

# GLOBAL SYSTEMIC RUPTURE: The delayed crisis - Updated July 2026

Velina Tchakarova, Marco Felsberger, Herbert Saurugg

13. July 2026

This update is based on the  
initial assessment of 12 April 2026 ([www.gfkv.org/GlobalSystemRupture](http://www.gfkv.org/GlobalSystemRupture)) and  
The update of 5. May 2026 ([www.gfkv.org/GlobalSystemRupture-5-26](http://www.gfkv.org/GlobalSystemRupture-5-26))

## Summary

**By Herbert Saurugg**

Two months have already passed since the last update. On the one hand, this is due to the rapidly evolving situation surrounding the Strait of Hormuz and the war in Iran. Following a brief de-escalation and the initial resumption of shipping traffic, there has now been a renewed military escalation. The consequences cannot yet be foreseen. However, we anticipate that the situation will deteriorate further.

On the other hand, we – like other analysts – have been surprised to find that the negative developments in the logistics sector that we had anticipated have not yet materialised on the scale we expected.

### **So why hasn't the all-clear been given yet?**

In many areas, there was a surprising adjustment that we did not sufficiently anticipate in our initial assessments. Global energy and supply chains have proven to be significantly more resilient than expected. However, many of the mechanisms deployed to prevent a more rapid escalation can only be used temporarily. The buffers have now been largely depleted.

Strategic reserves in many countries—most notably in the U.S. and China—were heavily drawn upon, which is, after all, their intended purpose. Commercial inventories declined, and refineries postponed maintenance work to keep operations running. Bypass pipelines were utilized to a greater extent, airlines canceled flights, and flight bookings dropped. Poorer countries began rationing fuel.

These measures bought time. However, they did not create additional resilience for the next disruption. A system that survives by depleting its buffers becomes more fragile in the first place, even if current market prices suggest otherwise.

This is particularly important when multiple bottlenecks and crisis situations occur simultaneously. One reason the Hormuz Shock remained manageable was that alternative routes were available and the overall market entered the crisis with relatively high inventory levels. However, a simultaneous blockade of Bab el-Mandeb, another serious infra-

structure failure, or a poor harvest resulting from fertilizer shortages could now trigger entirely different chain reactions.

### **Surviving past crises is no guarantee of future resilience.**

The most important lesson to be learned is this: The decline in oil prices did not mark the end of the crisis. Much of the cost had simply shifted elsewhere: to depleted inventories, to government spending, and to reduced industrial production and flight cancellations. In poorer countries, households felt the impact directly through fuel rationing, power outages, and loss of income.

Consequently, we have so far witnessed a delayed crisis dynamic at both the geopolitical and logistical levels. The third wave of the tsunami that we predicted has therefore been delayed. It could take us by surprise once again, as was the case, for example, with the first major systemic breakdown from 2007 onwards, when the wave did not hit Europe until a year later.

The delay is also attributable to the fact that the two major players, China and the US, have taken significant measures to prevent or delay an economic escalation. China has drastically reduced its oil imports. This has been achieved, on the one hand, through massive drawdowns on its strategic reserves and, on the other, through a reduction in demand. The US, too, has drawn heavily on its strategic re-

serves, which have now reached an unprecedented low. Analysts say that if withdrawals continue at the current rate, a critical level will be reached in three weeks at the latest,

## Additional Factors Exacerbating the Crisis

### Drone Attacks on Russian Refineries

As a result of widespread and extensive Ukrainian drone attacks, more than half of Russia's refineries are now severely damaged or have already shut down. This has led to widespread fuel rationing. Russia, which was previously the second-largest exporter of diesel, now even has to import it from Belarus or India.

### Global Refining Capacity

Compounding this issue is the fact that global refining capacity has been reduced for years due to cost pressures, and investment in new, retrofitted, or upgraded capacity has been insufficient. Demand for certain products—such as diesel, kerosene, and gasoline—is growing faster than available processing capacity. The real bottleneck, therefore, is often no longer crude oil itself, but its processing into suitable products.

A particularly critical factor is that refineries vary greatly in their technical capabilities: some can process heavy or high-sulfur crude oils, while others cannot. As a result, outages at individual facilities are not easily replaceable, and regional bottlenecks can quickly have global repercussions.

### Escalation in the War in Ukraine and in Russia

As a result, some Russian officials are no longer referring to a “special operation” but rather to a war. This is driving the spiral of escalation even higher, including in terms of the weapons used and the targets attacked. Threats directed at Europe are also growing louder. In recent months, there has also been a series of sabotage attacks on critical infrastructure, the perpetrators of which cannot be clearly identified.

## Key Conclusions

### Systemic Perspective

From a systemic perspective, the following applies: In an interconnected system, every intervention has side effects that only become apparent later and in other areas. A falling price index, an increase in the number of ships passing through the Strait of Hormuz, or a temporary drop in consumption can therefore easily create the impression that the situation is easing, even though the actual vulnerabilities remain merely concealed. The central uncertainty lies not only in whether a single shock will occur, but also in whether multiple stresses will coincide and impact already weakened buffers.

To better understand these systemic interrelationships, we would like to recommend a recent book at this point. At

beyond which technical problems with withdrawals are to be expected.

Just last Friday, a major German railway line was severely damaged by an arson attack. Train service has since resumed, albeit with restrictions.

