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US President Franklin Pierce signs the Gadsden Purchase, buying 29,670 square-miles (76,800 square km) from Mexico for \$10 million (now



Heats up Hormuz

Tensions surge at world's most vital oil chokepoint, threatening energy flows and maritime security

Oil transit hotspot

The strait is a vital corridor connecting the oil-rich Gulf with markets in Asia, Europe, North America and elsewhere.

According to the US Energy Information Administration (EIA), the Strait of Hormuz is "one of the world's most important oil chokepoints".

About one-fifth of global oil and petroleum product consumption flows through the strait averaging 20 million barrels per day in 2024, according to the EIA.

Around one-fifth of global liquefied natural gas trade also transited the Strait of Hormuz in 2024, primarily from Qatar, it said.

Saudi Arabia and the UAE have infrastructure to bypass the strait, potentially mitigating disruption, but their transit capacity remains very limited -around 2.6 million barrels

"Large volumes of oil flow through the strait, and very few alternative options exist to move oil out of the strait if it is closed," the EIA warned.

However, Iran "would gain little and lose a lot by actually doing it", economist and Gulf specialist Justin Alexander said in a post on LinkedIn.

More than 80 percent of the oil and gas moving through the strait is destined for markets in Asia, according to the EIA.

The move would draw retaliation and "undermine remaining alliances including with the GCC/Iraq, who would suffer the most severe economic impact, as well as oil and gas customers such as China." Alexander said, referring to the Gulf Cooperation Council.

China, a key backer of Tehran, buys more than 90 percent of Iran's oil exports, according to the analysis firm Kpler.

Thomas Juneau, a professor at the University of Ottawa, warned any closure "would block Iran's own oil exports, when its economy is already struggling".

The vital strait

¬he narrow, U-shaped seaway snaking between Iran and the Arabian Peninsula is the gateway for Gulf energy shipments to global

Closing the 50-kilometre (30mile) wide channel could spike oil to \$120 a barrel, according to Deutsche Bank research, raising prices of transport, food and utilities around the world.

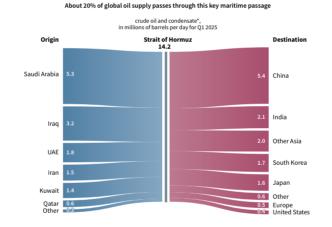
"It's in the best interest of all Middle Eastern countries to keep the Strait of Hormuz open and prevent any supply disruption," Rystad Energy senior analyst Lu Ming Pang wrote last week.

Currently, traders do not appear too concerned. Brent crude was trading at \$76 on Monday, little changed from pin. Friday's close.

"Looking at the oil price this morning, it is clear that the oil market doesn't assign a very high probability of (a closure) could hamper shipping. happening," said Bjarne Schieldrop, chief commodities analyst cide to do that," the official said. the Gulf in Bahrain, and Iran

Despite threats in the past, in- and China." loomed, it has not pulled the 200 fast patrol boats that can oil-producing country.

Oil flow through the Strait of Hormuz



pean official, the Iranians do sels, according to the Internanot have the means to block tional Institute for Strategic the strait "long-term", but they Studies.

The big question is whether be close to zero, the effect on Israeli warplanes and drones. Iran is prepared to detonate themselves immense, as well this economic hand-grenade. as on the United States, Europe in spite of sanctions, remain

fire anti-ship missiles or tor-According to a senior Euro- pedoes, plus mine-laying ves-

But the US Fifth Fleet, a major But "it would be a form of sui- naval force, is stationed across "The effect on Israel would remains under daily fire from

Iran's own energy exports, an important source of income

'Spillover'

Thina yesterday warned against "the spillover of war", urging the international community to do more to prevent the fighting from impacting the world's economy, noting the global importance of the Gulf maritime trade routes off the Iranian coast.

Oil prices briefly fell into the red on Monday after surging, as traders weighed possible retaliation by Iran.

