



By: TA | AP Insight

Iran's stranglehold on Strait of Hormuz loosens



Iran's stranglehold on the Strait of Hormuz may be easing — and its own oil problems now seem to be mounting.

The crucial strait at the mouth of the Persian Gulf, through which a fifth of the world's oil and natural gas supplies once passed, has been effectively shut by Iran's attacks on shipping since the start of the war in February.

Even with much of its navy sunk, just Iran's threat to attack made **shippers and insurers hesitant** to send vessels through the strait. The resulting energy crunch has fueled global inflation, **including in the U.S.**

The situation, however, appears to be shifting. Analysts say more oil from Gulf Arab states appears to be getting out to market, with the help of the U.S. military. U.S. President Donald Trump says a "secret mission" to provide overwatch for ships got more than 100 million barrels of crude oil out.

Meanwhile, American forces imposing a blockade have repeatedly shot at or stopped ships associated with Iran's sanctioned oil trade, affecting the country's ability to get the hard currency it needs.

The flow of oil remains below the 15 million barrels a day that once came through the strait. So it won't satiate the global energy market, especially as nations draw down their reserves, which have been used to somewhat cushion the blow to world supplies.

But if the flow can be sustained or ramped up, it could change the calculus of the crisis. Iran's ability to **hurt the world economy** with its grip on the strait has been its greatest advantage, giving it confidence it can outlast the U.S. even as the war and American blockade wreaked heavy damage on its economy.

Iran increasingly is feeling the pressure.

"We are currently under sanctions, and our routes have been blocked. We face a difficult test," President Masoud Pezeshkian said in a live address on state television Wednesday. "Governing the country is not an easy task

under the current circumstances, given the shortages we face, the unrest we have experienced and the problems that remain."

Still, the course of the conflict remains highly uncertain. This week saw days of intense fire between Iran, Israel and the United States.

Trump on Thursday threatened to seize the oil export terminal of **Kharg Island** and bomb the Islamic Republic even more intensely, then suddenly pulled back and once again claimed a breakthrough in negotiations to end the war.

A 'secret mission' goes public

Getting the strait open and oil flowing has been a key priority for Trump — though he has seemed at times to flail for ways to make it happen.

After initially telling allied nations that the strait wasn't America's concern and to "**go get your own oil**," Trump turned to threatening to do everything up to the destruction of "**a whole civilization**" to get tankers out through the waterway again.

It appears that in recent weeks, rising confidence in U.S. military support and the growing need for supplies convinced shippers to hazard the risk of running the strait, using stealthy methods.

Most likely, the ships have gone through by going "dark," meaning they've turned off their tracking systems.

TankerTrackers.com, a website tracking the oil trade at sea, said it had also seen ship-to-ship transfers by Gulf Arab states this past weekend, trying to obscure the source of their crude and run through the strait without being detected by Iran. That's likely with the support of the American military.

Kpler, a firm monitoring commodities markets, has tracked some 96 million barrels of non-Iranian crude oil exports getting out of the region since early May, either through the strait or via export options in the Gulf of

Oman, said Amena Bakr, an analyst at Kpler.

Including cargoes still loading, she said, it would likely exceed 100 million barrels, “broadly consistent with Trump’s claim.”

U.S. forces are conducting a limited overwatch operation to help ships through the southern part of the strait near the coast of Oman - Richard Meade

Trump gave the 100 million barrel figure in online posts Wednesday, in which he said more than 200 vessels had traveled through the strait thanks to “a secret mission” to support tankers and other ships.

“This wildly successful effort is because the UNITED STATES of AMERICA CONTROLS the Strait of Hormuz – NOT Iran,” Trump wrote.

U.S. forces are conducting a “limited overwatch operation using autonomous vehicles, aircraft and drone escorts to help ships through the southern part of the strait near the coast of Oman,” said Richard Meade, the editor-in-chief at the Lloyd’s List Intelligence maritime data company.

The U.S. Army AH-64 Apache attack helicopter that crashed this week off Oman after allegedly being hit by an Iranian drone “was probably part of that operation,” he said in an online webinar Thursday.

Iran has said the strait is closed after this week’s exchanges which saw two days of American airstrikes on Iran and Iranian retaliatory strikes on Bahrain, Kuwait and Jordan – nations that host American troops.

Iranian Foreign Minister Abbas Araghchi on Wednesday insisted the strait wasn’t an international waterway, despite being considered as one by the world.

US blockade squeezes Iran's oil industry

As the U.S. pushes Gulf Arab states' tankers out, it continues to block Iranian ones from entering or leaving the strait. That has included shooting into vessels to stop them, like the attack Wednesday that **killed three Indian sailors**.

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Iran also apparently has been forced to **slow or stop its production of oil** at some wells, which experts warn can be dangerous, since older wells like those Iran has may not be able to be started again after stopping.

The energy firm Wood Mackenzie believes Iran’s output has fallen by 800,000 barrels a day since the American blockade began. Meanwhile, the amount stored onshore is estimated to be 69 million barrels, the highest level since Trump’s “maximum pressure” campaign in 2020.

“The mounting economic cost of falling output, restricted exports and tightening storage capacity is increasing pressure on Tehran to seek a diplomatic solution,” Alexandre Araman of Wood Mackenzie said. “For Iran, even a temporary diplomatic breakthrough could provide immediate relief.”

Oil prices have remained under \$100 a barrel, in part over Trump’s promises of a deal and other countries using reserves and tightening their use of oil.

China, long a major buyer of Iranian sanctioned oil, saw its seaborne crude oil

imports drop to 6.8 million barrels a day in May, its lowest level since October 2016, according to Kpler.

That's bought Trump and the global economy a bit more time, but a deal likely would need to be reached soon to avoid the energy crisis becoming dire in the coming months.