### A Strong El Niño Year and Heat Waves in Europe

As if that weren't enough, there are also growing indications of a strong El Niño year. This suggests an increase in extreme weather conditions, particularly in the Pacific region, which will impact economies that are already weakened and struggling. Just this past weekend, Typhoon Bavi passed close to Taiwan, heading toward globally important ports in southern China. Several ports were closed. In addition, more than two million people in the region were evacuated as a precaution.

The first major heat wave in late June in Europe, particularly in France, was just the beginning. Consequently, restrictions on navigability are also expected on European rivers—especially the Rhine—over the course of the summer. This would also have implications for energy supplies in Germany and Switzerland.

### China Halts Helium Exports

On July 10, China also ordered an immediate halt to helium exports. This will lead to further shortages on the global market and additional price fluctuations. Until now, Europe has met about 10 percent of its helium demand from China. For the global supply, helium is relevant not so much because of its volume but rather because of its systemic leverage in various supply chains, such as in semiconductor technology and medicine.

[www.saurugg.net/seeing-in-systems](http://www.saurugg.net/seeing-in-systems), you can find a German-language summary as well as key quotes from the book \*Seeing in Systems: Practical Concepts for Everyday\*.

### Unresolved Uncertainties

The continued use and availability of strategic reserves, a far-reaching reopening of the Strait of Hormuz, the actual resilience of international shipping, the impact of delayed shocks to fertilizers and food supplies, and the financial resilience of highly indebted countries and companies remain particularly uncertain.

The recent easing of tensions is therefore superficial: if reserves are depleted, the short-term calm comes at a high price, and vulnerability to the next shock increases. The security situation also remains very fragile, as political dead-

lines and military miscalculations could trigger a renewed escalation at any time.

### **Russia, Ukraine, and Europe**

In the Russia-Ukraine war, the potential for escalation remains high, precisely because hybrid attacks and acts of sabotage in Europe have already become part of the conflict zone. Reports of coordinated acts of sabotage, drone incid-

ents, cyberattacks, disruptions to critical infrastructure, and attacks on logistics corridors show that Europe is not only indirectly affected but must be regarded as part of the broader conflict system. For Europe, this means that even without direct involvement in the war, support for Ukraine, the vulnerability of critical infrastructure, and political polarization can lead to increasing risks.

### **Implications for Preparedness**

The recommendations from previous analyses therefore remain fully valid: preparedness, vigilance, and adaptability, as well as an early warning system and reserves, are indispensable in a situation characterized by increased complexity and low tolerance for error. Current planning should not only consider the most likely scenario but should also take into account cascading effects, bottlenecks, and simultaneous disruptions. The correct conclusion, therefore, is not “all clear,” but rather: Despite a broader, different perception, the situation remains structurally vulnerable and can escalate at any time. The global systemic breakdown may be on hold, but it has not been resolved. Only historians will be able to explain the exact course of events to us.

### **Autors**

Velina Tchakarova: [www.linkedin.com/in/velinatchakarova](https://www.linkedin.com/in/velinatchakarova) | [www.foraconsciousexperience.com](https://www.foraconsciousexperience.com)

Marco Felsberger: [www.linkedin.com/in/marco-felsberger-resilience-and-risk-expert](https://www.linkedin.com/in/marco-felsberger-resilience-and-risk-expert) | [www.resilience-engineers.com](https://www.resilience-engineers.com)

Herbert Saurugg: [www.linkedin.com/in/herbert-saurugg](https://www.linkedin.com/in/herbert-saurugg) | [www.saurugg.net](https://www.saurugg.net)

## Supply chain disruption: Why the third wave has yet to materialise

By Marco Felsberger

### **The Shock of the Blockade**

The blockade of the Strait of Hormuz in 2026 was one of the most severe shocks to global energy and commodity markets in decades. At times, more than 13 million barrels of oil per day were lost. Parts of Qatar's LNG production were damaged, and trade in fertilizers, sulfur, and petrochemical feedstocks was severely disrupted. Numerous companies prepared for widespread supply disruptions. Many forecasts predicted oil prices well above \$200, widespread production outages, and a physical shortage of goods.

However, this scenario only partially materialized.

### **Why the Expected Supply Crisis Failed to Materialize**

The crisis quickly reached the first two stages of escalation. Initially, prices, insurance premiums, and transportation costs rose. Subsequently, companies and governments began prioritizing scarce resources. Refineries reduced their capacity utilization, petrochemical plants declared force majeure, airlines canceled flights, and several countries introduced fuel rationing. What failed to materialize in many places, however, was the third stage: the widespread physical absence of goods.

The key reason for this was not that the lost supply could be fully replaced. That was not the case. Rather, demand fell faster than physical bottlenecks could spread along the supply chains.

### **The Role of Demand Destruction**

This was particularly evident in the petrochemical industry. Naphtha, LPG, and other feedstocks suddenly became so expensive or difficult to obtain that plants reduced or completely halted production. Refineries reduced their utilization rates, airlines cut back on capacity, and energy-intensive companies postponed or scaled back their production. At the same time, governments imposed administrative restrictions on consumption. As a result, global oil demand fell more sharply than at any time since the COVID-19 pandemic.

This collapse in demand acted as a safety valve. While the economic damage could not be prevented, in many sectors it prevented the transition from high prices and rationing to a complete physical shortage.

### **Reserves, Diversions, and Emergency Measures**

This effect was supported by an extraordinary combination of additional buffers. For example, the U.S. increased its energy exports to record levels. The International Energy Agency coordinated the largest release of strategic oil reserves to date. Companies and governments drastically re-

duced their inventories. Saudi Arabia and the United Arab Emirates used alternative pipelines to reroute part of their exports past the Strait of Hormuz. Additional volumes came from the Atlantic region, particularly from the U.S., Brazil, and Canada.

