UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Strait of Hormuz Disruptions

Implications for Global Trade and Development

10 March 2026

UN trade & development
UNCTAD

Introduction

The Strait of Hormuz is one of the world's most critical maritime chokepoints, carrying around a quarter of global seaborne oil trade and significant volumes of liquefied natural gas and fertilizers. The ongoing military escalation in the region has disrupted shipping flows through this narrow passage. The resulting ripple effects go far beyond the region, affecting energy markets, maritime transport and global supply chains.

These developments raise concerns for global trade and development prospects. Oil markets have reacted quickly, with Brent crude prices now rising above US$90 per barrel. Higher energy, fertilizer and transport costs – including freight rates, bunker fuel prices and insurance premiums – may increase food costs and intensify cost-of-living pressures, particularly for the most vulnerable.

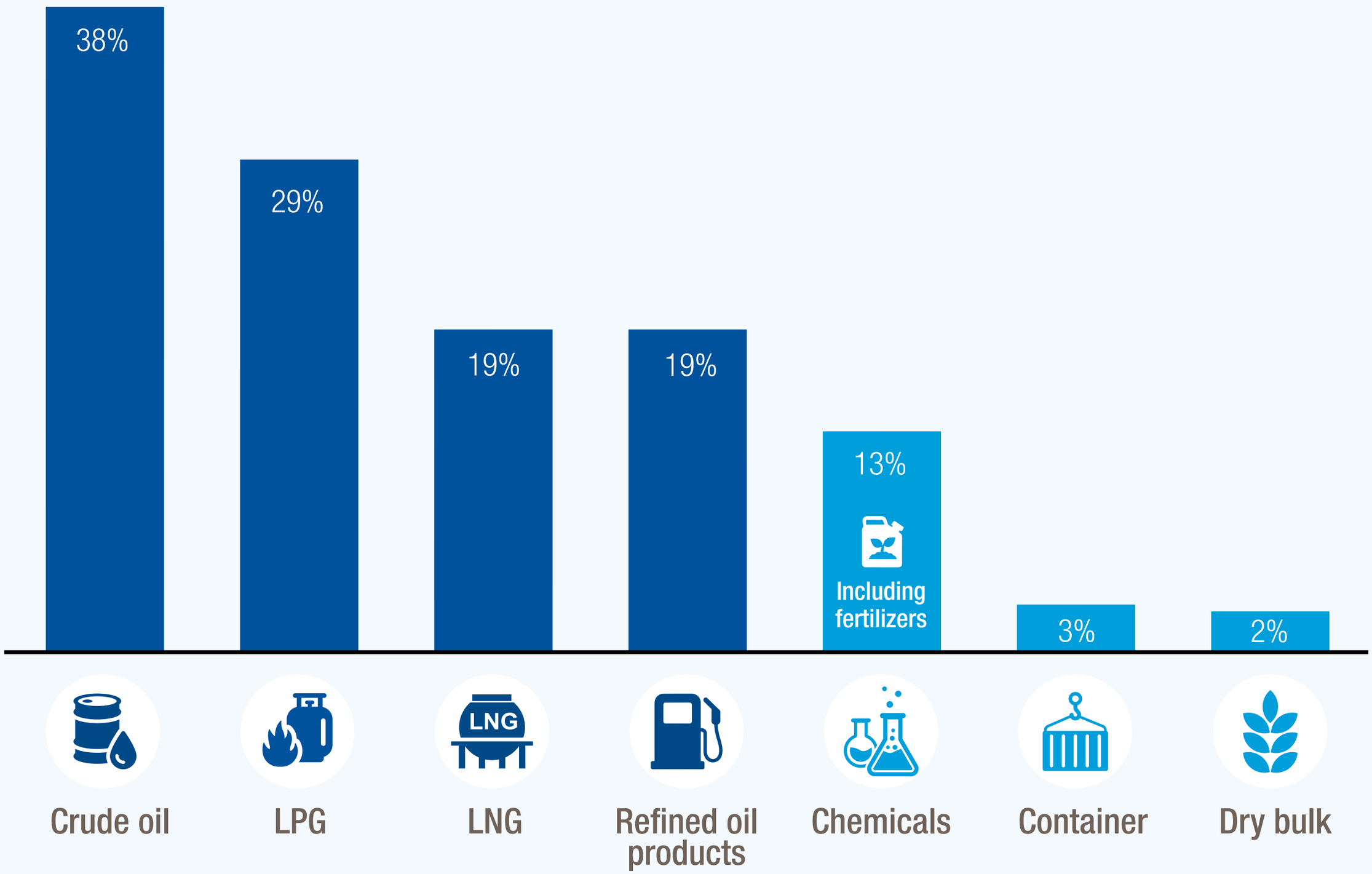
Similar repercussions were observed during recent global shocks, including the COVID-19 pandemic and at the beginning of the war in Ukraine, which showed how disruptions in energy, transport and agricultural inputs can propagate across interconnected markets.

The current shock comes at a time when many developing economies struggle to service their debt, face a tightening of fiscal space and limited capacity to absorb new price shocks.

While the overall global economic impacts will depend on the duration and scale of the disruption, the situation highlights the importance of continued monitoring, particularly implications for vulnerable economies.

The Strait of Hormuz is a vital passage for world trade.

