Congressional Research Service
Informing the legislative debate since 1914

Iran Conflict and the Strait of Hormuz: Impacts on Oil, Gas, and Other Commodities

Updated March 11, 2026

Congressional Research Service
https://crsreports.congress.gov
R45281

CRS REPORT
Prepared for Members and
Committees of Congress

Congressional Research Service
Informing the legislative debate since 1914

Iran Conflict and the Strait of Hormuz: Impacts on Oil, Gas, and Other Commodities

U.S. and Israeli military operations against Iran since February 2026 and subsequent Iranian military action throughout the Persian Gulf have raised concern about oil and natural gas markets in relation to the Strait of Hormuz (the Strait). Starting on March 4, 2026, Iranian forces have declared the Strait "closed," threatening and carrying out attacks on ships attempting to transit the Strait. In light of a considerable decrease in shipping traffic, President Donald Trump has raised the prospect of U.S. actions intended to reestablish free transit of the Strait.

The Strait, which borders Iran and Oman, is a key waterway, particularly for the transit of oil and natural gas and other commodities—including helium, fertilizers, and other industrial products—to world markets. Roughly 27% of the world's maritime trade in crude oil and petroleum products goes through the Strait. Additionally, 20% of global liquefied natural gas (LNG) trade passes through the Strait. The Strait's role as a critical conduit for oil and natural gas resources to reach global markets establishes its importance to the global economy.

Iran's extensive Persian Gulf coast and its military capabilities have long given Iran the potential ability to project power throughout the region, including over energy trade. Iran's threatened and actual attempts to disrupt energy commerce in the Gulf have carried strategic benefits and risks for Tehran, including by bringing Iran into direct conflict with the United States in 1987-1988.

SUMMARY

R45281

March 11, 2026

Michael Ratner, Coordinator
Specialist in Energy Policy

Phillip Brown
Specialist in Energy Policy

Liana W. Rosen
Specialist in International Sanctions and Financial Crimes

Clayton Thomas
Specialist in Middle Eastern Affairs

A prolonged disruption of Middle East oil trade would create oil market conditions for which there is no historical precedent. The efficacy of emergency response measures could be tested up to their design limits. Oil prices would likely experience significant upward price pressure. Exactly how high and for how long prices might be elevated is uncertain and would be determined by the amount of time needed to normalize Middle East oil trade. That said, the international benchmark, Brent, immediately jumped 8% from $71.32 per barrel on February 27, 2026, to $77.24 per barrel on March 2, 2026, the two trading days before and after the United States and Israel began military operations. As the conflict has continued, prices have gone up much higher, at one point breaking the $100 per barrel mark.

In the context of the February-March 2026 conflict, daily prices of natural gas in the United States have stayed relatively flat compared with daily prices of natural gas in Asia and Europe. Prices in Asia and Europe, respectively, have gone up almost 54% and 63% over the week before operations began. U.S. prices went up 7% between February 27 and March 2, the trading days immediately before and after military operations began.

Iran has been assessed to have the capacity—via the threatened or actual use of mines, speed boats, submarines, shore-based cruise missiles, aircraft, and other systems—to disrupt the flow of commercial shipping into and out of the Persian Gulf. Prior to the onset of conflict in February 2026, there appears to have been consensus among analysts that the U.S. military has the capacity to counter Iran's forces and restore the flow of shipping, if necessary. However, such an effort would likely take some time—days, weeks, or perhaps months—depending on what forms an Iranian attempt to close the Gulf to shipping might take. War risk insurance has increased significantly since the fighting began on February 28, 2026. On March 3, 2026, President Trump stated that he had ordered the provision of political risk insurance to "ALL Maritime Trade" and said that the U.S. Navy could escort commercial vessels through the Strait "if necessary."

Contents

Figures

Tables

Appendixes

Contacts

Introduction

U.S. and Israeli military operations against Iran since February 2026 and subsequent Iranian military action throughout the Persian Gulf (the Gulf), have raised concern about oil and natural gas markets in relation to the Strait of Hormuz (the Strait).[1] Similar concerns were raised during the conflict in June 2025 involving Iran, Israel, and the United States.[2] The Strait is a key waterway for the transit of oil and natural gas to world markets. It sits at the entry point to the Persian Gulf from the Gulf of Oman; Iran lies to its north and Oman to its south.[3] (See **Figure 1**.)

Beginning on March 4, 2026, Iranian forces have declared the Strait "closed," threatening and carrying out attacks on ships attempting to transit the Strait. The U.K. Maritime Trade Operations Centre reports 10 attacks on ships as of March 8, 2026.[4] The attacks have killed five crew members on two vessels thus far. The U.S. Maritime Administration in the Department of Transportation has issued an alert for ships to stay 30 nautical miles from any U.S. Navy vessel.[5] In light of a considerable decrease in shipping traffic, which is essentially at a standstill both inside and outside the Strait, President Donald Trump has raised the prospect of U.S. actions intended to reestablish free transit of the Strait.

Historically, Iran has claimed to be the overseer of the Strait with the ability to "close" the Strait, and it has threatened to do so several times over the past two decades.[6] Iran mined the Strait in the 1980s, prompting U.S. military action, and has periodically harassed and attacked ships transiting the narrow waterway. (See the **Appendix** for additional information about events involving Iran and the impacts of those events on oil prices.) Unless and until clear alternatives to the Strait develop with significant capacity for moving Gulf oil, natural gas, and other commodities to world markets, the importance of the Strait for the global economy is unlikely to diminish. Additionally, ocean carriers are diverting their ships away from the Red Sea and Suez Canal route, and instead sailing the much longer route around the tip of South Africa, anticipating that Iran-backed Houthi rebels may attack ships sailing the Red Sea.

War risk insurance policies held by the owners of ships sailing in the region reportedly have a 72-hour cancellation clause at the discretion of the insurance providers when a conflict ensues.[7] This allows insurers to recalibrate the risk, and they reportedly have in this case, resulting in premiums that are four or five times greater than they were previously.[8]

[1] For more information on the military operations, see CRS Insight IN12662, *U.S. and Israeli Military Operations Against Iran: Issues for Congress*, by Clayton Thomas et al. The Persian Gulf is also known as the Arabian Gulf.

[2] For additional information on the conflict between Iran and Israel, see CRS In Focus IF13032, *Israel-Iran Conflict, U.S. Strikes, and Ceasefire*, by Clayton Thomas and Jim Zanotti.

[3] Prior to his trip to the Middle East in May 2025, President Trump raised the idea of renaming the Persian Gulf as the Arabian Gulf.

[4] UKMTO, "Recent Incidents," accessed March 8, 2026, https://www.ukmto.org/recent-incidents.

[5] Maritime Administration, MSCI Alert, "2026-001A-Strait of Hormuz, Persian Gulf, Gulf of Oman, and Arabian Sea-Military Operations and Potential Retaliatory Strikes by Iranian Forces," https://www.maritime.dot.gov/msci/2026-0001b-strait-hormuz-persian-gulf-gulf-oman-and-arabian-sea-military-operations-and.

[6] J. David Goodman, "Iran Warns U.S. Aircraft Carrier Not to Return to Gulf," *New York Times*, January 4, 2012.

[7] Lloyd's List, "No, P&I Clubs Have Not 'Cancelled War Risk Cover,'" March 4, 2026.

[8] Lloyd's List, "No, P&I Clubs Have Not 'Cancelled War Risk Cover,'" March 4, 2026.

