RISK INTELLIGENCE
INTELLIGENCE • EVIDENCE • IMPACT

GEOGRAPHIC RISK MONITORING

Strait of Hormuz

Rapid assessment of people, assets, priority risks, decision triggers, disruption exposure, and accountability.

LOCATION / AREA OF CONCERN	WHY IT MATTERS	CURRENT STATUS	LAST REVIEWED
Strait of Hormuz, Persian Gulf and Gulf of Oman	A sustained risk premium can raise energy, freight, insurance, fertilizer, and manufacturing costs even while vessels continue transiting.	Elevated	31 JUL 2026
RISK OWNER	**BUSINESS UNIT**	**CONFIDENCE**	**NEXT REVIEW**
Founder & Principal	Risk Intelligence	High	07 AUG 2026

PEOPLE AND ASSETS EXPOSE

PERSONNEL	FACILITIES / EQUIPMENT	SUPPLY CHAIN / DATA	CUSTOMERS / COMMITMENTS
Mariners, port staff, energy and logistics personnel	Tankers, terminals, offshore assets and regional ports	Oil/LNG, petrochemicals, fertilizer, vessel capacity and insurance pricing	Importers, utilities, manufacturers, retailers, governments and households

PRIORITY RISK AND BUSINESS EXPOSURE

#	RISK EVENT	WHO ABSORBS IMPACT	LIKELIHOOD	IMPACT	DISRUPTION COST	OPERATIONAL EFFECT
1	Vessel attacks, seizures, or interference sustain a commercial risk premium	Carriers first; importers, manufacturers, retailers and consumers later	H	H	Severe | $1M+	War-risk, security and charter costs enter landed prices, compress margins and reduce carrier appetite.
2	Oil or LNG flows remain below normal despite partial reopening	Refiners, utilities, airlines, farms, industry, governments and households	M	H	Severe | $1M+	Higher fuel, power and fertilizer costs transmit into transport, food, production and inflation.
3	Navigation or communications interference reduces transit reliability	Crews, ports, insurers, cargo owners and time-sensitive customers	M	H	High | $250K-$1M+	Slower sailings and casualty risk increase inventory buffers, working capital, claims and delivery uncertainty.

DECISION TRIGGERS

#	OBSERVABLE TRIGGER	THRESHOLD / SOURCE	REQUIRED ACTION
1	Confirmed strike, seizure, or closure affecting commercial traffic	MARAD/UKMTO warning or traffic falls >25% for 24 hours	Escalate to Critical. Identify direct and indirect exposure across fuel, freight, insurance, suppliers and customer contracts.
2	Brent rises >15% in 5 trading days tied to Hormuz disruption	EIA/market reporting plus verified transit reduction	Model 30-, 60- and 90-day cost transmission. Review pricing, inventory, cash needs and supplier alternatives.

ANALYST ASSESSMENT / COST BASIS / KEY GAP

Assessment: A full closure is not required for material loss. Persistent tension transfers costs from carriers and energy traders into freight, utilities, fertilizer, manufacturing inputs, food, retail prices and household demand.

Cost basis: Severe exposure ($1M+) reflects a sustained 30- to 90-day scenario combining fuel and charter increases, war-risk insurance, delayed inventory, working-capital demand, supplier repricing and revenue or margin at risk. The figure is a scenario threshold, not a forecast, and rises quickly where energy or maritime transport is concentrated.

So what: Organizations far from the Gulf can still inherit the shock through higher landed cost and weaker demand. Leadership should identify where energy, freight, insurance and petrochemical costs enter the value chain before increases become embedded in contracts and customer pricing.

Key gap: Where oil, LNG, petrochemical, freight and insurance costs enter the organization's extended value chain, plus the volume, duration and pass-through terms needed to replace the tier with an organization-specific estimate.

Sources: EIA World Oil Transit Chokepoints, 3 Mar 2026; EIA market update, 7 Jul 2026; MARAD Advisory 2026-004.