Share of global seaborne trade volume passing through the Strait of Hormuz, one week prior to the conflict, per cent

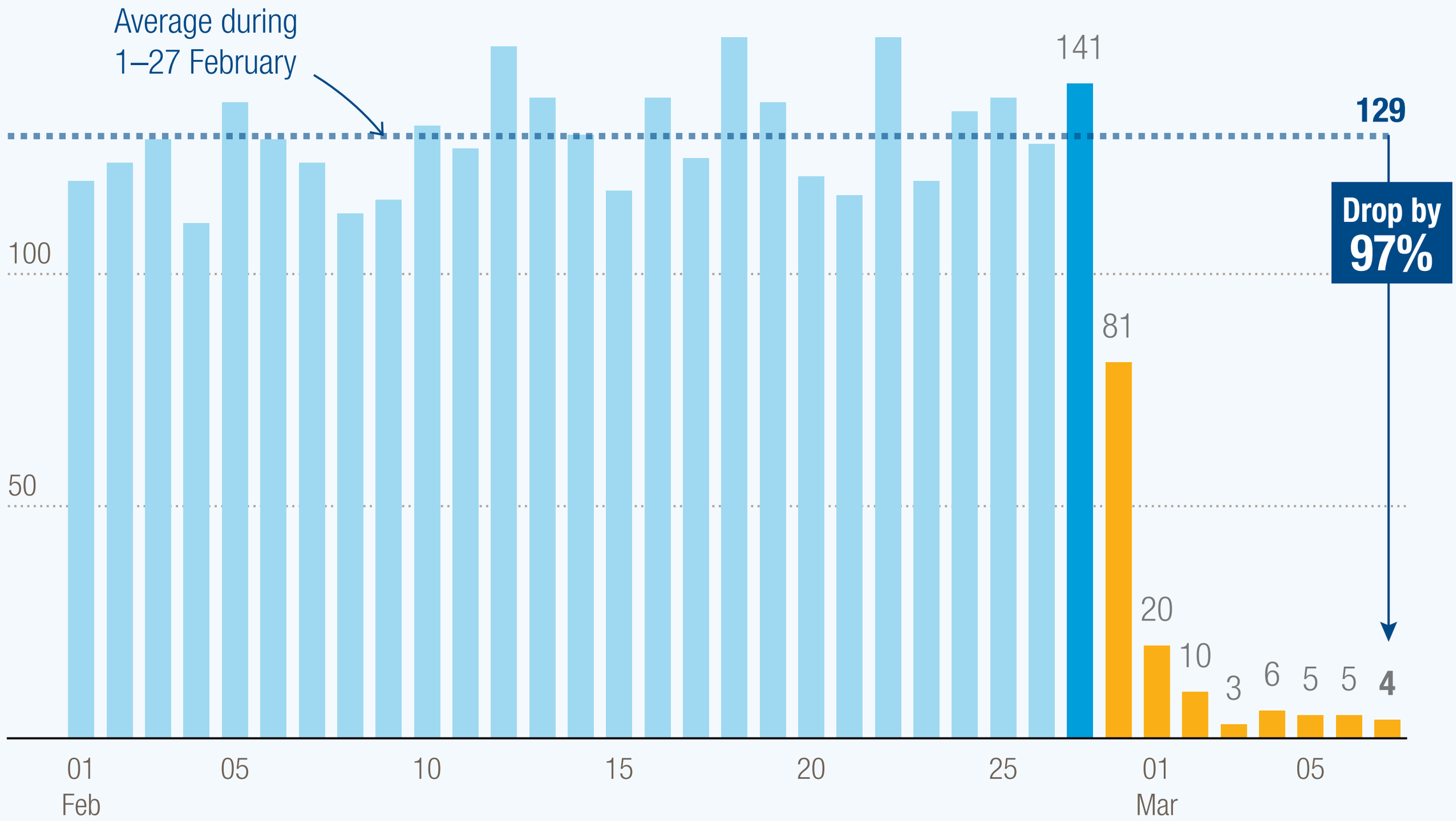


Source: UN Trade and Development, based on data provided by Clarksons Research 2026.

Notes: In 2024, total oil transported through the Strait was around 20 million barrels per day (bpd), or the equivalent of 25 per cent of global seaborne oil trade. Crude oil and condensate account for 14 million bpd and petroleum products for 6 million bpd. LPG: Liquefied Petroleum Gas, LNG: Liquefied Natural Gas, dry bulk includes grains.

But ship transits through the Strait of Hormuz have come to a near halt.