Congressional Interest and Context

Congress is interested in any potential closure or threat of closure of the Strait of Hormuz because such a closure could impact global prices for oil, natural gas, and other commodities, among other impacts. Congressional concern has risen in the wake of the February-March 2026 conflict as regional stability remains uncertain. This concern could prompt congressional oversight regarding the possible consequences of a Strait closure on world oil and gas prices, and related U.S. policy options, including military action or sanctions.

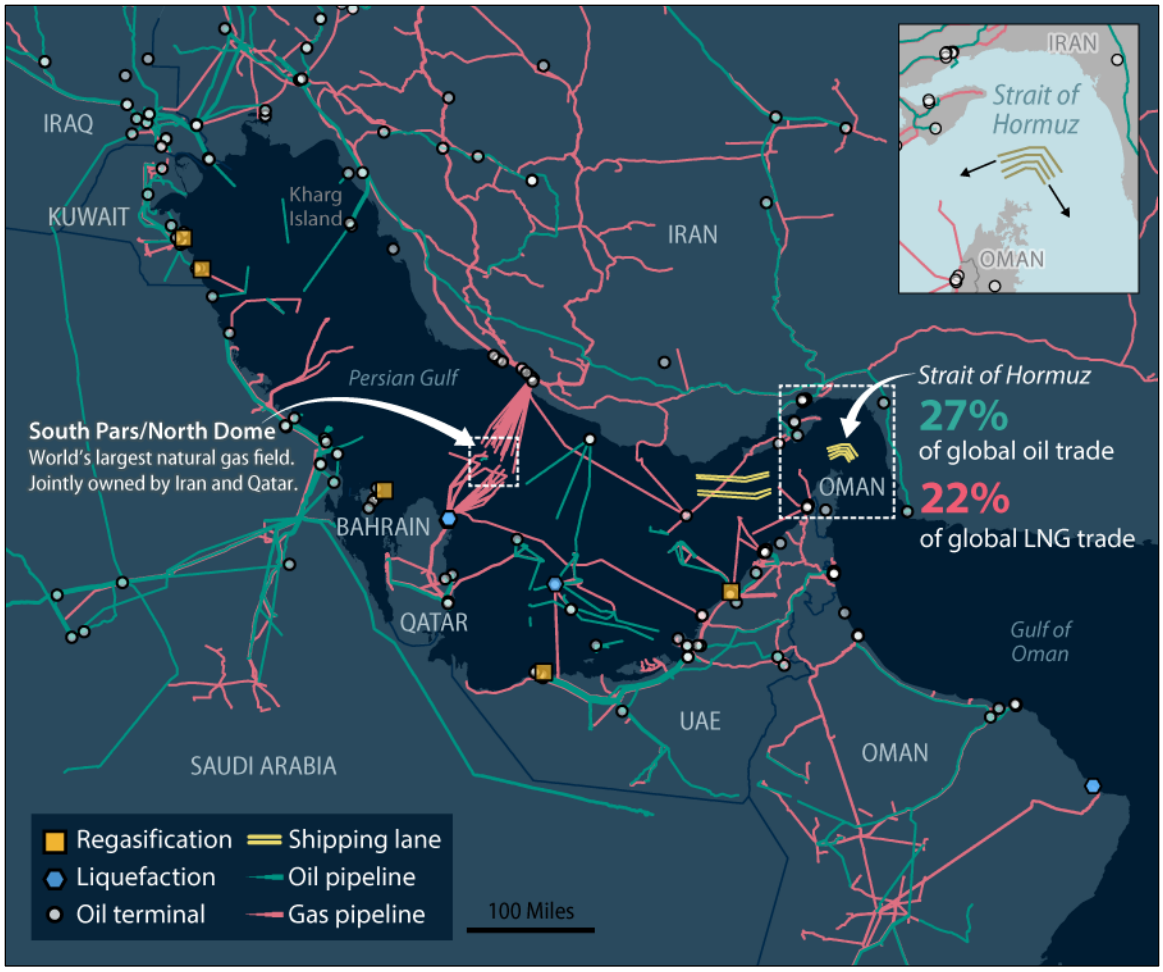
On June 24, 2025, the military's role in keeping the Strait open was raised in a Senate confirmation hearing.[9] In 1987-1988, U.S. military operations in the Gulf to counter Iranian threats to international shipping prompted congressional action, including multiple hearings. Some Members of Congress also introduced legislation at that time to require Administration reports on U.S. military plans in the Gulf (Section 8 of P.L. 100-71) and to call for U.S. partners to reimburse the United States for military operations in the Gulf (H.Res. 249 and S.J.Res. 213). The June 2025 conflict with Iran, which did not include active Gulf maritime hostilities as was the case in 1987-1988, did not prompt similar congressional action.

The Importance of the Strait of Hormuz for Global Energy Markets

The Strait of Hormuz is the narrow waterway that forms the entrance to the Persian Gulf from the Gulf of Oman and ultimately the Arabian Sea. At its narrowest point, it is 22 nautical miles wide and falls within Iranian and Omani territorial waters. There are two shipping lanes through the Strait, one in each direction. Each is two miles wide and they are separated by a two-mile buffer.

[9] U.S. Congress, Senate Committee on Armed Services, Hearing to Consider the Nominations of: Vice Admiral Charles B. Cooper II, USN to Be Admiral and Commander, United States Central Command; and Lieutenant General Alexus G. Grynkewich, USAF to Be General and Commander, United States European Command and Supreme Allied Commander, Europe, 119th Cong., 1st sess., June 24, 2025, 1:36:28, https://www.armed-services.senate.gov/hearings/to-consider-the-nominations-of_vice-admiral-charles-b-cooper-ii-usn-to-be-admiral-and—commander-united-states-central-command-and—lieutenant-general-alexus-g-grynkewich-usaf-to-be-general—and-commander-united-states-european-command-and—supreme-allied-commander-europe.

Figure 1. The Persian Gulf Region, Including Selected Energy Infrastructure



Source: Compiled and modified by CRS using S&P Global subscription service.

Notes: Locations of icons are indicative and are not precise locations. Icons may also represent an oil or natural gas complex with additional infrastructure or multiple units. LNG = liquefied natural gas.

The Strait of Hormuz is a key transit point for global oil and natural gas markets. The narrowness of the Strait, lack of alternative seaborne routes, limited land-based bypass capacity, and historical vulnerabilities during conflicts have made it a prominent chokepoint for oil and natural gas shipping. It would be challenging to replace volumes of both commodities if the Strait were closed, particularly in the short term.

Oil: Still of Greatest Importance

Oil production, trade, and refining in the Middle East are critically important for global oil markets. The region hosts more than 30% of world crude oil production, more than 75% of standby crude oil production capacity, and approximately 11% of refining capacity.[10] Further,

[10] Crude oil production data from Energy Institute, "Statistical Review of World Energy," 73rd ed., 2024. Spare production capacity data from International Energy Agency (IEA), *Oil Market Report*, February 12, 2026.

more than 40% of global crude oil exports and more than 20% of oil product exports depart from countries located in the broader Middle East region.[11]

Most of these oil exports are loaded in the Gulf and transit the Strait of Hormuz for delivery to buyers in Asia, including China, India, South Korea, and Japan. However, oil supply disruptions in the Middle East region could affect oil prices throughout the world, including crude oil, gasoline, and diesel fuel prices in the United States. The magnitude of actual price effects, and the resulting impacts on inflation and broader economic conditions, would be a function of the size and duration of an actual supply disruption; the ability to reroute oil exports from the region; and the ability of spare production capacity, emergency response measures, and commercial inventories elsewhere to compensate for Middle East supply losses.