However, these measures compensated for only a portion of the lost supply. The remaining shortfall could not be replaced by new oil but was offset by lower consumption, production cuts, and rationing. The most significant stabilizing factor therefore did not come solely from the supply side. At least as important was the forced adjustment in demand.

### **When Falling Prices Are Deceptive**

This also explains why the situation on international commodity markets eased more quickly than the magnitude of the initial shock would have suggested. For example, the oil price lost a large portion of its crisis premium, even though the Strait of Hormuz remained only partially passable. The market had not yet overcome the shock; it had merely adjusted to a lower level of activity.

This distinction is of central importance. A falling price does not automatically mean that a crisis is over. It can also mean that companies are producing less, airlines are flying less, households are consuming less, and poorer countries must ration their energy consumption.

### **The invisible costs of adjustment**

This is precisely why the actual severity of the crisis was, in some cases, underestimated. The costs were unevenly distributed and were often highest in areas where they were barely visible in international benchmark prices.

In industrialized nations, adjustment took place primarily through prices and production decisions. In many developing and emerging economies, however, this occurred through administrative rationing. For example, Sri Lanka reintroduced QR-based fuel quotas. Bangladesh limited diesel consumption while simultaneously grappling with production losses, power outages, and higher LNG costs. The Philippines declared a national energy emergency. Vietnam, Thailand, Indonesia, Pakistan, and Nepal also resorted to price supports, consumption limits, or direct allocations.

For the affected households, this meant more than just higher prices. They also faced reduced mobility, limited access to cooking gas, longer power outages, and falling incomes. So demand did not disappear voluntarily; it was forced out of the system by high prices, rationing, and economic hardship.

### **Differences Between Industrialized and Emerging Economies**

The crisis was therefore milder than the subsequent drop in oil prices would suggest. It was simply less visible.

At the same time, it became clear that the destruction of demand does not function as a protective mechanism everywhere. Where production capacities were physically damaged or a raw material was virtually irreplaceable, genuine structural bottlenecks emerged.

### **Where the Market Can No Longer Act as a Buffer**

The clearest example was Ras Laffan in Qatar. Damage to the LNG facilities knocked out a significant portion of Qatar's export capacity. Restoration is expected to take several years. Here, falling demand could not offset the loss. It was not merely a lack of transport capacity or short-term availability; the production facility itself was damaged.

A similar risk arose with helium. Qatar is one of the world's leading producers. Helium is difficult to replace in semiconductor manufacturing, medical technology, and other specialized applications. Large manufacturers had stockpiles and recycling capacity. Smaller companies had significantly less buffer. Here, too, the physical shortage could not be fundamentally prevented; it was merely delayed by inventory levels.

### **LNG, Helium, and Other Structural Bottlenecks**

These cases illustrate when a crisis actually transitions into a third wave. Goods that exhibit a combination of four characteristics are particularly vulnerable: high geographic concentration, low substitutability, limited storability, and long recovery times. The more pronounced these characteristics are, the less capable a system is of absorbing a supply shock through price adjustments, inventory, or demand adjustments.

Crude oil is comparatively flexible despite its geopolitical significance. It can be stored, sourced from various regions, and transported via alternative routes. Furthermore, to a certain extent, it can be offset by declining consumption. For LNG facilities, helium, or specialized petrochemical feedstocks, these options are significantly more limited. In these cases, even a much smaller physical disruption is enough to create long-term bottlenecks.

### **What Triggers a True Third Wave**

These events therefore show that it is not just the magnitude of a shock that matters. More important is the structure of the affected system.

A massive disruption remains manageable if there are high inventory levels, alternative suppliers, substitution options, and flexible demand. A smaller disruption, on the other hand, can have serious consequences if a single production site, a transportation link, or a raw material that is difficult to replace is affected.

### **Crude oil is more flexible than many other commodities**

The blockade of the Strait of Hormuz therefore did not lead to the expected global supply crisis. It was mitigated by reserves, alternative supply routes, and, above all, a drastic decline in demand. But this success came at a price. Production was halted, mobility was restricted, energy was rationed, and economic activity was disrupted. The crisis was not over, however. It was absorbed.

### **The real lesson from the crisis**

The most important lesson, therefore, is this: the absence of a physical shortage is not the same as resilience. A system can also weather a crisis by losing activity, prosperity, and demand. Those who focus solely on prices or available quantities easily overlook who bears the actual costs.

The third wave has so far largely failed to materialize globally. In individual industries, countries, and households, however, it had long since arrived.

## The Crisis Is Not Over. It Is On Pause.

By Velina Tchakarova

### Start with a puzzle

On 28 February 2026, war broke out between the United States and Iran, and Iran closed the Strait of Hormuz — the narrow sea passage between Iran and Oman through which about a fifth of the world's oil, a fifth of its liquefied natural gas, and a third of its seaborne fertilizer normally travel.<sup>1</sup> The International Energy Agency calls what followed the largest disruption of oil supply ever recorded — bigger than the oil crises of the 1970s.<sup>2</sup>

And yet, four months later, oil costs **less than it did the day before the war began**. Petrol has become cheaper. The news has moved on. It would be natural to conclude the crisis is over.

It is not. It is on pause — and the pause is being held in place artificially, by military escorts, emptied emergency stockpiles, and deliberate belt-tightening in Asia. This matters far beyond the oil market: it reaches your fuel bill, your food

prices, your government's budget, and — in dozens of countries — political stability itself. This report explains, in plain language, what actually happened, why oil is cheap for the wrong reasons, what is still broken, and why the middle of August is the date to watch.