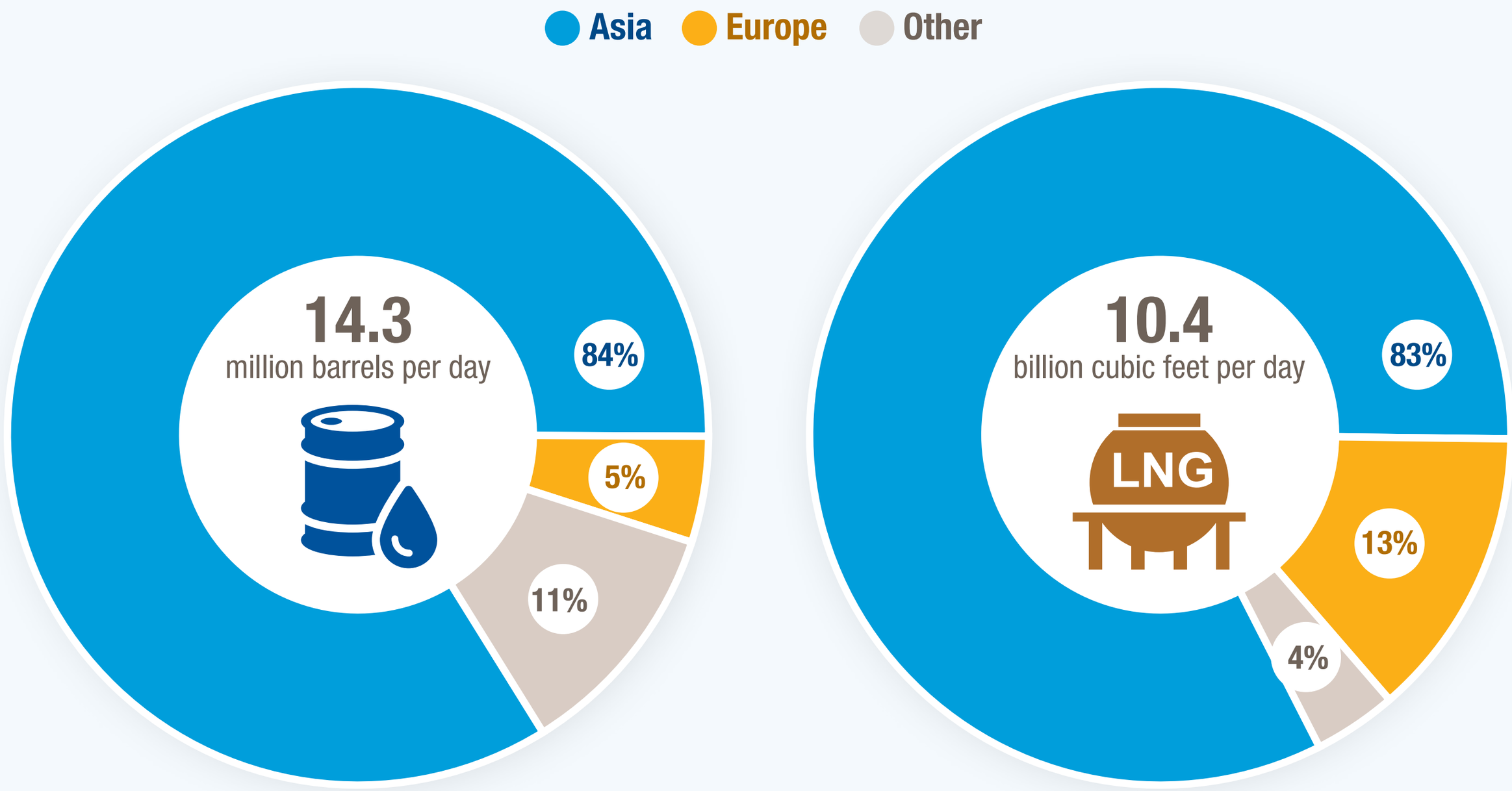
Total number of daily ship transits through Strait of Hormuz



Source: UN Trade and Development, based on data provided by Clarksons Research Shipping Intelligence Network.

Disruptions in the Strait compromise energy supplies, particularly to Asia.

Volume of crude oil and liquefied natural gas (LNG) transported through Strait of Hormuz in 2024 per day, by destination



Crude oil

Liquefied natural gas

Source: UN Trade and Development, based on U.S. Energy Information Administration (2025).

And energy markets have immediately reacted to the shock.

Daily oil and gas prices, 1 January 2024–9 March 2026

Between 27 February and 9 March 2026

+27%

+74%

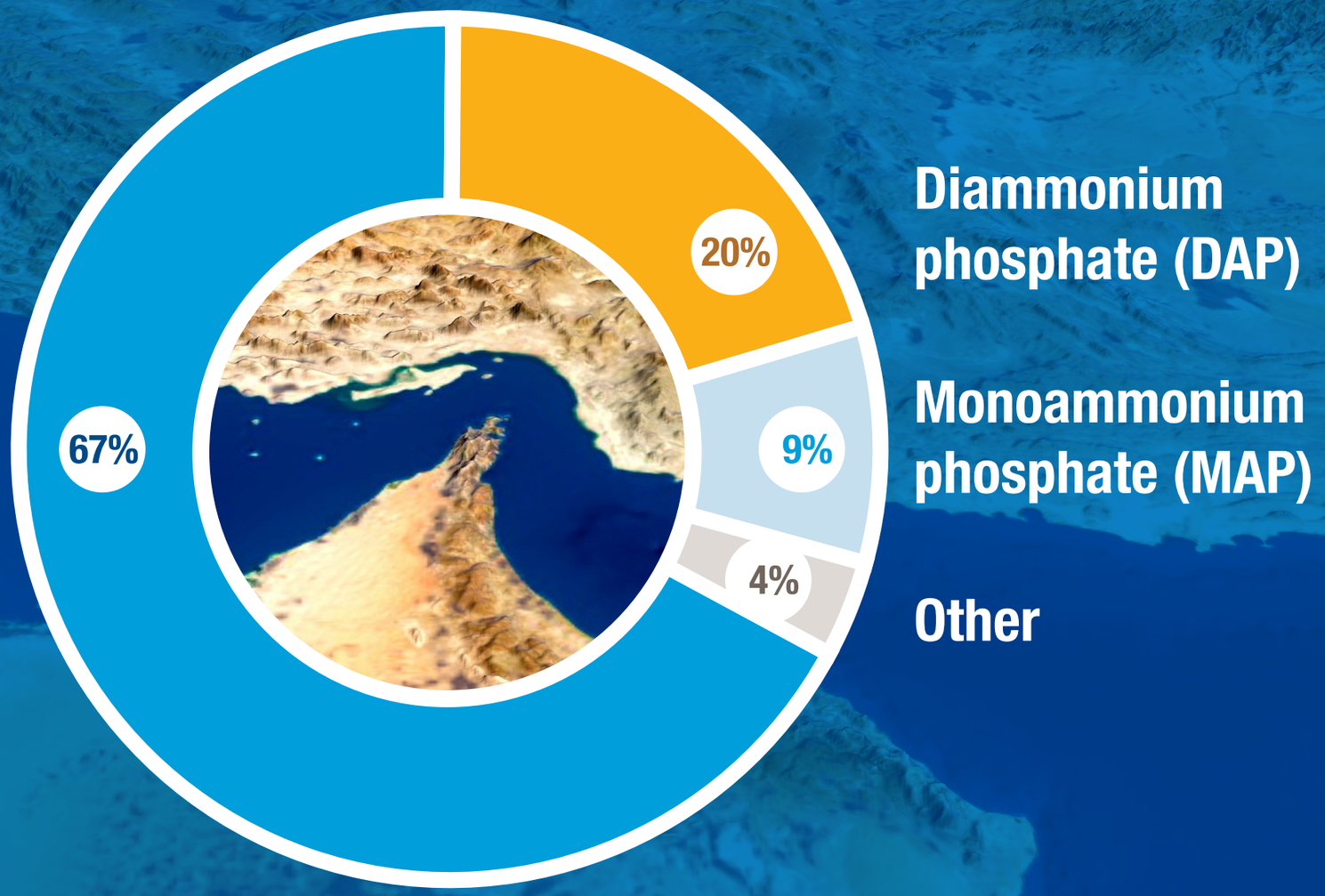
Source: UN Trade and Development, based on LSEG Data & Analytics.