During calendar year 2024, approximately 20 million barrels per day of oil (crude oil and petroleum products) moved through the Strait of Hormuz.[12] These volumes represented approximately 27% of global maritime oil trade and roughly 20% of world petroleum liquids consumption in 2024.[13]

Middle East oil supply disruptions could take many forms, including threats to oil production and trade; kinetic attacks on oil production, storage, refining, pipeline, and export infrastructure; targeted attacks on oil tankers; and attempts to halt oil transit through the Strait. While each scenario could affect oil supply and prices in various ways, prohibiting all oil shipments through the Strait of Hormuz would materially affect global oil supply and could result in rapid price escalation for crude oil and petroleum products as buyers attempted to source oil from other suppliers, commercial inventories were drawn down, and markets sought price equilibrium. Exactly how long prices might remain elevated would be determined by the duration of an effective closure of the Strait, including the time necessary for oil tankers and insurance providers to regain confidence operating in the region.

While the likelihood of a complete closure is uncertain, a sustained 20-million-barrels-per-day oil supply disruption could motivate several international market and government responses. First, Middle East oil exporters could look to bypass the Strait by rerouting oil movements, as has been seen since the beginning of hostilities in late February. Saudi Arabia could maximize throughput on the East-West crude oil pipeline to the Red Sea, and the United Arab Emirates could maximize throughput on the Abu Dhabi crude oil pipeline to the Gulf of Oman. While analyst assessments vary, the U.S. Energy Information Administration estimates that, combined, these pipelines may have approximately 2.6 million barrels per day of available capacity.[14]

Second, global spare production capacity—generally defined as the potential increase in production volumes that can be made available within 30 days and sustained for 90 days—could be activated.[15] As of February 2026, the International Energy Agency (IEA) estimates available spare crude oil production capacity of approximately 4.4 million barrels per day.[16] However, more than 75% of spare production capacity is located in Middle East countries that export crude oil

[11] For additional information, see CRS Infographic IG10044, *Middle East Oil*, by Phillip Brown.

[12] Candace Dunn and Justine Barden, "Amid Regional Conflict, the Strait of Hormuz Remains Critical Oil Chokepoint," *Today in Energy*, U.S. Energy Information Administration, June 16, 2025.

[13] Dunn and Barden, "Amid Regional Conflict, the Strait of Hormuz Remains Critical Oil Chokepoint."

[14] Dunn and Barden, "Amid Regional Conflict, the Strait of Hormuz Remains Critical Oil Chokepoint."

[15] U.S. Energy Information Administration, "Energy and Financial Markets: What Drives Crude Oil Prices?," accessed June 30, 2025, https://www.eia.gov/finance/markets/crudeoil/supply-opec.php.

[16] IEA, *Oil Market Report*, February 12, 2026.

through the Strait, thereby limiting the effectiveness of this standby source of supply to address oil trade disruptions in the region.

Third, government-controlled strategic oil stocks could be activated and drawn down as a means of calming markets by providing supplemental supply. Finally, commercial crude oil and petroleum product inventories could provide the market with a supply buffer for a limited amount of time.

With respect to sudden and acute oil supply disruptions, the IEA administers a collective emergency response system for IEA member countries in accordance with the Agreement on an International Energy Program (IEP), a multilateral voluntary agreement established in the wake of the 1973 energy crisis. The United States is an IEA member and IEP participant. The collective response system includes a variety of measures intended to calm markets when disruptions occur. Response measures include releasing emergency oil reserves, restraining oil demand, and activating standby production capacity.[17]

One pillar of the response system is a requirement that all member countries maintain government-controlled oil stocks equal to 90 days of net imports during the previous calendar year. IEA government-controlled stocks were more than 1.2 billion barrels at the end of the fourth quarter of 2025, including approximately 415 million barrels of crude oil held in the U.S. Strategic Petroleum Reserve (SPR).[18] The President of the United States has authority to unilaterally direct a drawdown and sale of SPR crude oil to address severe energy supply interruptions.[19] However, emergency SPR drawdowns are typically coordinated with the IEA, which is evaluating the developments for a possible release.

Government-controlled emergency oil stocks are supplemented by obligated industry stocks, consistent with country-level stockholding policies. Obligated industry stocks are currently estimated at approximately 600 million barrels.[20] According to IEA analysis, the maximum achievable drawdown rate for IEA oil stocks (i.e., government-controlled and obligated industry stocks) could be as much as 25 million barrels per day for two months.[21] Drawdown rates quickly decline thereafter and emergency stocks could be exhausted in approximately six months.[22]

A prolonged disruption of Middle East oil trade would create oil market conditions for which there is no historical precedent. The efficacy of emergency response measures could be tested up to their design limits. Oil prices would likely experience significant upward price pressure. Exactly how high and for how long prices might be elevated is uncertain and would be determined by the amount of time needed to normalize Middle East oil trade.

Natural Gas: A New Consideration

Although natural gas is more of a local or regional commodity than oil, with 72% of natural gas being consumed in the country that produced it, natural gas has been moving toward becoming a more global commodity like oil. Trade in natural gas is almost evenly split between exports by

[17] IEA, "Oil Security and Emergency Response: Ensuring Quick and Effective Response to Major Supply Interruptions," May 17, 2024, https://www.iea.org/about/oil-security-and-emergency-response.

[18] For additional information, see CRS Insight IN12542, *Strategic Petroleum Reserve: Inventory Outlook and Policy Considerations*, by Phillip Brown.

[19] See 42 U.S.C. §6241(d).

[20] IEA, *Key Factors on the Strait of Hormuz and Oil and Gas Markets*, accessed March 9, 2026, https://www.iea.org/topics/the-middle-east-and-global-energy-markets.

[21] IEA, *Costs and Benefits of Emergency Stockholding*, 2018.

[22] IEA, *Costs and Benefits of Emergency Stockholding*, 2018.

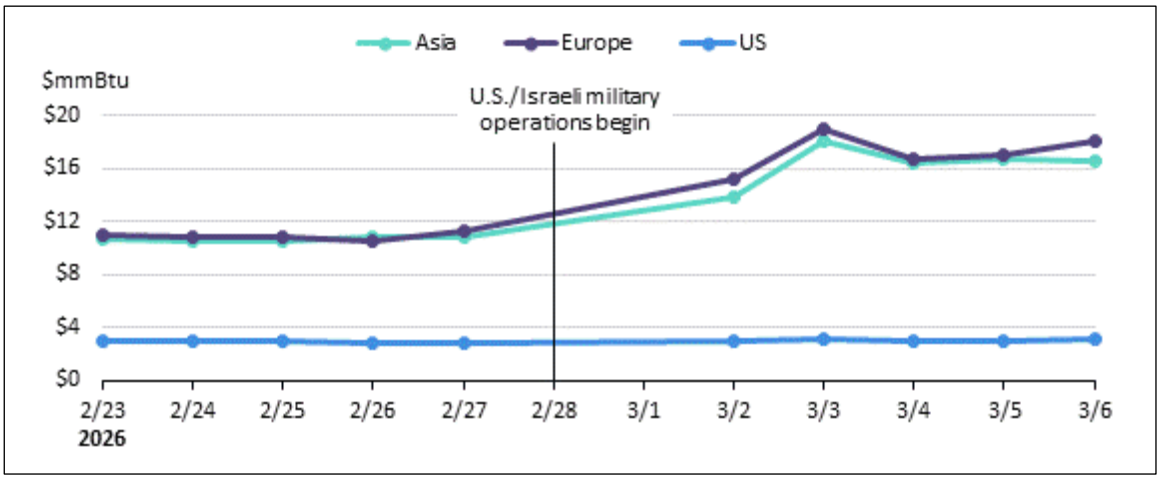
pipeline (52%) and as liquefied natural gas (LNG). Beginning in 2016, the entry of the United States as an LNG exporter from the lower 48 states changed the way LNG is bought, sold, and priced around the world.