US Secretary of State Marco Rubio called on China to help deter Iran from closing the Strait of Hormuz, a chokepoint for one-fifth of the world's oil supply.

The European Union's foreign policy chief, Kaja Kallas, said closing the strait would be "extremely dangerous". Russian President Vladimir Putin slammed attacks on Iran as "unprovoked" and "unjustified" in a Moscow meeting with Tehran's Foreign Minister Abbas Araghchi, without announcing any concrete support to his key ally in the Middle East.



US bases

age of potential targets.

13,500 US forces, while the big-that across the region, Iran on their soil would likely unigest US base in the region is Al Udeid in Qatar.

The US Fifth Fleet, covering the Gulf, Red Sea and parts of fraught for Iran as it risks isothe Indian Ocean, is based in lating itself from the powerful veiled warnings to these states, personnel are stationed at Al Dhafra Air Base in the United ington. "Tehran is unlikely to or intelligence disruptions tar-Arab Emirates.

in the Iran-Israel war risks at- er at King's College London. while raising the cost of intacks "on US interests, US bases

With United States mil- and such across the region", itary bases spread said Renad Mansour, senior Sauaround the Gulf countries to research fellow at Chatham di Ara-Iran's west, there is no short- House. "The US attack on Iran bia as quiet has now meant that this war enablers of the Kuwait, in a legacy of the is between Israel, the United US-Israeli axis, Iran 1990 Gulf war, houses about States and Iran, which means understands that any attack may seek to target the US," he fy them against it and open added.

However, this option is also military presence. Bahrain, and about 3,500 US Gulf monarchies that enjoy use regional proxies to presgood relations with Wash- sure them, or engage in cyber Increased US involvement Andreas Krieg, a senior lectur-taining plausible deniability

"Even as it sees the UAE and volvement."

the door for greater American

"Instead, Iran may issue strike Gulf Arab states," said geting their interests -- main-

Nuclear stockpiles

The UN's International Atomic Energy Agency demanded Monday the return of inspectors to Iran's nuclear sites in a bid to "account for" its highly enriched uranium stockpiles.

"Allow IAEA inspectors... to go back to Iran's nuclear sites and account for the stockpiles of uranium" including the "400 kilograms enriched to 60 percent", said agency chief Rafael Grossi.

At an emergency meeting of the organisation's headquarters in Vienna, he said Tehran had sent him a letter on June 13 announcing the implementation of "special measures to protect nuclear equipment and materials".

Bahrain suspends air traffic 'temporarily' after Iran attack on US base in Qatar

southern Arizona and New Mexico)

- Iran National **Security Council** confirms targeting of US base in Qatar
- Qatar says 'reserves right' to respond after Iran attack: statement
- Iran says attack on US base does not 'pose any threat' to Qatar
- Qatar says 'successfully intercepted' missiles targeting US base

Iran National Security Council confirms targeting of US base in Qatar

AFP | Tehran, Iran

Tran's National Securi-**⊥**ty Council confirmed it had attacked a major US military base in Qatar yesterday in retaliation for American strikes on its nuclear facilities, adding its response did not "pose any threat" to its Gulf neighbour.

"In response to the US aggressive and insolent action against Iran's nuclear sites and facilities, a few hours ago, the powerful armed forces of the Islamic Republic of Iran struck the US air base in Al-Udeid, Qatar," the council said in a statement, adding that the number of missiles used "was the same as the number of bombs that the US had used in attacking Iran's nuclear facilities".

"This action does not pose any threat to our friendly and brotherly country, Qatar," it added.

Several explosions heard in **Tehran: AFP** iournalist

Tehran, Iran

A series of explosions was heard Monday night in the north of Tehran, according an AFP journalist, just as Iran announced it was launching missiles at US bases in retaliation for American strikes on nuclear facilities.

The journalist reported yellow flashes typical of Iranian air defences in the sky over Tehran shortly before 9:00 pm