Notes: Oil prices correspond to the price of crude oil, Brent, US$ per barrel. Gas prices correspond to Dutch TTF Natural Gas Futures, EUR per megawatt hour.

1/3

of global seaborne trade in fertilizers passes through the Strait.

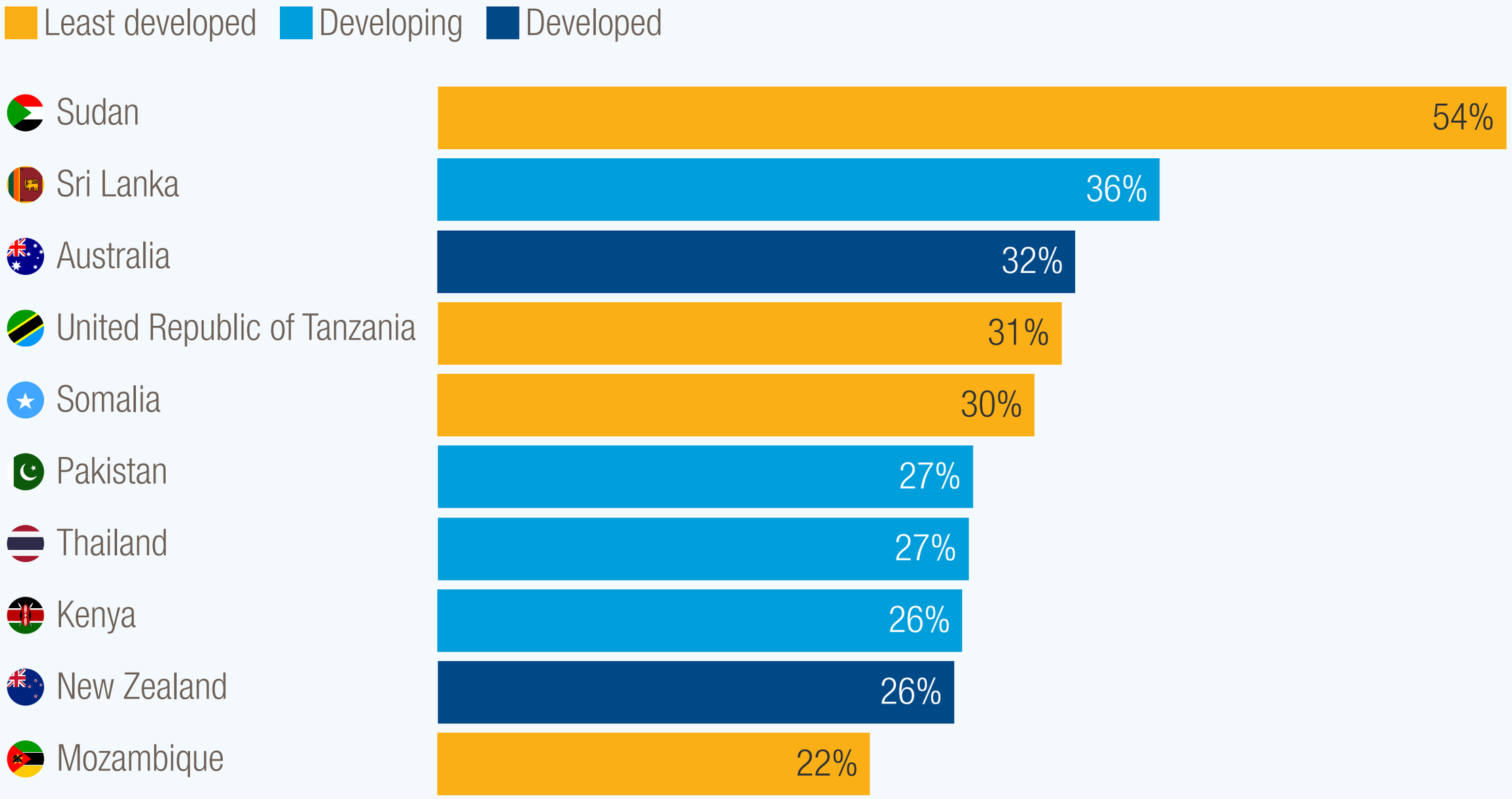
Types of fertilizers, 16 million tonnes, transported by sea from the Persian Gulf region in 2024



Source: UN Trade and Development, based on Kpler 2025 data and an unpublished detailed version of UNCTAD seaborne trade data. The published version of the data is available at https://unctadstat.unctad.org/datacentre/

Access to fertilizers may worsen for some of the poorest countries.