During past conflicts in which the shipment of energy products was at risk, the main focus was the oil market, with minor consideration for natural gas. However, over the last few years, geopolitical events—such as Russia's invasion of Ukraine—have highlighted the importance of natural gas in the global economy. Approximately 25% of the world's LNG exports need to transit the Strait, primarily from Qatar and the United Arab Emirates (UAE).[23] Most Qatari exports are destined for Asian markets, including China (24%).[24]

Figure 2 shows regional natural gas prices for Asia, Europe, and the United States from just before commencement of the U.S./Israeli military operations on February 28, 2026, to a week after. As the chart shows, daily prices of natural gas in the United States have stayed relatively flat, rising 7%, compared with daily prices of natural gas in Asia and Europe. Prices in Asia and Europe, respectively, have gone up 54% and 63% over the previous week. Additionally, European prices have risen above Asian prices, which are typically the highest of any markets.

Figure 2. Natural Gas Prices in Asia, Europe, and the United States

February-March 2026



Source: Bloomberg data subscription service.

Note: Prices are reported only on business days.

One of the drivers of the price increase in Europe and Asia is the force majeure declaration by QatarEnergy, the world's largest LNG producing company. [25] If the outage of Qatar's Ras Laffan facility continues, approximately 20% of global LNG would be off the market.[26]

During the conflict in June 2025, European prices rose after the Israeli attacks, almost rising to a new high for the month on June 23. In the wake of the U.S. attacks on June 21, European prices fell steadily for the rest of the month, finishing June lower than where they began. Asian natural

[23] Energy Institute, *2025 Statistical Review of World Energy*, June 26, 2025, p. 44, https://www.energyinst.org/statistical-review.

[24] For additional information, see CRS Infographic IG10046, *Middle East Natural Gas*, by Michael Ratner.

[25] Mark Davidson et al., "Limited Global LNG Supply Available to Fill Qatari Gas," *Energy Intelligence*, March 3, 2026, online.

[26] Mark Davidson et al., "Limited Global LNG Supply Available to Fill Qatari Gas," *Energy Intelligence*, March 3, 2026, online.

gas prices fell on the day of Israel's first bombing, then rose and reached their peak on June 24, the day after the U.S. raids. Prices in Asia at the end of June were still above where they were at the beginning of June, but they had declined from their peak.

An important consideration for natural gas, should the Strait be closed in some way, is that most major gas-consuming countries do not have a strategic natural gas reserve in the same way they have a strategic reserve for oil. A decrease in the flow of natural gas could not be mitigated by a release from a strategic natural gas reserve. Output could be increased from liquefaction plants at LNG terminals outside of the Persian Gulf, but most LNG terminals already operate at a very high percent of capacity because of the cost of construction.

Other Products

In addition to the oil and gas themselves, byproducts of their production are also critical to the rest of the world. Qatar accounts for about 30% of the world's helium production capacity, most of which is produced as a byproduct of its natural gas processing.[27] Among other uses, helium is used in semiconductor manufacturing. It is shipped in large quantities by container ships in specially designed insulated and pressurized containers that keep the helium in liquid form at minus 452 degrees Fahrenheit, for up to 45 days.

Disruption to the Strait also impacts global fertilizer production, specifically chemical fertilizers that provide nitrogen and phosphorus. Disruption to fertilizer supplies, and a subsequent rise in fertilizer prices, may lead farmers to reduce chemical fertilizer usage, potentially reducing global food production. Urea—one of the most commonly used chemical fertilizers—is produced using natural gas and ammonia gas. Urea is sold in solid, granular form shipped in dry bulk ships. The Persian Gulf is one of the world's major suppliers of urea fertilizer. Reportedly, Iran, Saudi Arabia, Qatar, the UAE, and Bahrain together account for over a third of global supplies of urea.[28] Additionally, ammonia may also be shipped in liquid form in Liquefied Petroleum Gas (LPG) tankers. Iran, Oman, Qatar, and Saudi Arabia combined to produce about 9% of total ammonia supply in 2025.[29]

The oil refining process produces sulfur as a byproduct. Sulfur is used to produce phosphate fertilizers, sulfuric acid, and other chemicals. Iran, Kuwait, Qatar, Saudi Arabia, and the UAE combined to produce almost a quarter of the world's supply of sulfur in 2025.[30] Some of this production is exported by sea through the Strait; the Middle East region is estimated to produce about half the world's seaborne supply of sulfuric acid. Africa, in particular, relies upon sulfuric acid from this region to leach out critical minerals in its mining operations.

[27] Phil Kornbluth, "Attacks on Iran Threaten Helium Supply," *Gas World*, March 2, 2026, https://www.gasworld.com/story/attacks-on-iran-threaten-helium-supply/2173766.article/#:~:text=The%20recent%20attacks%20on%20Iran,2%20would%20also%20be%20interrupted.

[28] Peter Goodman, "War in the Middle East Threatens Global Food Production," *New York Times*, March 7, 2026, https://www.nytimes.com/2026/03/07/business/middle-east-war-fertilizer-supplies.html.

[29] 2025 totals are estimated. U.S. Geological Survey (USGS), *Nitrogen (Fixed) – Ammonia*, Mineral Commodity Summaries 2026, https://pubs.usgs.gov/periodicals/mcs2026/mcs2026-nitrogen.pdf.

[30] 2025 totals are estimated. USGS, *Sulfur*, Mineral Commodity Summaries 2026, https://pubs.usgs.gov/periodicals/mcs2026/mcs2026-sulfur.pdf.

The United States and Sanctions

U.S. sanctions on Iran's energy sector are robust. The United States imposes broad trade restrictions on Iran, in place since the late 1980s and 1990s.[31] The United States has specifically targeted Iran's oil industry with incrementally broader sanctions since 1995, including secondary sanctions that target third-party actors who do business with Iran.[32]

Escalatory sanctions targeting Iran and its energy sector have sometimes contributed to U.S.-Iranian frictions in or near the Strait of Hormuz.[33] For example, tensions flared amid President Trump's announcement in 2018 (via Executive Order [E.O.] 13846) that the United States would no longer participate in the Joint Comprehensive Plan of Action (JCPOA) and that U.S. sanctions suspended to implement the JCPOA would be reinstated.[34] Reimposed sanctions included those related to the Iranian energy, shipping, and shipbuilding sectors and certain activity involving petroleum, petroleum products, or petrochemical products from Iran.[35] Subsequently, in 2019, the U.S. Department of the Treasury announced sanctions on multiple senior Islamic Revolutionary Guard Corps (IRGC) commanders for having threatened to close the Strait of Hormuz and having engaged in "destabilizing and provocative naval actions in and around the Strait of Hormuz."[36]