### The bigger picture: the fourth global shock in twenty years

Before the details, the frame. What is happening now is not an isolated oil story. It is the fourth time in under twenty years that a single trigger has cascaded through the entire world system at once — a pattern I have tracked for years under the name **Global System Rupture**: the tipping point at which so many parts of the system break simultaneously that the usual shock absorbers all activate together — and fail together — and there is no way back to the old normal, only forward into a different one.

| Crisis                                 | What set it off                                                              | What it hit                                                                         | How it ended — or where it stands                                                                                                                                                                                                                             |
|----------------------------------------|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Financial crisis 2007–09</b>        | A banking collapse that spread through the world's financial system.         | Credit, trade, jobs, government debt.                                               | Ended through central bank rescues and stimulus. World trade needed until 2016 to recover; the risk was written into regulation.                                                                                                                              |
| <b>Pandemic 2020–22</b>                | A global health emergency.                                                   | Supply chains, labor markets, government budgets.                                   | Ended through vaccines and massive public spending — leaving permanently rebuilt supply chains, bigger states, and an inflation legacy.                                                                                                                       |
| <b>Russia's war on Ukraine 2022–</b>   | An invasion that turned energy and food into weapons.                        | Energy, fertilizer and food prices; Europe's security.                              | Only partly resolved: Europe found new gas and fertilizer suppliers, but the war continues and the world split further into rival camps.                                                                                                                      |
| <b>The Gulf war 2026 (this crisis)</b> | War between the US and Iran, and the closure of the world's main oil artery. | Energy, water, food, metals, shipping, insurance, and money — all at the same time. | <b>PAUSED, NOT SOLVED. Held in place by a 60-day agreement, naval escorts, drained stockpiles and deliberate rationing — all reversible on short notice. The tipping point was reached in March and has been prevented from becoming permanent — for now.</b> |

*The four systemic global crises since 2007 — the Global System Rupture framework, updated to Day 127. Source: Velina Tchakarova, FACE Intelligence.*

The last row is the message of this report. In March, the world crossed the rupture threshold: energy, water, food, metals, shipping, insurance, and finance came under simultaneous stress for the first time in the modern era. What has happened since June is that the rupture has been **paused** — not healed. The tipping point has been prevented from becoming permanent, for now, by an improvised exercise in crisis management: a time-limited deal, warships escorting

tankers, emergency stockpiles spent down, and deliberate belt-tightening across Asia. Every one of those supports is temporary, and every one is revocable. The rest of this report walks through what that means in practice — and what decides, in August, whether the pause holds.

## What happened: a short explainer

When the strait closed, the number of ships passing through collapsed from 129 a day to four within ten days.<sup>3</sup> Insurance for ships in the region all but vanished. The United States then blockaded Iran's ports — so for weeks there were two blockades stacked on the same waterway. Oil shot above US\$120 a barrel.<sup>4</sup> To stop prices spiraling further, governments opened their emergency oil stockpiles at the fastest rate in history.<sup>5</sup>

Then, on 17 June, came the turn: Washington and Tehran signed a 60-day agreement. Ships could pass safely and free of charge while negotiators worked on ending the war, dealing with Iran's nuclear program, and — crucially — deciding

who will run the strait in the future. The American blockade was lifted the next day; traffic surged back; a record 55 ships passed on 20 June. A direct hotline between American and Iranian officers was set up in Geneva to keep the corridor open.<sup>6</sup>

Since then, the pattern has been uneasy. In the last days of June there were Iranian attacks on ships and American bases, answered by American strikes — and then, within days, both sides agreed to stop and the talks resumed in Qatar. Those talks are currently delayed for the funeral of Iran's former supreme leader, which began on 4 July. Through all of it, the tankers keep moving — escorted, counted, and provisional. That is the situation this report calls the **Supervised Pause**.

## Where things stand: the numbers

|                                         | During the worst of the war (March–May)                                                                    | Now (early July, Day 127)                                                                                                                                                            |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Ships passing through the strait</b> | Fell from 129 a day to just 4 — a 97% collapse. About 2,000 ships and 20,000 crew members were stranded.   | About 44–45 a day — one-third of normal. More than half only move because US warships escort or clear the way. Ships heading in to load cargo are at about a quarter of normal.      |
| <b>Oil price</b>                        | Jumped above US\$120 a barrel — the largest supply disruption ever recorded in the oil market.             | Below US\$71 — cheaper than the day before the war started.                                                                                                                          |
| <b>Oil taken out of storage</b>         | Emergency and commercial stockpiles were opened at record pace to keep the world supplied.                 | About 1.3 billion barrels — thirteen full days of world consumption — have been drained from storage this year. No one is refilling.                                                 |
| <b>Oil production still shut down</b>   | Wells and export terminals across the Gulf were forced to close.                                           | Around 8.6 million barrels a day of production remain switched off.                                                                                                                  |
| <b>Europe's gas</b>                     | Prices jumped 74% in days.                                                                                 | Prices back to spring levels — but Europe's winter gas storage is only 48% full, the lowest for this time of year in 15 years.                                                       |
| <b>Ship insurance</b>                   | Special war-zone insurance rose up to 100-fold; for many ships, cover simply disappeared.                  | Still about 8 times pre-war cost. Several major maritime insurers have pulled out entirely; a special US\$400 million fund had to be created in London just to keep ships insurable. |
| <b>Fertilizer</b>                       | A third of the world's seaborne fertilizer trade goes through the strait; prices roughly doubled by April. | The most common fertilizer is up 82% this year. A key input for making it is up 159%. Affordability for farmers is the worst since 2022.                                             |
| <b>Food prices</b>                      | Rose but did not spike.                                                                                    | The UN world food price index is flat — for now. The real food bill arrives with next year's harvests (explained below).                                                             |
| <b>Interest rates</b>                   | Central banks held steady at first.                                                                        | Europe raised rates for the first time in three years; Japan's are the highest since 1995; the US and UK are holding but leaning toward increases.                                   |

