Strait of Hormuz

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Introduction

A Critical Chokepoint

These developments have significantly impacted European producers: disruptions in fuels are affecting polymer shipments and broader industrial activity. The ICIS data on the top 20 imported petrochemical products confirms the width of the exposure across different demand sectors. Moreover, inflation is set to rise and GDP growth to slow (ICIS, 2026). This does not come as a surprise; the EU imports about 12-15% of its oil from Persian Gulf states (Hormuzstraitmonitor, 2026), 3,8% from Qatar alone (European

Council, 2026), and consumes about 10 million oil barrels per day (Statista, 2025). However, compared to Asian economies, the shock has been felt less. Fuel rationing, no AC, 4-Day Work Week are all measures adopted by these economies to manage the Oil Crisis (Forbes, 2026). If the EU is doing relatively well, it is thanks to its Gas storage rules.

Each EU member state possesses a 90-day strategic reserve of oil and gas. This is the result of an energy security proposal by the Commission earlier in the year. The rationale behind it is to provide predictability, transparency, and gas market stability (European Council 2025). This should not be taken outside the council's very own decision to stop importing Russian gas by 2027 (European Council, 2026).

Moscow's Political Leverage

Gas exports have consistently functioned as a tool of political leverage for the Kremlin. Through pipeline networks, long-term contracts, and transit agreements, Russia has used energy as a means of maintaining influence over neighbouring states and shaping diplomatic relations. The dominant role of Gazprom in export markets reinforced this model (Gazprom IFRS Financial Report, 2021). And so, what began as periodic disputes in the 2000s gradually intensified throughout the 2010s, culminating in 2022.

The events of 2021–2025 have demonstrated that the Russian gas sector is fully subordinated to political decision-making. The sharp reduction of gas flows to Europe, once accounting for roughly 40% of EU imports, triggered an unprecedented price increase (Oxford Institute for Energy Studies, 2022).

Then, on its quest to diversify, REPowerEU comes into play. REPowerEU should be understood within the framework of the 'Strategic autonomy and European competitiveness plan". It aims overall to mitigate the EU's growing dependencies on specific energy suppliers, notably Russia (European Commission, 2026).

Long term, it aims to do this through decarbonisation and green energy transitions (European Central Bank, 2025).

Short to medium term, there lie the true challenges that definitely do not fit within the urgent scenario currently of the Iranian Blockade, and the US's LNG (Liquefied Natural Gas).

The Hegemon's Role

On paper, the US will account for over half of the projected global LNG capacity additions between 2024 and 2035. This rapid expansion is expected to meet rising global gas demand, notably driven by increased electricity consumption in OECD economies (Farren-Price, B., & Henderson, J., 2025, p.7).

This expansion positions the US as the central actor in global gas markets. However, the increasingly explicit integration of energy into broader

foreign policy objectives risks politicising LNG trade. In the short term, US energy policy is oriented towards maximising oil and gas exports, while in the long term, it is oriented towards extracting geopolitical leverage. The transatlantic dimension of this strategy is particularly visible in recent EU–US agreements, which include ambitious commitments for European purchases of American energy (Tariff Warfare, 2025).

Furthermore, current transatlantic tensions intersect significantly with Middle Eastern geopolitics. Iran is likely to remain a central foreign policy challenge for any US administration.

For Europe, this creates a structural dilemma. On the one hand, it seeks to preserve diplomatic engagement and regional stability. This is proven by its disapproval to join the US in a potential war in Iran (Le Monde, 2026). On the other hand, it remains constrained by the extraterritorial reach of US sanctions. The experience of the Joint Comprehensive Plan of Action illustrates this limitation. Following the US withdrawal in 2018, European efforts to sustain the agreement were insufficient. Mechanisms such as INSTEX failed to deliver meaningful economic relief (J. Barnes-Dacey & A. Dworkin, 2020, p.9).

The Strategic Impass

Finding itself in an intersection of chokepoints, between political, economic, and geopolitical risks carried by Russia, the USA, and the Middle East respectively, the way for the EU to go a step ahead, towards its autonomy, would be to develop an apparent policy towards the region. The EU has not eliminated energy risk through diversification; it has transformed it. The shift away from Russia, increased reliance on LNG, and deeper engagement with the Middle East have created a system in which risks are no longer concentrated but interconnected. US sanctions can amplify Middle Eastern supply shock and even lead to conflict. It is due to this overlap, proven to the continent now by the Strait of Hormuz, that the risk is substantial.