In late 2024, the Secretary of the Treasury added the petroleum and petrochemical sectors of the Iranian economy to the list of sectors subject to sanctions under E.O. 13902 (2020).[37] Secondary sanctions under E.O. 13902 can reach third parties operating or supporting movement of Iranian oil to the People's Republic of China (PRC or China) and other countries.[38] Hundreds of entities in Iran and other countries have been targeted by U.S. sanctions for their role in the export of Iranian oil. Most recently, in 2025, multiple rounds of U.S. sanctions targeted Iran's oil trade,

[31] See Executive Order (E.O.) 12613 of October 29, 1987, "Prohibiting Imports from Iran," 52 *Federal Register* 41940, October 30, 1987; E.O. 12957 of March 15, 1995, "Prohibiting Certain Transactions with Respect to the Development of Iranian Petroleum Resources," 60 *Federal Register* 14615, March 17, 1995; E.O. 12959 of May 6, 1995, "Prohibiting Certain Transactions with Respect to Iran," 60 *Federal Register* 24757, May 9, 1995; E.O. 13059 of August 19, 1997, "Prohibiting Certain Transactions with Respect to Iran," 62 *Federal Register* 44531, August 21, 1997.

[32] See E.O. 12957 (1995). For key statutory provisions, see the Iran and Libya Sanctions Act of 1996 (P.L. 104-172, as amended; 50 U.S.C. §1701 note); Iran Threat Reduction and Syria Human Rights Act of 2012 (P.L. 112-158, as amended); Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (P.L. 111-195, as amended, including §§104 and 202, codified at 22 U.S.C. §§8513 and 8532); Section 1245(d) of the National Defense Authorization Act for Fiscal Year 2012 (P.L. 112-81; 22 U.S.C. §8513a(d)); Section 1244 of the Iran Freedom and Counter-Proliferation Act of 2012 (Division A, Title XII, Subtitle D, of P.L. 112-239; 22 U.S.C. §8803); and Section 3 of the Stop Harboring Iranian Petroleum (SHIP) Act (Division J of P.L. 118-50; 22 U.S.C. §8572).

[33] See, for example, J. David Goodman, "Iran Warns U.S. Aircraft Carrier Not to Return to Gulf," *New York Times*, January 3, 2012; and Quint Forgey, "Trump Levels New Sanctions Against Iran," *Politico*, June 24, 2019.

[34] See, for example, Radio Farda, "Iran Guards Commander Threatens to Block Strait of Hormuz," February 26, 2019.

[35] E.O. 13846 of August 6, 2018, "Reimposing Certain Sanctions with Respect to Iran," 83 *Federal Register* 38939, August 7, 2018.

[36] U.S. Department of the Treasury, "Treasury Targets Senior IRGC Commanders Behind Iran's Destructive and Destabilizing Activities," June 24, 2019, https://home.treasury.gov/news/press-releases/sm716.

[37] E.O. 13902 of January 10, 2020, "Imposing Sanctions with Respect to Additional Sectors of Iran," 85 *Federal Register* 2003, January 14, 2020; U.S. Department of the Treasury, Office of Foreign Assets Control (OFAC), "Publication of an Iran-Related Determination," 89 *Federal Register* 91262, November 19, 2024.

[38] See OFAC, *Sanctions Advisory: Guidance for Shipping and Maritime Stakeholders on Detecting and Mitigating Iranian Oil Sanctions Evasion*, April 16, 2025, https://ofac.treasury.gov/media/934236/download?inline.

including its "shadow" fleet and oil brokers, as well as PRC-based terminal operators, storage operators, and "teapot" refineries.[39]

Although broad authority exists to sanction Iran's energy sector, variations in sanctions enforcement, use of waivers, or other considerations may affect the practical effects of such sanctions on Iran's economy (and, in turn, Iran's potential willingness to threaten the status or security of the Strait of Hormuz).[40] Earlier, in February 2025, President Trump issued National Security Presidential Memorandum (NSPM) 2, directing a "maximum pressure" campaign against Iran that, among other goals, seeks "to drive Iran's export of oil to zero, including exports of Iranian crude to the People's Republic of China."[41] (China is the primary importer of Iranian oil.) NSPM 2 also directed the Secretary of State to "modify or rescind sanctions waivers, particularly those that provide Iran any degree of economic or financial relief, including those related to Iran's Chabahar port project." In September 2025, the Secretary of State revoked the sanctions exception that protected those who operate the Chabahar Port, located in southeast Iran off the Gulf of Oman and beyond the Strait of Hormuz, from sanctions exposure; India's Ministry of External Affairs subsequently reported that the Department of the Treasury had issued a letter in October 2025, which stated that Chabahar Port activities would not be exposed to U.S. sanctions until April 26, 2026.[42]

Other U.S. Policy Considerations

On March 3, 2026, President Trump announced that he ordered the U.S. International Development Finance Corporation (DFC) "to provide, at a very reasonable price, political risk insurance and guarantees for the Financial Security of ALL Maritime Trade, especially Energy traveling through the Gulf."[43] DFC subsequently issued a press release indicating its readiness to provide such support through its political risk insurance and loan guarantee products and also announced a reinsurance facility to "insure losses up to approximately $20 billion on a rolling basis" to qualifying vessels, initially focusing on hull and machinery and cargo.[44] DFC's political risk insurance covers a range of losses for investments, including due to political violence.[45] By statute, DFC investment support is subject to country-income based conditions and other

[39] See, for example, U.S. Department of State, "Sanctions on Iran's Oil Network to Further Impose Maximum Pressure on Iran," August 21, 2025; U.S. Department of the Treasury (U.S. Treasury), "Treasury Targets Oil Network Generating Hundreds of Millions of Dollars for Iran's Military," February 6, 2025; U.S. Treasury, "Treasury Dismantles Key Elements of Iran's Energy Export Machine," October 9, 2025; U.S. Treasury, "Treasury Increases Pressure on Iran's Sanctions-Evading Shadow Fleet," December 18, 2025.

[40] See also CRS In Focus IF12952, *Iran's Petroleum Exports to China and U.S. Sanctions*, coordinated by Clayton Thomas.

[41] White House, "National Security Presidential Memorandum (NSPM) 2: Imposing Maximum Pressure on the Government of the Islamic Republic of Iran, Denying Iran All Paths to a Nuclear Weapon, and Countering Iran's Malign Influence," February 4, 2025, https://www.whitehouse.gov/presidential-actions/2025/02/national-security-presidential-memorandum-nspm-2/.

[42] U.S. Department of State, "Targeting Financial Network Generating Millions for Iranian Military and Additional Actions in Support of Maximum Pressure on Iran," September 16, 2025; Government of India, Ministry of External Affairs, "Question No. 1103, Revocation of Sanctions Waiver on Chabahar Port," December 5, 2025.

[43] Donald J. Trump (@realDonaldTrump), Truth Social post, March 3, 2026, 2:37 p.m., https://truthsocial.com/@realDonaldTrump/posts/116166926920657651.

[44] U.S. International Development Finance Corporation (DFC), "DFC's Political Risk Insurance and Guaranty Products Will Support Private Operations, Including Shipping, in Gulf Region," March 3, 2026. For background on DFC, see CRS In Focus IF11436, *U.S. International Development Finance Corporation (DFC)*, by Shayerah I. Akhtar and Nick M. Brown.