Share of fertilizers imported by sea and originating from the Persian Gulf region in 2024



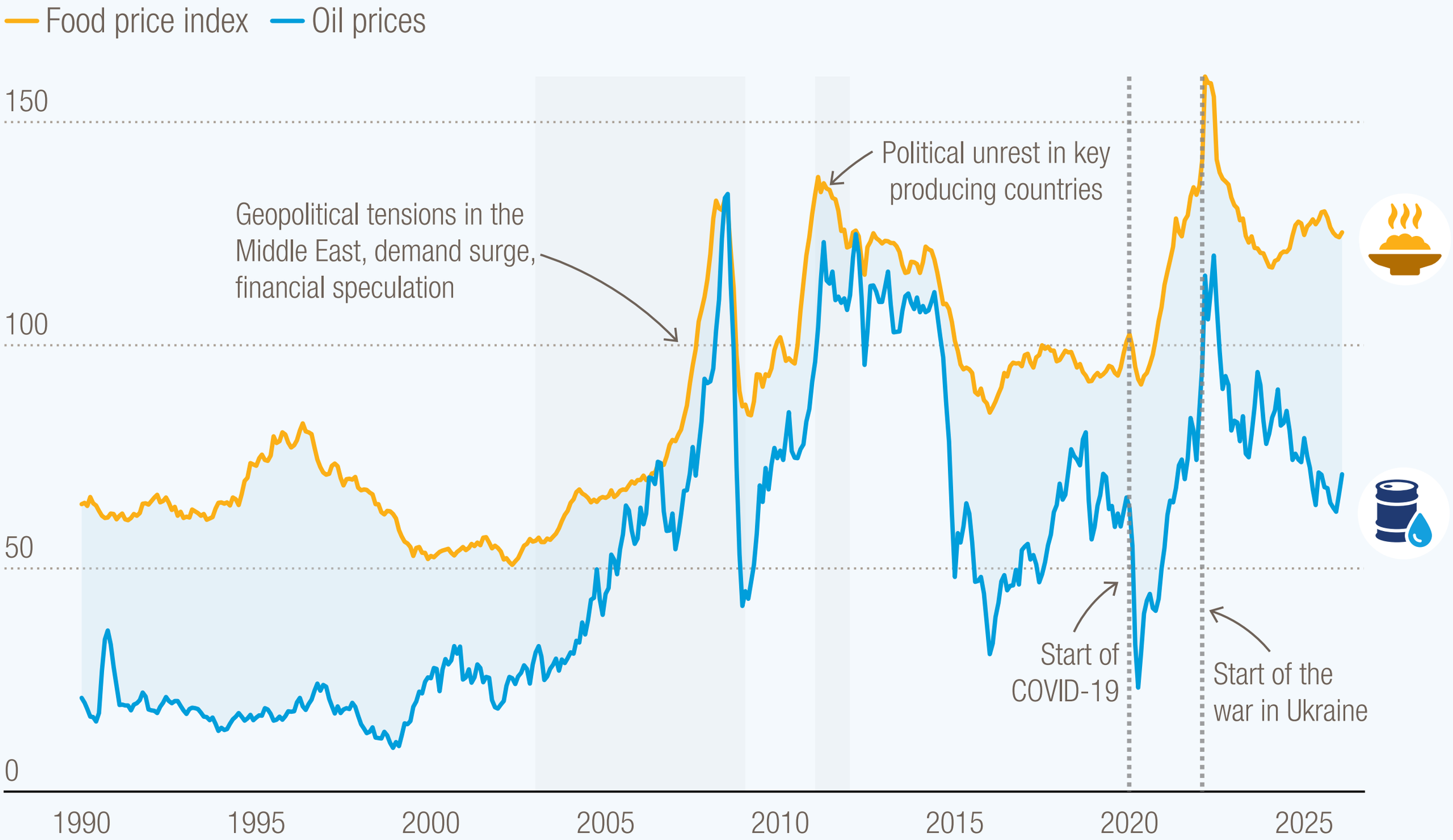
Source: UN Trade and Development, based on an unpublished detailed version of UNCTAD seaborne trade data. The published version of the data is available at https://unctadstat.unctad.org/datacentre/

Note: Fertilizer refers to HS code 31.

Ripple effects can travel far

When oil prices go up, food prices often go up.