Read the two columns side by side and the pattern is unmistakable: **prices have gone back to normal; the real world has not.** Oil is cheaper than before the war while only a third of the normal shipping moves. Gas prices look calm while Europe's storage is dangerously low for the season. The in-

surance market — whose whole job is to price real danger — still charges eight times the pre-war rate. Financial markets are pricing the peace deal. The physical world is still priced for war. Both pictures are true at the same time — and the gap between them is where the danger lives.<sup>7</sup>

## Why oil is cheap: the world is living off its savings

---

Here is the part of the story that almost never makes the headlines. Oil is not cheap because supply recovered — around 8.6 million barrels a day of production remain shut down. It is cheap because of three temporary, artificial forces.

**First, the world has been draining its savings account.** About 1.3 billion barrels of oil have vanished from the market this year — the equivalent of thirteen full days of everything the entire world consumes — and the gap was covered almost entirely by emptying emergency and commercial stockpiles.<sup>8</sup> Nobody is refilling them. By the end of July, the United States' Strategic Petroleum Reserve — its national emergency stockpile, stored in underground salt caverns — reaches the minimum level approved by Congress. Keeping prices suppressed through America's November elections would require draining another 120 to 160 million barrels, pushing the reserve below the operational minimum at which the caverns physically stop working properly.<sup>9</sup> China has also been releasing from its reserves — and since Beijing does not publish the figures, nobody outside China knows how close it is to its own bottom.

**Second, Asia deliberately switched off demand.** China's oil imports fell by an average of 3.5 million barrels a day compared with last year between April and June — and by 4.9 million barrels a day in June alone. This was not an economic collapse; it was a choice. By buying roughly 320 million fewer barrels over those three months, China alone offset about a quarter of the 1.2 billion barrels of Middle Eastern production lost in the same period. In total, Beijing suppressed around five million barrels a day of demand — rationing fuel exports, curtailing industry — on top of opening its reserves.<sup>10</sup> Other Asian economies did the same, shutting factories and cutting gas use. Some of that restraint may last for months or even years, especially if China's economy keeps slowing. But rationing is not the same as not needing the oil — and when Chinese buying returns, as it inevitably will, the demand comes back to a market with empty storage tanks.

**Third, partial workarounds.** Saudi Arabia and the United Arab Emirates own pipelines that carry some oil around the strait to ports on the open ocean, and these have been running hard. But they can move only a few million barrels a day — against the twenty million a day the strait normally carries. Helpful, not a substitute.<sup>11</sup>

Put the three together and the low oil price stops being reassuring. The world is not producing its way through this crisis;

it is spending down reserves and eating less. Every barrel from a stockpile can be used only once. The moment the drawdowns stop and normal buying resumes, the arithmetic reverses — with less oil in storage than at any point in decades.

## A guarded corridor, not an open sea

---

The strait's "reopening" also deserves a closer look. Ships are moving — but more than half of them move only because the US Navy escorts them or clears their path, along agreed corridors, with the Geneva hotline standing by. The official threat level for the strait remains high, and the monitoring authorities state plainly that Iran keeps both the intent and the ability to attack shipping.<sup>13</sup> Sea passage through the world's most important oil route currently exists as a managed, revocable service — not as a right.

Providing that service is expensive. At least 24 American warships — including two aircraft carriers and two Marine landing groups — and around 50,000 personnel are concentrated in the region: nearly half of the US Navy's deployed fighting strength, parked in one place.<sup>12</sup> Crews rotate, ships need maintenance, and other regions of the world are left thinner. This cannot go on indefinitely, which means the military situation has its own deadline, separate from the diplomatic one.

And notice who is actually holding the world economy steady: two rivals, working in parallel. The United States provides the security — the escorts, the corridors, the hotline. China provides the restraint — releasing its reserves and suppressing its own demand to keep prices down. Neither coordinates openly with the other; both are indispensable; and the calm oil price the world enjoys is the joint product of their separate efforts. It rests on nothing more solid than both capitals choosing, every day, to keep doing it.

## The hidden bill: what it now costs to move things

---

Even with oil cheap, the cost of moving goods around the world has quietly jumped — and those costs are still working their way toward shop prices. Shipping a container from China to the US East Coast cost about 75 percent more in June than before the war; to Northern Europe, about half again as much. The fuel that ships burn roughly doubled in price. Voyages that once went through the Gulf now detour thousands of kilometers. And the insurance that every ship must carry in a war zone remains, as noted above, around eight times its pre-war cost. None of this shows up at the petrol pump — all of it shows up, gradually, in the price of

everything that travels by sea, which is to say almost everything.<sup>14</sup>

There are also quieter industrial ripples that will surface over the coming year. The Gulf supplies a large share of the world's helium, which is needed to make computer chips and run medical scanners. The sulfur byproduct of Gulf oil refining feeds the acid used to process nickel for electric-car batteries, copper for wiring, and phosphate for fertilizer — which is why that obscure input is up 159 percent and why one major producer has stopped exporting the acid altogether.<sup>15</sup> The Gulf's biggest gas-export complex — about a sixth of the world's capacity for shipping natural gas — was seriously damaged and will take many months to repair. And the human machinery is strained too: the UN's maritime agency is evacuating eleven thousand of the roughly twenty thousand seafarers who spent months trapped on anchored ships — an operation that itself had to be paused in late June when a container ship was attacked.<sup>16</sup> This is the signature of a systemic crisis: the damage moves from fast things the news can see — prices, explosions — into slow things it cannot — spare parts, repair schedules, soil, people.