[45] For more information, see DFC, "Political Risk Insurance," https://www.dfc.gov/what-we-offer/our-products/political-risk-insurance.

requirements, such as to ensure the "economic and financial soundness" of projects supported and to ensure that the fees charged "minimize the cost" to the U.S. government while advancing the support's objectives, and to give preferential consideration to projects sponsored by or involving private-sector entities that are U.S. persons. DFC support also is subject to restrictions, such as prohibitions on providing support in the People's Republic of China and other specified "countries of concern."[46] The shipping industry's initial response to the DFC insurance is skepticism, noting that it is the fear of attacks and the protection of their crews that is preventing shippers from attempting a transit through the Strait.[47]

A war risk insurance program under the Maritime Administration (46 U.S.C. §§53901-53912) is available only to vessels with a U.S. nexus in terms of military sealift or U.S. commercial trade and not available to vessels engaging in foreign-to-foreign trade. Policymakers may inquire whether the Persian Gulf nations have a similar government-backed insurance program for their waterborne trade. Also, several of the tanker fleets of Persian Gulf nations are government-owned as part of their nationalized oil companies, suggesting that these ships may already have government-backed insurance.[48]

Iran's Perspective

Iran has the longest coastline of the eight countries that border the Persian Gulf, and its exclusive economic zone on the Gulf is nearly twice the size as that of the next largest country. Iran's extensive Persian Gulf coast and its military capabilities have given Iran the potential ability to project power throughout the region, including by threatening the free flow of energy resources. Iran's threatened and actual attempts to disrupt energy commerce in the Gulf have carried strategic benefits and risks for Iran over time. Iranian attacks and disruption efforts sometimes have brought Iran into direct conflict with the United States, and Iranian attacks on Gulf energy facilities and maritime commerce in the context of U.S.-Iran conflict in March 2026 have highlighted ongoing threats. On March 2, an Iranian Islamic Revolutionary Guard Corps official said, "The strait (of Hormuz) is closed. If anyone tries to pass, the heroes of the Revolutionary Guards and the regular navy will set those ships ablaze."[49]

Background

In the late 1980s, toward the end of the 1980-1988 Iran-Iraq War, Iranian forces laid mines throughout the Persian Gulf, including in the Strait of Hormuz, as part of the so-called "tanker war." With the conflict largely stalemated on land, Iranian and Iraqi forces each attacked the other nation's energy infrastructure in the Gulf, as well as tankers carrying oil from the other nation and from third countries.

[46] Better Utilization of Investments Leading to Development Act of 2018 (BUILD Act, Div. F of P.L. 115-254, 22 U.S.C. §§9612 *et seq.*, as amended by Title XXXVII of the National Defense Authorization Act for Fiscal Year 2026 (P.L. 119-60).

[47] Lloyd's List, "The Daily View: Straight Talk: $20 Billion Does Not Stop a Missile," March 9, 2026.

[48] This includes Bahri (Saudi Arabia), Oman Shipping Co., Kuwait Petroleum, and Qatar LNG. Buyers of oil with government-owned tanker fleets include India and China.

[49] Reuters, "Iran Vows to Attack Any Ship Trying to Pass Through Strait of Hormuz," March 2, 2026.

The United States sought to deter such attacks and guarantee the free flow of energy commerce through the Gulf in a series of military operations, including the following:

- Operation Earnest Will (July 1987-September 1988), in which U.S. Navy vessels escorted Kuwaiti tankers re-flagged as U.S. vessels through the Gulf (one tanker struck a mine during the initial convoy);
- Operation Prime Chance (September 1987), in which U.S. special forces captured an Iranian vessel while it was laying mines (the vessel was later scuttled);
- Operation Nimble Archer (October 1987), in which U.S. naval forces and SEALs destroyed nonoperational oil platforms in retaliation for Iranian attacks on shipping with captured Iraqi Silkworm coastal defense cruise missiles; and
- Operation Praying Mantis (April 1988), in which U.S. forces attacked several Iranian oil platforms in retaliation for an Iranian mine attack that severely damaged a U.S. frigate, becoming engaged with Iranian naval forces in the largest U.S. Navy surface action since World War II.[50]

After U.S.-Iran tensions again began to rise in the late 2000s, Iranian leaders at various points raised the prospect of responding to U.S. sanctions or military action by disrupting shipping in the Strait of Hormuz.[51]

Iran has two parallel militaries: the *Artesh*, or regular military, and the Islamic Revolutionary Guard Corps (IRGC), which has a more ideological character and direct role in regime security. Each entity has its own naval forces—the Artesh has the Islamic Republic of Iran Navy (IRIN), and the IRGC has the IRGC Navy (IRGCN). These naval forces have in the past been seen as competing with each other.[52] In a 2007 reorganization, the IRGCN was assigned sole responsibility for the Persian Gulf; the IRIN was assigned responsibility for waters beyond the Gulf; and the two forces were assigned shared responsibility for the Strait of Hormuz (with both forces maintaining bases on or near the Strait).[53]

Iranian Capabilities and Strategy

In March 2026, an Iranian official threatened ships transiting the Strait with attack. Iranian forces evidently carried out those threats in subsequent days, with the United Kingdom Maritime Trade Operations Centre (UKMTO) reporting over a dozen attacks against ships in and around the Strait.[54]

CRS cannot assess how reported U.S. and Israeli attacks since February 28, 2026, on Iranian security entities, naval vessels, and other naval force targets may have affected Iran's ability to disrupt shipping through the Strait. CRS also cannot independently assess reported setbacks to Iran's missile stockpiles and production capabilities since 2024, including because of Iran's 2024

[50] Samuel Cox, "H-108-1: No Higher Honor—The Road to Operation Praying Mantis, 18 April 1988," Naval History and Heritage Command, April 13, 2018.

[51] See, for example, *Iran International*, "Iran Can Block Strait of Hormuz, IRGC Navy Chief Says," February 9, 2025; Arsalan Shahla and Ladane Nasseri, "Iran Raises Stakes in U.S. Showdown with Threat to Close Hormuz," *Bloomberg*, April 22, 2019; BBC News, "Iran Threatens to Block Strait of Hormuz Oil Route," December 28, 2011; Borzou Daragahi, "Iran Threatens to Block Persian Gulf Oil Lanes," *Los Angeles Times*, June 29, 2008.

[52] Christopher Harmer, *Iranian Naval and Maritime Strategy*, Institute for the Study of War, June 2013.

[53] Office of Naval Intelligence, *Iranian Naval Forces: A Tale of Two Navies*, February 2017; Nicholas Carl, "The Growing Iranian Threat Around the Strait of Hormuz," *Critical Threats*, September 22, 2020.