Monthly food price index and crude oil prices, January 1990 to February 2026

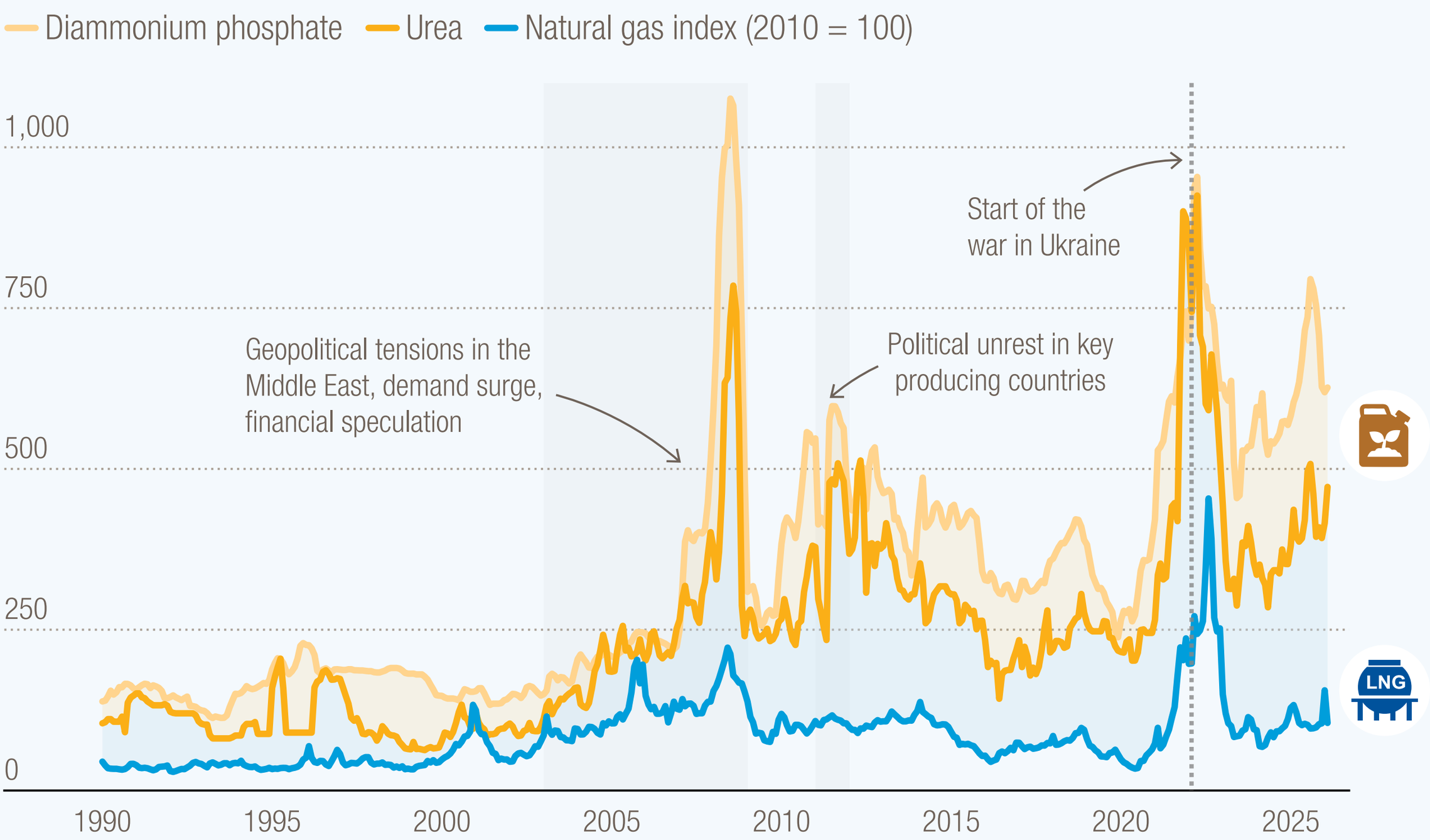


Source: UN Trade and Development, based on the FAO Food Price Index and the World Bank (Pink Sheet).

Note: Oil prices correspond to the price of crude oil, Brent, US$ per barrel.

When gas prices go up, fertilizer prices often go up.

Monthly natural gas price index and prices of selected nitrogenous fertilizers, January 1990 to February 2026

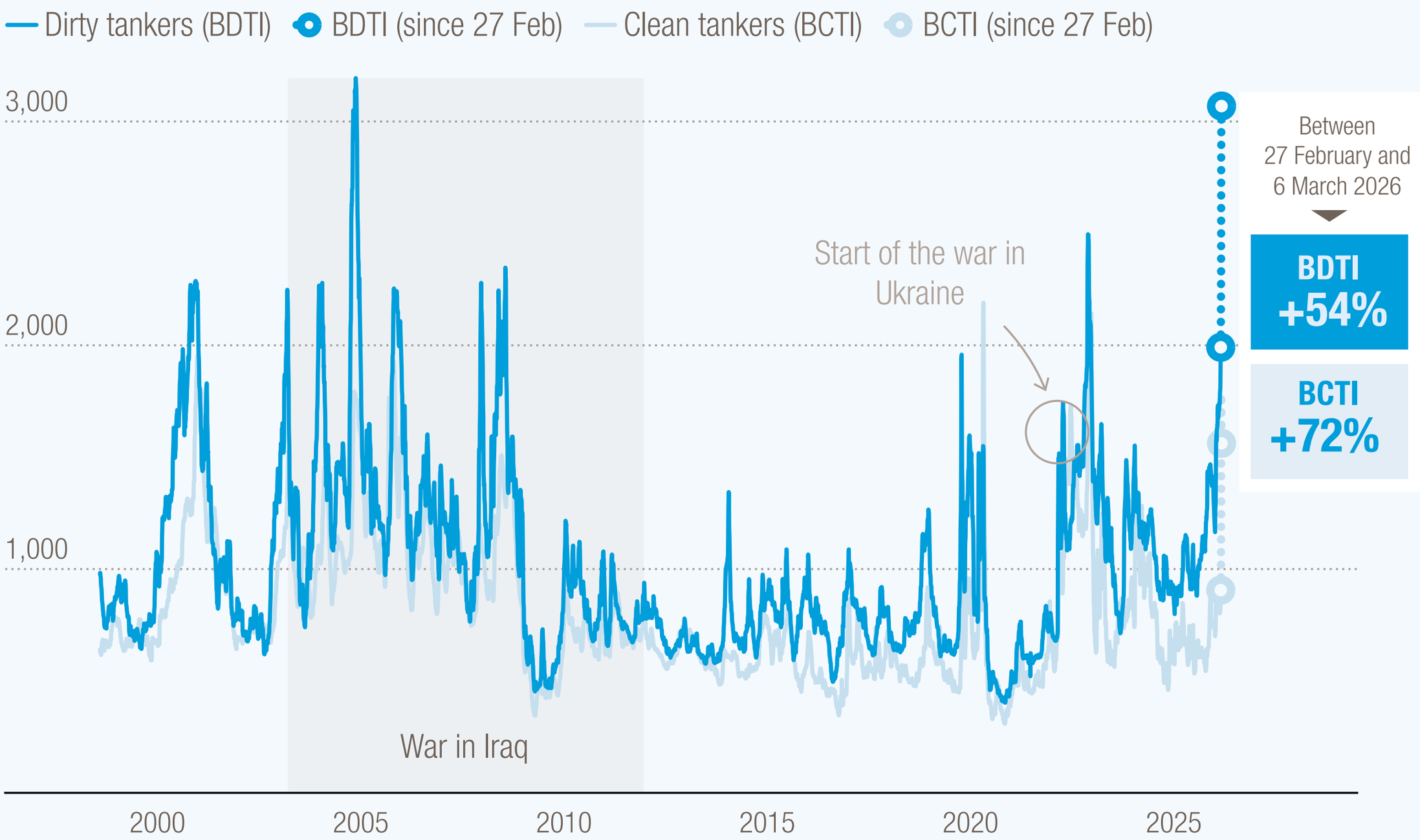


Source: UN Trade and Development, based on World Bank (Pink Sheet).