## The toll fight: who gets to charge for the world's oil highway

The most important battle of the summer is not being fought with missiles. It is being fought over an invoice. Iran and Oman have proposed jointly administering the Strait of Hormuz — including collecting fees from passing ships. Oman describes the idea as voluntary contributions toward maintenance, safety, and environmental services, similar to arrangements in some Asian waterways. Iranian officials describe the very same fees as mandatory. The entire dispute lives in that one word.

Why does a fee matter so much? Because of what it converts. Iran spent the spring proving it can close the strait by force. It is spending the summer trying to turn that proven ability into something far more valuable: internationally recognized authority over the waterway. Whoever collects the fee runs the strait in the eyes of the world. And Washington has already given ground on paper: the June agreement itself says that after the 60 days, administering the strait will be worked out by Iran and Oman together with the other Gulf states. The United States insists that international law forbids charging ships for passing through such straits — which has indeed been the rule — but it signed a document that assumes the coastal states will manage it.<sup>17</sup>

The principle at stake has a name — freedom of navigation — and a simple meaning: for centuries, the world's narrow

sea passages have been treated like international corridors that no country may block or charge for, because everyone's trade depends on everyone else's ships getting through. No strait of this kind has ever been turned into a toll road in the modern era; the last comparable tolls in Europe were abolished by treaty in the 19th century because the trading nations refused to keep paying.<sup>18</sup> If Hormuz acquires fees — however “voluntary” the label — every other narrow waterway on Earth gets a precedent, and every country sitting on one gets an idea. That, more than the money, is what Washington is fighting.

The country holding this together is Oman — a small state with a long reputation for neutrality, trusted by both sides, and the only Gulf oil producer whose ports lie entirely outside the strait. Oman is deliberately keeping its position vague: no to tolls, perhaps to “service charges.” Washington faces an awkward truth: it needs Oman as the neutral go-between and wants Oman to defy Iran — two roles that are becoming impossible to play at once. The US has even threatened to sanction Oman over the fee plan; punishing the only trusted middleman would destroy the one channel keeping the talks alive.<sup>19</sup>

One more thing about the fee plan deserves attention: financial markets barely react to it. Markets are wired to price explosions, attacks, and blockades — visible disruptions. They are poorly wired to price a quiet change in who governs a waterway. Yet a permanent fee-and-administration regime would raise shipping, compliance, and insurance costs for decades — without a single dramatic event. The war's costs would not disappear. They would be built into the price of everything that moves by sea, collected in part by the country that started the disruption.

## The trap that could restart the war

Why might the pause fail? The American political scientist Robert A. Pape — one of the leading scholars of how coercion works in war — has given the bluntest answer: “This war is nowhere near over.”<sup>20</sup> In his assessment, Washington is treating the June agreement as a business deal — and losing — while Iran is playing power politics — and winning — leaving the American side caught in a trap in which frustration with losing eventually produces renewed escalation. Look at the two scoreboards and the logic is clear. Washington is scoring a business deal: the strait is partially open, oil flows, prices are below pre-war levels — by that measure, the deal is a spectacular success. Tehran is scoring a power contest: recognition, authority, corridors, fees — and by that measure, Iran is steadily winning, converting military pressure into permanent institutional gains that the business

scorecard simply does not register. Both sides believe they are winning. Both cannot be right.

The danger comes at the moment Washington looks up at the other scoreboard. The American president has already threatened repeatedly to finish the job militarily if Tehran does not become, in his word, reasonable. If frustration turns into renewed strikes, Iran's most effective answer is not naval — it is infrastructure. During the war, Iran hit not only the Gulf's biggest gas-export complex but also desalination plants — the facilities that turn seawater into drinking water. The Gulf states depend on desalination for daily life; the plants sit exposed on the coast, wired to power stations; and a water crisis unfolds in days, not weeks. It is the fastest known path from a military strike to social breakdown — aimed at America's own partners. That grim mutual understanding, more than any signature, is what has kept the truce alive so far.<sup>21</sup>

## The slowest fuse: food

The UN's world food price index was essentially flat in June, and up less than two percent on the year.<sup>22</sup> That sounds like good news. It is the most misleading number in this entire crisis — for two reasons.

