

## A CUFI PRIMER: The Strait of Hormuz

### In Brief

As tensions between Iran and the United States surge, there has been a dramatic increase in confrontation in the Strait of Hormuz, one of the most important waterways on Earth. The regime in Tehran has [threatened closure](#) of the Strait in retaliation to the United States withdrawing from the 2015 Iran nuclear agreement and the accompanying US decision to end sanction waivers on Iranian oil imports, but as yet has not carried out this threat. Nearly 20 percent of the world's oil travels through this waterway. If the Strait was closed to shipping by Iran, there would be serious ramifications.



### What is the Strait of Hormuz?

The Strait of Hormuz is a narrow waterway that lies between the Persian Gulf to the north and the Gulf of Oman to the south, which empties into the Arabian Sea. On the northern coast of the Strait sits the Islamic Republic of Iran, while the United Arab Emirates and a small enclave belonging to the Sultanate of Oman lie on the southern coast. The Strait, a mere 21 nautical miles at its narrowest point, is the slim seaway that connects the Indian Ocean with the Arabian/Persian Gulf and is the only sea passage from the Persian Gulf to the open ocean—making it a key international waterway.



### To Whom Does the Strait Belong?

The Strait falls under the territorial waters of both Oman and Iran. All vessels passing through the Strait of Hormuz must traverse the territorial waters of Iran and Oman. Under the transit passage concept of the United Nations Convention on the Law of the Sea, a vessel has the freedom of navigation if its sole purpose is continuous and expeditious transit of a strait between one part of the high seas or an exclusive economic zone to another.



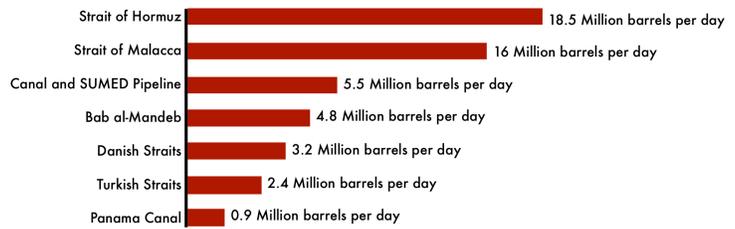
### Why is the Strait So Important?

The Strait is crucial to the global economy and energy supplies. According to oil analytics company Vortexa, almost a fifth of the world's oil passes through the Strait - around 17.4 million barrels of crude oil every day, while in 2018 global consumption was around 100 million barrels per day. Most crude oil exported from The Organization of the Petroleum Exporting Countries (commonly referred to by its acronym, OPEC) members Saudi Arabia, Iran, the UAE, Kuwait and Iraq is shipped through the waterway. In addition, a third of the world's liquefied natural gas flows through the Strait including nearly all the liquefied natural gas produced by the world's biggest exporter, Qatar. Thus the Strait of Hormuz is vital to international trade.

## Iranian Threats to Close the Strait

The combination of the Strait's economic importance and its being so narrow makes it one of the most strategically significant maritime chokepoints in the world. With a relatively small force, the Strait could be closed to all shipping, with the topography making it difficult for a much larger force to break such a blockade. Numerous Iranian officials have reiterated that Iran has the ability to close the Strait and is prepared to do so. In August of 2018, it was [reported](#)<sup>2</sup> that Iran's Islamic Revolutionary Guard Corps (IRGC) held a major naval exercise involving dozens of small boats to demonstrate its ability to close off the Strait of Hormuz. The vulnerability to possible closure by Iran has led the United Arab Emirates and Saudi Arabia to try to find other routes to bypass the Strait, including the construction of oil pipelines, but so far these outputs do not come close to matching the exports flowing through the Strait.

Volumes of crude oil and petroleum products transported through major choke points, 2016