Note: Fertilizer prices in US$ per metric tonne. Natural gas index corresponds to the average gas prices of Europe, US and Japan (LNG), with weights based on 5-year average consumption volumes.

Freight costs for shipping oil are soaring to historic highs.

Daily Baltic Exchange Dirty Tanker Index (BDTI) and Clean Tanker Index (BCTI), August 1998–6 March 2026

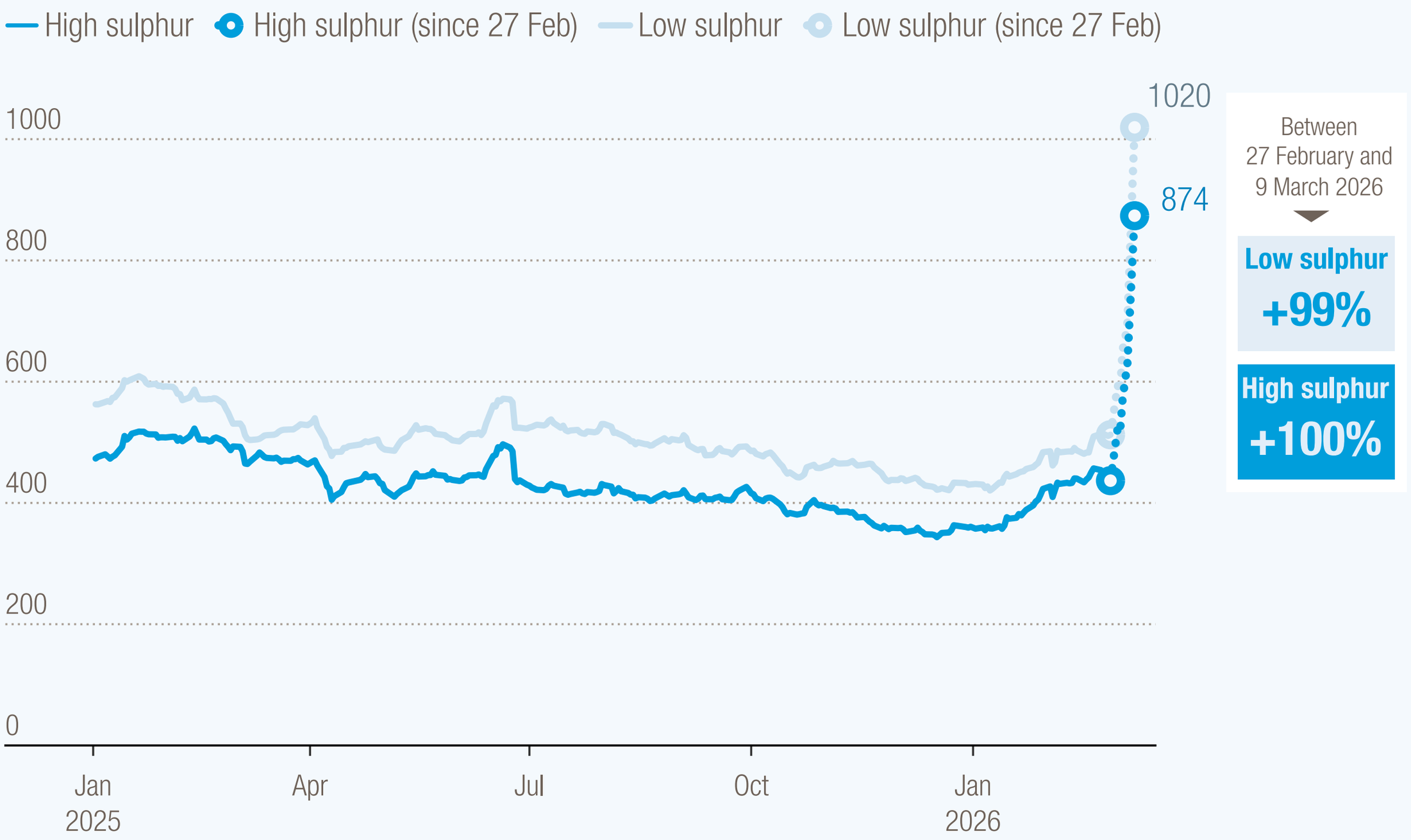


Source: UN Trade and Development, based on Clarkson Research Services Limited 2026.

Note: The BDTI and BCTI show the cost of shipping oil on a basis of the average costs of major shipping routes. Clean tankers carry lower-sulfur petroleum, including refined petroleum products. Dirty tankers mostly carry crude oil.

And the cost of marine fuel used by ships is rising too.

