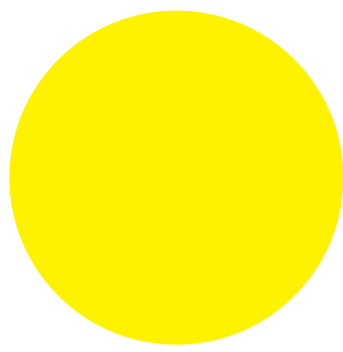


Tehran leads toll as 120 historic sites hit nationwide

2 >



Army, IRGC pummel enemy sites in fresh strikes as Yemen enters fray

Strategic centers in Tel Aviv, Haifa targeted by drones

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Israel to pay 'heavy price' for attacks on infrastructure: *Araghchi*

President warns regional states against acting as staging grounds for war

2 >



People gather around the site of an Iranian retaliatory missile that struck Arad, located 45 kilometers from Beersheba in the south of the occupied territories.

REUTERS

Steely resolve; Hormuz closure, ferocious payback, and global economy crunch



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OPINION EXCLUSIVE

As the world observes Iran's display of authority and resolve in the strategically pivotal Strait of Hormuz, the unequivocal message issued by Leader of the Islamic Revolution, Ayatollah Seyyed Mojtaba Khamenei — asserting the use of the strait as leverage and threatening the "seizure of assets" or "destruction of assets" of adversaries in the event of non-payment of reparations — has sent shockwaves through the global economy. This steadfastness not only reflects the firm determination of the Iranian nation to defend its interests but also demonstrates a nuanced understanding of power dynamics within the international arena. The directive for avenging the martyrs of Minab school and the surprise operation in Hormuz delivered a precise and calculated blow to the fleets supporting the Israeli regime, underscoring Iran's decisive posture in safeguarding its national interests. These actions — alongside the announcement of a review regarding conditional passage based on the 1958 Geneva Conventions and the 1982 Jamaica Convention — convey a clear message: Iran is not merely a participant subject to the rules but a

determining force in shaping them. The traffic-control parameters, encompassing the obstruction of American and allied vessels until complete strategic objectives are met, the continuation of the strait's partial closure pending compensation and cargo seizure, and ultimately the potential removal of sanctions in exchange for the release of detained tankers in India, constitute a multifaceted strategy integrating both military and economic dimensions. This approach, guided with precision and firmness under the new leadership, has communicated Iran's capabilities to the world in an indirect yet unmistakably assertive manner.

1. Closure of the Strait and escalating tensions

Hormuz as a Choked Artery: Iran's assertive policy has effectively resulted in the closure of the Strait of Hormuz. This action — combined with a legislative initiative concerning "sovereignty, control, surveillance, and the collection of tolls" — has placed the operational management of this strategic waterway squarely in Tehran's hands. Iran has instituted a new navigational order in the Strait, now functioning through a designated special-passage code (as reported by Lloyd's). The widespread suspension of commercial and oil tanker movements and the requirement to deactivate tracking systems have demonstrated Iran's deterrent capacity and maritime dominance.

A legislative proposal to formalize sovereignty, oversight, and tariffs on vessels transiting the strait is currently under review in the Iranian Parliament. At present, the movement of more than 350 commercial vessels and tankers—including 25 supertankers, 200 standard oil tankers, and 70 gas carriers—across the Persian Gulf, the Gulf of Oman, and the Strait of Hormuz has been halted. Iranian armed forces have assumed control of maritime routes, with vessels required to deactivate tracking systems. At the height of restrictions, daily traffic dropped to fewer than five authorized vessels.

Firm preparedness and global warning: Iran has declared readiness to assume the risks associated with potential mine-laying operations in the Strait. Additionally, in response to the possible authorization by the US Congress of ground operations against the Iranian islands of Qeshm, Hormuz, Kish, and Kharg, Iran has warned that any incursion would result in a complete and prolonged closure of the strait, accompanied by a destructive and irreversibly punitive response. The stated message epitomizing peak readiness is, "Advance if you dare; Iran has waited for years."

Expanding tensions and the Bab-el-Mandeb scenario: Peripheral incidents—including fuel-storage fires in Bahrain and a drone strike on a Turkish oil tanker in the Black Sea—indicate the spillover of tensions beyond the

immediate zone of conflict. The Bab-el-Mandeb Strait has emerged as the next potential pressure point, elevating geopolitical risks. Iranian armed forces' acquisition of detailed infrastructure maps of Saudi Arabia and Kuwait further underscores the strategic value of intelligence in this confrontation.

Peripheral events: The fire at fuel tanks in Bahrain's Al-Muharrraq Province following an airstrike (with no reported casualties) and the drone impact on a Turkish tanker carrying 140,000 tons of oil in the Black Sea highlight the widening reach of conflict-related disruptions.

2. Global economic consequences and energy markets

Volatility in oil prices and alarming forecasts: The closure of the Strait of Hormuz—through which over 20 million barrels of crude oil and condensates pass daily, accounting for roughly 20% of global oil consumption—has produced severe repercussions for global markets. Oil prices have surged to unprecedented levels, placing supply chains on the brink of collapse. Analytical forecasts have reached scenarios of USD 200 per barrel, reflecting deep concern over accelerating instability. Brent crude has risen by more than 27%, while WTI has climbed nearly 35%, demonstrating the market's acute sensitivity to supply disruptions

and geopolitical escalation.

Contradictory gains amid crisis: Russia's energy revenues have nearly doubled—from approximately USD 12 billion to nearly USD 24 billion—amid the crisis. Meanwhile, former President Trump's proposal to lift sanctions on Iranian oil has been interpreted by some U.S. outlets (USA Today) as advantageous to Iran. These developments underscore the fragile equilibrium in global energy markets.

Storage constraints and production decline: Due to halted exports triggered by the closure, Iraq's oil storage facilities have reached capacity, limiting further production (Reuters). This directly undermines global supply resilience during a period of extreme volatility.

Consumer nations activate emergency systems: South Korea and East Asian states, heavily dependent on West Asian energy, have activated emergency response mechanisms to manage energy shortages linked to the conflict. China, one of the world's largest energy consumers, has raised domestic gasoline and diesel price ceilings to their highest levels since March 2022 and suspended fuel exports—actions that tighten global supply conditions and amplify market anxiety.

Crisis spillover into food security: The economic disruptions have extended to global food systems. Granular urea prices in New Orleans—one of the most widely used

nitrogen fertilizers—have surged 89% since December, reaching USD 660 per ton (TKL). Rising agricultural input costs are expected to trigger worldwide food-price increases (Foreign Policy).

Strategic maritime chokepoints

Bab-el-Mandeb as the next pressure valve:

As another critical artery of global trade, the Bab-el-Mandeb Strait carries strategic significance. Following the closure of Hormuz, it has emerged as the next potential focal point of crisis, with over 10% of global merchandise trade and substantial oil and LNG flows passing through it.

Sources of heightened risk:

- The rising risks stem from:
- The closure of Hormuz and the search for alternative routes,
- An increasingly multipolar global order,
- The evolution of low-cost but high-impact threats,
- The concentration of global trade through narrow corridors, and
- High supply-chain sensitivity to delivery timelines.

Energy security reassessed: Recent developments underscore that energy security extends far beyond access to resources. It now encompasses diversification of sources, diversification of transit routes, infrastructure resilience, rapid shock-response capability, and societal adaptability to energy policy.

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