Source: U.S. Energy Information Administration



## Operating pipelines that bypass the Strait of Hormuz, 2016

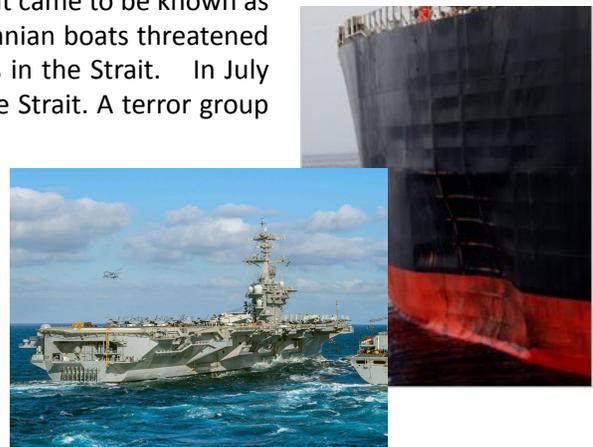
Pipeline name	Country	Status	Capacity	Throughput	Unused capacity
Petroline (East-West Pipeline)	Saudi Arabia	Operating	4.8	1.9	2.9
Abu Dhabi Crude Oil Pipeline	United Arab Emirates	Operating	1.5	0.5	1.0
Abqaiq-Yanbu Natural Gas Liquids Pipeline	Saudi Arabia	Operating	0.3	0.3	0.0
Iraqi Pipeline in Saudi Arabia (IPSA)	Saudi Arabia	Converted to natural gas	0.0	-	0.0
<b>Total</b>			<b>6.6</b>	<b>2.7</b>	<b>3.9</b>

Note: All estimates expressed in million barrels per day (b/d). *Unused capacity* is defined as pipeline capacity that is not currently used but can be readily available.  
Sources: U.S. Energy Information Administration, Lloyd's List Intelligence.

## Conflict in the Strait

Due to its location and strategic importance, the Strait has seen both conflict and threats of closure in the last few decades. During the Iran – Iraq war the two sides sought to disrupt the other's oil exports in what came to be known as the Tanker War. In early 2008, the United States said Iranian boats threatened its warships after they approached three US naval ships in the Strait. In July 2010, the Japanese oil tanker M Star was attacked in the Strait. A terror group linked to al Qaeda claimed responsibility. Most recently, when the United States pulled out of the Iran nuclear accord, Iran once again stated it was prepared to close the Strait as a response to looming American sanctions. The US Fifth Fleet, based in Bahrain, is tasked with protecting the commercial ships in the area.

Damage to the M Star oil tanker



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## Present Day Tensions

2019 saw some of the most troubling violence and provocation by Tehran in the Strait of Hormuz.

In May, four commercial ships were sabotaged near Fujairah, one of the world's largest fuel supply centers, at the gates of the Strait of Hormuz. The ships included two Saudi Arabian registered oil tankers, a Norwegian registered oil tanker, and an Emirati registered bunkering ship. The ships were attacked while in United Arab Emirates waters in the Port of Fujairah.



International investigations into the attacks concluded that there are strong indications that the four attacks were part of a sophisticated and coordinated operation carried out with significant operational capacity and that a "state actor" is the most likely culprit.

Saudi Arabia's ambassador to the United Nations, Abdallah al-Mouallimi, was clear that Riyadh believes "responsibility lies on the shoulders of Iran."



In the United States, Vice Admiral Michael Gilday, director of the Joint Staff stated: "We believe with a high degree of confidence that this stems back to the leadership of Iran at the highest levels and that all of the attacks that I mentioned have been attributed to Iran through their proxies or their forces." Iran dismissed the accusations.

The following month saw two oil tankers, the Japanese *Kokuka Courageous* and Norwegian *Front Altair*, attacked while transiting

the Gulf of Oman, heading southeast, in international waters. Both ships caught fire and evidence suggests that the attack took place with either limpet mines or possibly a drone.

On the day of the attack, US Secretary of State Mike Pompeo said, based on "intelligence, the weapons used, the expertise needed" and "recent similar Iranian attacks on shipping," Iran was responsible for the attack. The US military also released a video which apparently shows members of the IRGC removing an unexploded mine from the side of *Kokuka Courageous*. The patrol boat shown in the video matched the model and dimensions of patrol boats used by the Navy of the IRGC, with an identical chevron pattern, center console, and anti-aircraft gun. Iran once again dismissed the accusation, even going so far as to accuse the US of 'false flag' operation.



## US Drone Shot Down

Just a week after the attack on the oil tankers, a serious escalation between Iran and the United States took place. On June 20<sup>th</sup>, 2019 using a surface to air missile, the IRGC shot down a US navy surveillance drone over the Strait of Hormuz. Iranian officials alleged the drone had violated Iranian airspace, while US Central Command issued a map showing the drone was in international airspace. Following the attack by Iran, President Trump confirmed reports that a retaliatory strike was planned on several Iranian radar and missile sites, but then withdrew the order. According to the President it was estimated there would be at least 150 casualties, and this was "not proportionate to shooting down an unmanned drone."