[54] For a complete list, see UKMTO, "Recent Incidents," at https://www.ukmto.org/recent-incidents.

and 2025 conflicts with Israel or the conflict that began on February 28. U.S. government entities may be able to provide Congress with authoritative estimates in appropriate settings. Prior to these conflicts, U.S. government entities and independent observers assessed that Iran had various means to threaten transit in the Strait, including the following:

- **Mines.** The Defense Intelligence Agency's 2019 report on Iran's military relayed open-source estimates that Iran then had an inventory of "more than 5,000 naval mines"; estimates in 2025 were generally slightly higher, around 6,000.[55] This inventory includes limpet mines, which are attached directly to a ship's hull; moored mines, which float under the water's surface and detonate when they come into contact with a ship (such as the one that severely damaged a U.S. frigate in 1988); and "bottom" mines, which sit on the seafloor and explode when they detect a ship nearby.[56]
- **Missiles.** Iran has had a variety of shore-based anti-ship missiles, including anti-ship cruise missiles (ASCMs)[57] and anti-ship ballistic missiles (ASBMs). Iran has also had a variety of land- and ship-based anti-ship missiles, including ballistic anti-ship missiles.[58] The IRGC announced the deployment of missile systems on three disputed Gulf islands in March 2025.[59] During the June 2025 Israel-Iran conflict, Israeli forces reportedly struck a number of sites along the Gulf, including Bandar Abbas, a city near the Strait of Hormuz where the IRIN is headquartered.[60]
- **Naval vessels.** IRGCN vessels have included fast inshore attack craft (which have harassed U.S. naval vessels in the Gulf), several warships, and at least one drone carrier, which U.S. Central Command reported that it had attacked.[61]

Historically, some observers have discounted the prospect of Iran "closing" the Strait, given Iran's own use of the waterway to export oil (mostly to China).[62] Nearly all of Iran's oil exports have been transported by sea and originate in the Gulf (largely at Kharg Island, Iran's primary oil terminal). Even without the pressures and disruptions of ongoing conflict, Iran would not be able to quickly reroute trade through ports outside the Strait or via overland trade routes.

Going forward, depending on how Iran approaches the question of disrupting shipping, the Strait could still be navigable for some vessels; "closure" might not necessarily constitute a complete or

[55] Defense Intelligence Agency, *Iran Military Power: Ensuring Regime Survival and Securing Regional Dominance*, August 2019; Atlantic Council, "Four Questions (and Expert Answers) About Iran's Threats to Close the Strait of Hormuz," June 23, 2025.

[56] Helene Cooper et al., "In Crisis with Iran, U.S. Military Officials Focus on Strait of Hormuz," *New York Times*, June 19, 2025, https://www.nytimes.com/2025/06/19/us/politics/iran-us-military-strait-of-hormuz.html.

[57] Iran's shore-based anti-ship cruise missiles are sometimes also referred to as coastal defense cruise missiles (CDCMs).

[58] Farzin Nadimi, *The IRGC and the Persian Gulf Region in a Period of Contested Deterrence*, Middle East Institute, November 2021.

[59] Janatan Sayeh, "Iran Strengthens Its Military in the Persian Gulf," Foundation for Defense of Democracies, March 25, 2025.

[60] James Genn, "Israel Strikes Iranian Naval Base in Bandar Abbas's Strategic Southern Port," *Jerusalem Post*, June 22, 2025.

[61] U.S. CENTCOM, "IRGCN Interaction with U.S. Naval Vessels in the North Arabian Gulf," April 27, 2021; and U.S. Central Command (@CENTCOM), X post, March 2, 2026, 11:38 a.m., https://x.com/CENTCOM/status/2028510305920143434.

[62] See, for example, Evan Halper et al., "Iran Eyes Closure of Strait of Hormuz, a Crucial Choke Point for the World's Oil Supply," *Washington Post*, June 23, 2025.

durable physical impediment, and Iran could choose to selectively apply a closure policy to ships of different countries or carriers. As of March 10, 2026, vessels carrying Iranian oil have continued to transit the Strait, with one industry analysis firm estimating that Iran's exports in early March 2026 increased to an average of 2.1 million barrels a day.[63]

Even with depleted or diminished Iranian capabilities, threats or other public statements intended to deter tankers from transiting the Strait could produce closure-like conditions if tankers and other actors in the energy trade or other commercial sectors conclude that the potential costs of Iranian attacks exceed the potential benefits of transiting the Strait, regardless of any military actions that Iran might or might not take.[64]

Iranian threats that have had the effect of largely cutting off shipping through the Strait, though not accompanied by significant Iranian military action, could prompt U.S. military action to restore confidence in tankers' ability to safely transit the Strait. In approaching decisions about closing or otherwise disrupting the Strait, Iran may consider the likely responses from its Arab Gulf neighbors. Iranian disruptions to the export of Iraqi or Gulf state energy resources, to Europe, China, and other countries, could strain Iran's ties with many parties.

In the past, some observers have speculated that if Iran were to perceive that it had "nothing to lose," including in the context of potential U.S. or Israeli strikes on regime leaders or Iran's own petroleum export capabilities, it could attempt to close the Strait.[65] Iran did not act to close or disrupt the Strait during the June 2025 conflict with Israel and the United States, despite having reportedly taken some actions that U.S. officials interpreted as preparations to mine the Strait.[66] Per one March 9, 2026, media report, Iran has reportedly "laid fewer than 10 mines" in the Strait during the current conflict; President Trump wrote on social media that if Iran did not remove any such mines, "the Military consequences to Iran will be at a level never seen before."[67]

U.S. and third country policymakers may draw different conclusions from past examples and current circumstances. Iranian strategic calculations in the conflict could be shaped by factors such as assessments of Iranian capabilities compared with Israeli, U.S., or other states' military involvement, perceived existential threats to the Islamic Republic, the risk tolerance of Iranian political or military leaders, and the positions of China and other Gulf energy consumers.

U.S. Military Role in Keeping the Strait Open

Iran's ability to mine or otherwise "close" the Strait of Hormuz may have been degraded by recent U.S. and Israeli military operations. On February 28, 2026, the United States launched Operation Epic Fury, an air and maritime campaign targeting Iranian command and control centers, IRGC headquarters, ballistic missile sites, navy ships and submarines, anti-ship missile

[63] Benoit Faucon and Costas Paris, "Iran's Control of Hormuz Means It's Exporting More Oil Today Than Before the War," *Wall Street Journal*, March 10, 2026.

[64] Joshua Minchin, "'Could They? Yes. Will They? Probably Not': Doubts over Iran's Strait of Hormuz Threat," Lloyd's List, April 10, 2024.

[65] Clayton Seigle, "How War with Iran Could Disrupt Energy Exports at the Strait of Hormuz," Center for Strategic and International Studies, June 23, 2025.

[66] Gram Slattery and Phil Stewart, "Exclusive: Iran Made Preparations to Mine the Strait of Hormuz, US Sources Say," Reuters, July 1, 2025.

[67] Alexander Ward and Dustin Volz, "Iran Lays Mines in the Strait of Hormuz," *Wall Street Journal*, March 10, 2026; Donald J. Trump (@realDonaldTrump), Truth Social post, March 10, 2026, 4:07 p.m., https://truthsocial.com/@realDonaldTrump/posts/116206683370194686.

sites, air defense capabilities, and military airfields.[68] U.S. Central Command (CENTCOM) Commander Admiral Brad Cooper reported at least 17 Iranian ships were destroyed as of March 3, stating that "there's not a single Iranian ship underway in the Arabian Gulf, Strait of Hormuz, or Gulf of Oman."[69]

Prior to Operation Epic Fury, there appears to have been consensus among analysts that the U.S. military has the capacity to counter Iran's forces and restore the flow of shipping in the event of Iranian attempts to disrupt the Strait.[70] The effort would likely take some time—days, weeks, or perhaps months—depending on what forms an Iranian attempt to close the Gulf to shipping might take.