First, what is holding the index down. Wheat and corn prices fell partly because markets expect the truce to hold and energy to stay cheap — so the “calm” food index is leaning on the same fragile assumption as the oil price. The rest of the calm comes from surpluses in wealthy regions — Black Sea grain, South American corn, European dairy — which do not reach a family in Sudan or Somalia paying for imports in a collapsing currency, across aid shipping routes that the crisis has lengthened by up to 9,000 kilometers.<sup>23</sup>

Second, and more important: the real food shock is still in the ground. A third of the world's seaborne fertilizer passes through the strait. The most widely used fertilizer is up 82 percent this year; a key chemical needed to produce another is up 159 percent; fertilizer affordability for farmers is the worst since 2022 — and the shock landed exactly at planting season.<sup>24</sup> Food price indexes measure today's trades; fertilizer shocks work on the harvest calendar, showing up in food prices six to eighteen months later. That is what happened in 2008 and again in 2022. The UN food agencies estimate up to 45 million additional people could be pushed into acute hunger — on top of 318 million already there — while the World Food Programme faces funding shortfalls so severe it is rationing aid on every continent.<sup>25</sup> History offers a hard warning here: the food price spikes of 2008 and 2011 preceded waves of unrest across dozens of countries.<sup>26</sup> The countries most dependent on Gulf fertilizer — Sudan sources

more than half of its seaborne supply there — sit almost exactly on the world hunger map.<sup>27</sup> The danger window is not this summer. It is late 2026 through 2027, when smaller harvests meet empty treasuries.

## Rising interest rates on a mountain of debt

Now add the financial squeeze. In June, central banks — the institutions that set interest rates — began raising them in response to the war's inflation: the European Central Bank delivered its first increase in three years (taking effect, with dark irony, on the very day the truce was signed), Japan raised rates to their highest since 1995, and the American and British central banks held steady while signaling increases may come.<sup>28</sup> Their reasoning is straightforward: they were burned in 2021–22, when they dismissed an inflation surge as temporary and it was not, and they will not risk their credibility twice.

But notice what is happening: a crisis caused by a supply shock — a closed strait, missing barrels, scarce fertilizer — is being answered with the same tool used for the last crisis: higher interest rates. Higher rates cannot reopen a strait, refill a reserve, or grow wheat. What they can do is make borrowing more expensive for everyone, everywhere, at the exact moment more than ninety economies around the world are already under growing debt pressure.<sup>29</sup> Governments that borrowed heavily through the pandemic and the last energy crisis now face a brutal combination: higher interest bills, a stronger dollar (which makes dollar debts heavier), and higher import bills for fuel and food — all at once. Something has to give: debt payments, fuel subsidies, food support, or public investment.

The UN's trade and development agency has identified 61 vulnerable economies exposed to both oil and cereal import shocks at the same time — a double exposure. Small island states such as Cabo Verde and Micronesia, which import nearly all their fuel and much of their food, are the extreme cases: for them, this crisis arrives twice with every price rise.<sup>30</sup> The borrowing costs of Gulf countries themselves jumped within days of the war's outbreak;<sup>31</sup> for poorer importers, the squeeze builds more slowly and lasts longer. If the food shock described above arrives in 2027 on top of a debt squeeze that began in 2026, the two reinforce each other — and that combination, not any single price, is what turns an economic crisis into a political one.

For households in wealthier countries the same squeeze appears in milder form: mortgages and loans getting dearer while central banks lean against war inflation, even as fuel

gets cheaper — a confusing combination that is entirely logical once you see the two realities underneath it. The banks are not pricing today's petrol station; they are insuring themselves against next year's wages and prices, because the memory of the last inflation is fresher than the memory of any war.

It is worth knowing that the world's big economic institutions have struggled to keep up. In April, the IMF published forecasts built around three scenarios for this war — mild, bad, and severe — and its own chief economist admitted within minutes of publication that the mild one was probably already out of date. By May, the IMF was saying the bad scenario had effectively arrived. In June — two days before the truce transformed everything — it reported the world economy was holding up better than feared. None of its scenarios describes what actually exists now: normal prices sitting on top of an abnormal, half-functioning physical system. The IMF's next major update lands on 8 July.<sup>32</sup> Meanwhile, the heads of four institutions that rarely act together — the IMF, the World Bank, the International Energy Agency, and the World Trade Organization — have formed a standing crisis group for this war; whether that group is kept running or quietly wound down in the autumn will be one of the clearest signs of whether officialdom believes this crisis is over or merely paused.<sup>33</sup>

One quieter financial development completes the picture: governments are steadily taking over jobs that private markets used to do. A special fund in London now underwrites ships the insurance market abandoned. Navies escort tankers that used to sail freely. And the European Central Bank is promoting its planned digital euro partly as protection against any foreign power's ability to cut Europeans off from their own means of payment.<sup>34</sup> The machinery of trade and money is being rebuilt, piece by piece, as an instrument of state power. That change will outlast this crisis.

## Winners and losers

The shock is global but wildly uneven. The United States comes out ahead: it exports more energy than it imports, so higher prices earned it money; its currency strengthened; and its navy now runs the world's most important sea corridor. China took real pain but managed it — spending reserves, rationing demand, and buying discounted Iranian oil once the blockade lifted — while learning a hard lesson about dependence it will spend the next decade engineering away. Russia was also a short-term winner: higher prices and

record shipments of its oil helped fill the gap left by the Gulf — but that windfall is now being throttled from the other direction, as Ukrainian strikes have destroyed up to 42 percent of Russia's energy-export infrastructure, sharply limiting how much it can actually sell.<sup>35</sup>

Europe sits uncomfortably in the middle: spared the worst prices by the truce, but heading toward winter with gas storage at 48 percent — against a normal 61 — the weakest position in fifteen years.<sup>36</sup> In the Gulf itself, Qatar suffered most, with damage to a gas-export complex that represents roughly a sixth of the world's LNG capacity;<sup>37</sup> Saudi Arabia and the UAE cushioned themselves with their bypass pipelines; and Oman — untouched, trusted, and positioned outside the strait — may emerge as the toll-keeper of the world's oil highway. The heaviest losers are the countries with the least say: energy-importing developing economies, the 61 doubly exposed states, and low-income food importers, for whom the crisis arrives not through the oil price but through the bread price — months from now.