The then National Security Advisor John Bolton sent a clear warning to the leaders of Iran not to "mistake US prudence and discretion for weakness" and said that "no one has granted [Iran] a hunting license in the Middle East. Our military is rebuilt, new and ready to go." The US Air Force confirmed that US drone operations in the region were continuing unabated despite the shoot-down.

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## Iranian Drone Shot Down

On July 18<sup>th</sup> 2019 the US military announced that it had shot down an Iranian drone in the Strait of Hormuz. Officials said the crew-less drone came within 1,000 yards of the USS Boxer, a US naval amphibious assault ship in the Strait. A Pentagon spokesman said that it had "closed within a threatening range" before being shot down over international waters. President Trump called the downing of the drone an act of self-defense. Iranian foreign minister Muhammad Javad Zarif denied the reports stating that the incident was being investigated, but [claimed](#)<sup>3</sup> the Iranians had "no information about a losing a drone."



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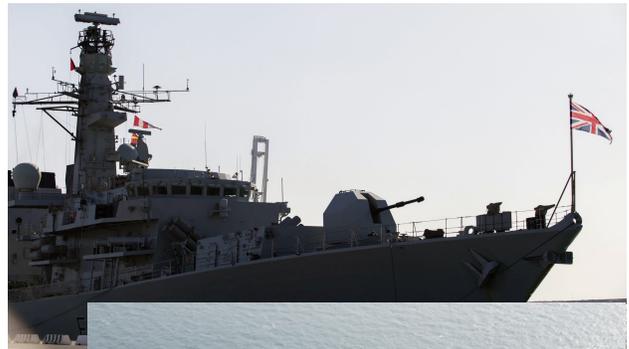
## Seizure of a British Oil Tanker

On July 19<sup>th</sup>, the IRGC seized the *Stena Impero*, a British flagged oil tanker, in the Strait of Hormuz as well as a second tanker that was later released. Charts have shown that the ship was undoubtedly in Omani waters, making the seizure by Iranian forces a clear violation of international law. British authorities condemned the act as piracy, suggesting that it was a response to the Royal Navy impounding an Iranian ship near Gibraltar that was planning to illegally deliver oil to the regime of Syrian President Bashar al-Assad, In addition, intelligence sources in Britain warned that Iran-backed terrorist cells could be deployed to launch attacks in the UK if the crisis between London and Tehran worsens.



The British Government subsequently announced that the Royal Navy intends to provide an escort for British-flagged ships passing through the Strait of Hormuz. On the 27th September the Iranian Government released the *Stena Impero* and its crew.

In July 2019, the United States announced it planned to assemble a global coalition to escort commercial vessels through the Strait in the face of increased harassment by IRGC ships. The plan entails the US providing command ships and leading surveillance efforts for the military coalition in the seas of Iran and Yemen. Great Britain was quick to join the coalition with several other allied states also considering sending vessels to assist in the security efforts. According to reports, Israel is supporting that mission through intelligence and other “unspecified fields.”



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## The Future

The Strait of Hormuz is a vital waterway for global energy supply and international trade, and in recent months Iran has shown a disregard for the important international agreements that govern the safe transit of vessels through such waterways. Given repeated Iranian threats to close the Strait of Hormuz as a tool of foreign policy coupled with Iran’s recent provocative actions, this narrow waterway will remain a flashpoint with major implications for the international economy and global security.



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<sup>1</sup> Times of Israel Staff (2019, April 22). Iran threatens to close Strait of Hormuz after US ends sanctions waivers. Times of Israel. Retrieved from <https://www.timesofisrael.com/iran-threatens-to-close-strait-of-hormuz-after-us-ends-sanction-waivers/>.

<sup>2</sup> McCleary, Kelly and Barbara Starr and Nic Robertson (2018, August 5). Iran says it held military exercises in the Strait of Hormuz. CNN. Retrieved from <https://www.cnn.com/2018/08/05/middleeast/iran-military-exercise-strait-of-hormuz/index.html>.

<sup>3</sup> Nichols, Michele (2019, July 18). Iranian Foreign Minister Zarif: no information about losing drone. Reuters. Retrieved from <https://www.reuters.com/article/us-mideast-iran-tanker-zarif/iranian-foreign-minister-zarif-no-information-about-losing-drone-idUSKCN1UD32H>.