Daily bunker fuel prices in Singapore, US$ per tonne

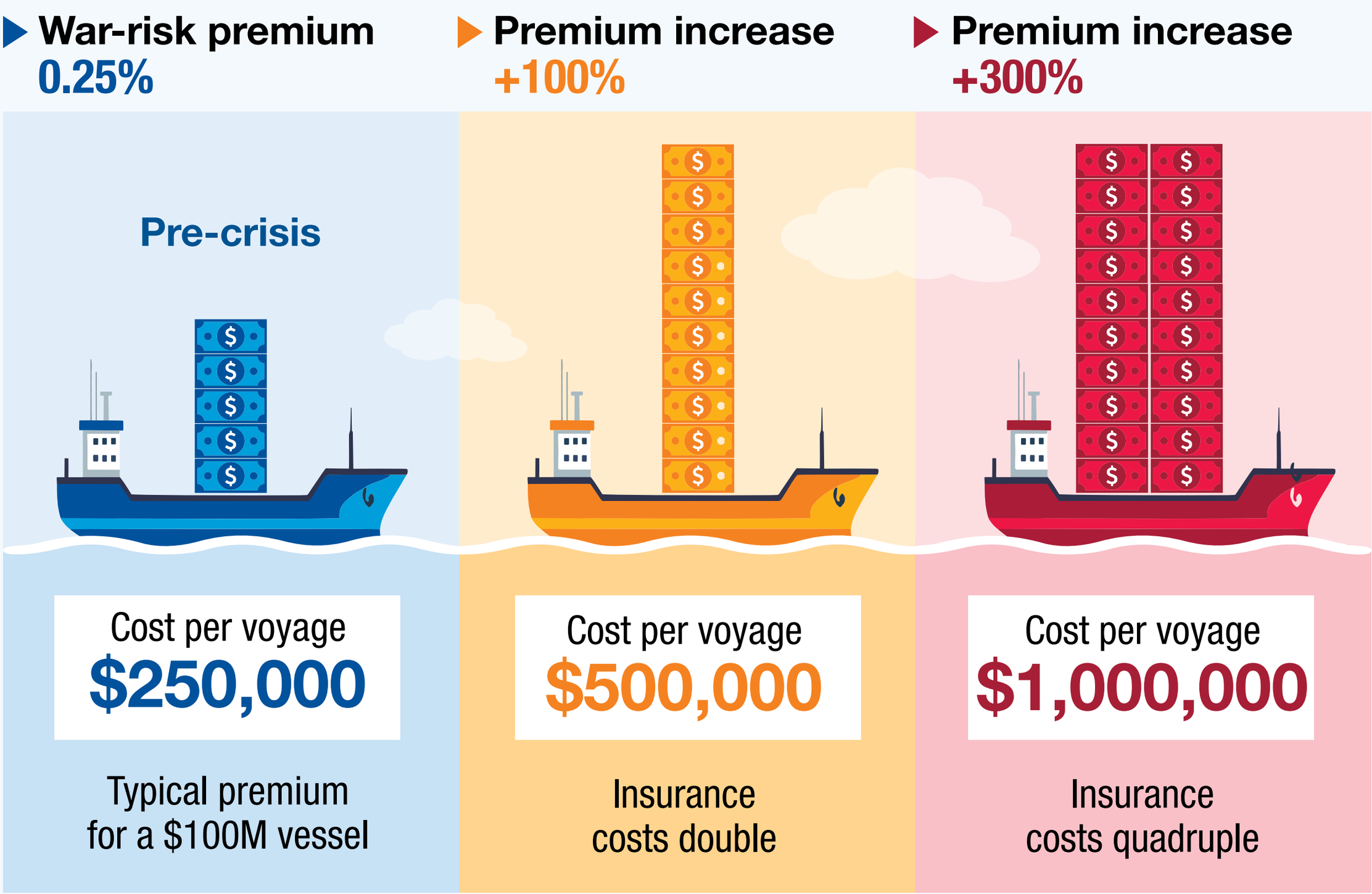


Source: UN Trade and Development, based on Clarkson Research Services Limited 2026.

Note: Singapore is the largest bunkering fuel port. Sulphur content of low sulphur fuel is capped at 0.5%, while it can reach up to 3.5% for high sulphur fuel.

War risk insurance premiums are surging, adding to the shipping cost.

Ship value used for calculation **$100 million**



Source: UN Trade and Development, based on Kpler, Lloyd's List and Marine Insight.

Note: Ship replacement value corresponds to a very large crude carrier (VLCC). War premiums refer to the Middle East.

Increased borrowing costs add to the potential economic burden of the disruption.

Bond yields (1 January 2026–9 March 2026), and their uptick since the military escalation (27 February 2026-9 March 2026)

Country	1 Jan–9 March (in %)	Increase in yields (in percentage points)	Bond yields on 9 March (in %)
Iraq	6.4 → 7.1	0.64	7.1%
Bahrain	6.3 → 7.0	0.41	7.0%
Jordan	6.0 → 6.4	0.24	6.4%
Oman	5.2 → 5.3	0.26	5.3%
Saudi Arabia	4.9 → 5.1	0.26	5.1%
Qatar	4.7 → 4.8	0.27	4.8%
United Arab Emirates	4.6 → 4.8	0.28	4.8%
Kuwait	4.3 → 4.4	0.28	4.4%

Source: UN Trade and Development, based on LSEG Data & Analytics.

Note: Lebanese bonds have been excluded as they defaulted. Yields refer to fixed-coupon, foreign-currency bonds (US$, EUR and Yen). Bonds within one year of maturity are excluded.

Key implications and considerations

1. **Disruptions in the Strait of Hormuz** underscore the vulnerability of critical maritime chokepoints to geopolitical tensions and their potential to transmit shocks across supply chains and commodity markets.

2. **Reducing risks to global trade and development,** including environmental risks, requires de-escalation and safeguarding maritime transport, ports and seafarers, and other civilian infrastructure, while maintaining secure trade corridors in line with international law and freedom of navigation.

3. **Economic impacts,** both globally and for the region, will depend on the duration, intensity and geographic scope of the tensions. Continued monitoring is essential to assess evolving risks and their potential impacts.

4. **Socio-economic implications for developing economies:** Many developing countries already face high debt service burdens, limited fiscal space and constrained access to finance. In this context, rising energy, transport and food costs could strain public finances and increase pressure on household budgets, potentially heightening economic and social pressures and complicating progress toward sustainable development, particularly in economies heavily dependent on imported energy, fertilizers and staple foods.

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