As discussed above, on March 3, 2026, President Trump stated that he had ordered the U.S. International Development Finance Corporation (DFC) to "provide, at a very reasonable price, political risk insurance and guarantees for the Financial Security of ALL Maritime Trade, especially Energy, traveling through the Gulf," and that, "[i]f necessary, the United States Navy will begin escorting tankers through the Strait of Hormuz."[71] Some commentators have questioned whether DFC has sufficient resources to provide such support, and how such support might affect DFC's portfolio risk. On March 8, Energy Secretary Chris Wright said that U.S. Navy escorts "might be" necessary but that the U.S. degradation of Iranian military capabilities meant that "in the relatively near term, you're going to see [Iranian] capacity so low that we'll see more normal ship traffic return to the Strait of Hormuz."[72] No further details on the potential of U.S. Navy escorts (which could be at greater risk of Iranian attack if they operate closer to Iran's coast) have been provided, and observers are skeptical whether such escorts would induce even a near normal flow of traffic.[73]

[68] U.S. Central Command (@CENTCOM), X post, March 2, 2026, 3:43 p.m., https://x.com/CENTCOM/status/2028571844320624951; U.S. Central Command (CENTCOM), "U.S. Forces Launch Operation Epic Fury," press release, February 28, 2026, https://www.centcom.mil/MEDIA/PRESS-RELEASES/Press-Release-View/Article/4418396/us-forces-launch-operation-epic-fury/. For more information on the military operations, see CRS Insight IN12662, *U.S. and Israeli Military Operations Against Iran: Issues for Congress*, by Clayton Thomas et al.

[69] U.S. Central Command (@CENTCOM), X post, March 3, 2026, 6:58 p.m., https://x.com/CENTCOM/status/2028983418801803741.

[70] See, for example, Helene Cooper et al., "In Crisis with Iran, U.S. Military Officials Focus on Strait of Hormuz," *New York Times*, June 19, 2025, https://www.nytimes.com/2025/06/19/us/politics/iran-us-military-strait-of-hormuz.html.

[71] Donald J. Trump (@realDonaldTrump), Truth Social post, March 3, 2026, 2:37 p.m., https://truthsocial.com/@realDonaldTrump/posts/116166926920657651.

[72] "Transcript: Energy Secretary Chris Wright on 'Face the Nation with Margaret Brennan,'" CBS News, March 8, 2026.

[73] *Economist*, "Can America Clear the Strait of Hormuz of Iran's Drones and Mines?" March 10, 2026; Lloyd's List, "Trump's Escort Announcement Met with Skepticism as Traffic Trickles Through Strait of Hormuz," March 4, 2026.

Appendix. Selected Iran-Related Oil Price Events

Table A-1. Selected Iran-Related Events and Oil Price Changes

Event	Price Changes		Commentary
	Prior Month	Next Month	
Start of Iran-Iraq War, 9/23/1980[a]	0.1%	0.5%	The monthly oil price did not change substantially prior to this conflict and even a month after it began. However, six months into the conflict oil prices were up 11%.
"Tanker War" begins, 3/27/1984	-0.2%	-0.9%	The "tanker war" included 44 attacks by Iran against tankers from other nations over the course of nine months. During this time, prices remained close to the March 27 price or lower, dropping 14% by the end of the period. The large drop was more reflective of the global oil market than the uncertainty created by the tanker war. Supply levels remained high during the time period, while demand was growing slowly.[b]
Re-flagged Bridgeton *hits a mine (Operation Earnest Will)*, 7/24/1987	-1.6%	-1.1%	The *Bridgeton*, carrying the U.S. flag, hit a mine in the Persian Gulf. Under U.S. Operation Earnest Will, Kuwaiti tankers were re-flagged with the U.S. flag so that the U.S. Navy could protect them in the Persian Gulf. Prices stayed above the July 24 price for almost three weeks before steadily declining. As minimal oil commerce was interrupted overall, the risk to supply was decreased, consequently putting downward pressure on prices.[c]
Operation Praying Mantis, 4/18/1988	10.7%	-4.6%	The U.S. operation destroyed almost 40% of Iran's navy. Prices after the event dropped immediately, with the biggest daily drop almost 5% two weeks later. Operation Praying Mantis greatly diminished Iran's capabilities in the Persian Gulf, decreasing the likelihood of an oil cutoff. Leading up to the operation, the overall oil market faced lower demand because of warm weather in Europe and higher production as Saudi Arabia was producing at its OPEC quota—no longer below it—and non-OPEC production was higher.[d]
Iran arms Strait of Hormuz, 3/28/1995	2.5%	4.9%	The Pentagon announced that it was monitoring Iranian installation of missiles in the Strait of Hormuz. Iran also took possession of and fortified two nearby islands also claimed by the United Arab Emirates. During the month after the Pentagon's announcement, daily prices fluctuated before jumping at the end of the period. However, about a week after the event began, prices declined for eight consecutive days.
Iran threatens the Strait, 12/28/2011	1.0%	0.2%	Iran's first vice president Mohammad Reza Rahimi was the first to threaten closure of the Strait on December 28, 2011. Prices rose almost daily from this date, peaking on January 4, 2012—almost 4% higher—before declining.
United States withdraws from JCPOA, 5/8/2018	3.5%	-0.9%	The oil market appeared to have accounted for the U.S. withdrawal from the JCPOA with a price rise prior to the event. The addition of other market events also put upward pressure on prices. However, after the announcement on May 8, 2018, prices fell, indicating the market had adjusted to the new circumstances.
U.S. assassination of Gen. Qasem Soleimani, 1/3/2020	12.2%	-20.5%	The killing of General Soleimani put upward pressure on oil prices, as it increased uncertainty about Middle East oil production and exports. By the month after the assassination, prices had dropped significantly.

Israel bombs Iran, 6/13/2025	8.5%	-4.4%	The rise in prices likely reflected a variety of pressures from tensions in the Middle East, tariffs, and other market uncertainties. After the initial Israeli attacks, which were followed by the U.S. attack on Iran's nuclear facilities, prices jumped by approximately $5 per barrel. However, after the end of conflict, the market quickly returned prices to pre-attack levels or lower.

Source: U.S. Energy Information Administration (EIA), Annual Oil Market Chronology (discontinued publication). Crude prices are NYMEX West Texas Intermediate crude prices (daily) except 1980, which is refiners acquisition cost of crude reported by EIA (monthly).

Notes: OPEC = Organization of the Petroleum Exporting Countries. JCPOA = Joint Comprehensive Plan of Action. A negative percentage in the Prior Month indicates that the crude oil price on the action date was lower than the average price during the previous 30-day period. A negative Next Month percentage means that the average 30-day price following the action date was lower than the price on the action date.

a. Although there were events leading up to September 23, 1980, that contributed to hostilities, this date is used as a start date to the military conflict.

b. EIA, *Short-Term Energy Outlook*, DOE/EIA-0202(84/3Q), August 1984, p. 12, http://www.eia.gov/forecasts/steo/archives/3Q84.pdf.

c. EIA, *Short-Term Energy Outlook*, DOE/EIA-0202(87/4Q), October 1987, p. 9, http://www.eia.gov/forecasts/steo/archives/4Q87.pdf.

d. EIA, Short-Term Energy Outlook, DOE/EIA-0202(88/2Q), April 1988, p. 7, http://www.eia.gov/forecasts/steo/archives/2Q88.pdf.

Author Information

Michael Ratner, Coordinator
Specialist in Energy Policy

Liana W. Rosen
Specialist in International Sanctions and Financial Crimes

Phillip Brown
Specialist in Energy Policy

Clayton Thomas
Specialist in Middle Eastern Affairs

Disclaimer