranian goodwill (for electricity) and the Strait (for oil exports), leaving them acutely vulnerable – a reminder that Iran's influence extends beyond just oil, into electricity, gas and commerce for its neighbors.

For Asian economies (India, Japan, South Korea, China), the Strait of Hormuz is a distant but vital artery. In the short term, they can manage by tapping strategic reserves, adjusting procurement, and using diplomatic channels – indeed, China and India have recently capitalized on cheap Iranian oil despite sanctions, highlighting their strategic interest in keeping Iranian supply flowing. Japan and South Korea, lacking domestic resources, have little choice but to rely on US security guarantees and emergency stockpiles to ride out any supply storm.

All these countries are now re-evaluating their risk exposure: for example, scenario plans for a “Strait closure” are being incorporated into supply chain risk models, and efforts to secure alternate energy routes are underway (such as new pipeline projects, or sourcing more from the Americas and Africa). A short-term (0–6 month) disruption through Hormuz would likely see intense global cooperation to assist the hardest-hit importers and to keep some trickle of supplies moving (perhaps via partial maritime “air-lifts” or Red Sea routes).



Yet the scoring above makes clear: some nations would experience very high risk (4–5) across multiple dimensions, indicating potential crisis conditions, whereas others could limit the damage to economic inconveniences. Actionable insights emerge in the need for contingency planning: building inventory, diversifying suppliers, securing maritime lanes with naval patrols, and even diplomatic engagement with Iran to prevent a worst-case scenario.

Interdependence is also evident – a shock in the Strait would send oil and LNG prices sharply up worldwide, hurting even those countries not directly dependent. Thus, from the Gulf to East Asia, collective energy security hangs in the balance at Hormuz, and the next six months represent a period of heightened watchfulness for all.