Europe's position deserves one more plain word, because it affects heating bills across the continent. Gas storage is the buffer that carries Europe through winter; it is filled cheaply in summer and drained from November. This summer the refill is badly behind — 48 percent full against a normal 61 — partly because the war made gas expensive exactly during the filling season. If the truce holds, Europe scrapes through with an expensive autumn of catch-up buying. If the crisis reignites in autumn, Europe enters winter with the thinnest cushion in fifteen years — and household energy bills, which have calmed since spring, would move again. The moment to watch is not December; it is September, when the size of the cushion is locked in.

A final word on why this keeps happening. As the table at the start of this report showed, this is the fourth time in under twenty years that a single shock has cascaded through the whole world system. Each time, the world has run its buffers — stockpiles, storage, budgets, patience — a little lower before the next shock arrived. That is the deeper meaning of the drained oil reserves and the 90-plus indebted governments described above: the shock absorbers of the world economy are being used up faster than they are being rebuilt. The next crisis, whenever and wherever it comes, will land on thinner cushions still — which is the strongest argument for treating the coming weeks not as the end of a war story, but as the stress test for how the world manages the ones that follow.

## What happens in August

| Deadline                                                    | Why it matters                                                                                                                                                                                                                                          |
|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Mid-August: the deal expires</b>                         | The 60-day agreement signed on 17 June runs out around 16 August — and the question of who runs the strait afterward is still wide open.                                                                                                                |
| <b>End of July: the US oil reserve hits its legal floor</b> | America's emergency stockpile reaches the minimum level set by Congress. Pushing prices down through the November elections would take another 120–160 million barrels — below the level at which the storage caverns physically stop working properly. |
| <b>The naval clock</b>                                      | Nearly half of America's deployed fleet is parked in one region. Crews, maintenance, and readiness mean this cannot last many more months — forcing a decision to scale down or act.                                                                    |
| <b>Iran's leadership transition</b>                         | The funeral of Iran's former supreme leader began on 4 July, delaying the talks — the country's top leadership is changing hands at the most sensitive possible moment.                                                                                 |
| <b>The seasons</b>                                          | Peak summer fuel demand is arriving just as stockpiles run low; Europe's window to refill gas storage before winter is closing; and this spring's under-fertilized fields become next year's smaller harvests — no matter what happens at the talks.    |

Several deadlines land in the same few weeks — and that convergence is what makes mid-August the decisive moment. Three outcomes are possible. The pause could harden into a permanent arrangement: some fee-and-administration deal for the strait, dressed in careful language — calm markets, but a historic precedent, and a permanent cost built into world trade. The muddle could simply be extended: no settlement, no rupture, the escorts continue, and the strait remains a rented corridor dependent on the daily mood between two capitals. Or the trap could close: frustration in Washington meets a deadline, strikes resume, Iran answers against Gulf energy and water infrastructure — and the crisis reignites with the world's emergency reserves at their bottom, Europe's storage half-empty, and next year's food shock already planted. The third outcome requires no one to choose war. It only requires the deadline to arrive with both sides still convinced they are winning.

What would each path mean for ordinary life? The settlement path means calm fuel prices now, but a small permanent tax on world trade built into prices for years — and a precedent every other chokepoint state will study. The muddling path means more of the present strangeness: cheap petrol, expensive shipping, jumpy insurance, and a world economy that holds its breath every time a drone flies near a tanker. The relapse path means a fast return of triple-digit oil — this time with the emergency stockpiles that cushioned the first round sitting near empty, which is precisely why the second spike would be sharper and harder to fight than the first.

## The bottom line

Five things to take away. **First**, do not read the oil price as an all-clear: it is the product of drained stockpiles and deliberate rationing, not recovery — and both are near their limits. **Second**, the world's emergency oil reserves are approaching their floors just as the buying that was switched off prepares to switch back on. **Third**, the real contest is over who runs — and who charges for — the strait; that answer will shape the cost of world trade for decades. **Fourth**, the heaviest bills arrive later and land unevenly: on food importers, on indebted governments, on the 61 doubly exposed economies — mostly in 2027. **Fifth**, whatever happens at the talks, something lasting has already changed: navies, treasuries, and central banks have taken over functions that markets used to perform quietly on their own. Watch mid-August.

## Three questions people keep asking

**Will fuel prices go back up?** Nobody can promise either way, but the structure of the answer is clear from this report: today's low price rests on one-time supports — stockpile releases that are ending, Asian rationing that will not last forever, and a truce with an expiry date. Even if peace holds, the world must at some point refill more than a billion barrels of drained reserves, and that buying itself supports prices. The cheap-fuel window is real; treating it as permanent would be a mistake governments and households alike have made before.

**My country is far from the Gulf — does this affect me?** Almost certainly, through three doors. The shipping door: nearly everything imported travels by sea, and sea transport is carrying war costs that arrive in shop prices with a delay of months. The money door: if your government carries heavy

debt, rising global interest rates squeeze its budget — and eventually its spending on you. The food door: if your country imports grain or fertilizer, next year's harvest economics are already set by this spring's fertilizer prices. The countries hit through all three doors at once — the UN counts 61 of them — are mostly far from the Gulf.

**Could this turn into a bigger war?** The honest answer is that the machinery for it is assembled and idling: half the American fleet in the region, an adversary with proven ability to strike infrastructure, and a negotiation in which each side believes it is winning a different game. What holds it back is equally real: a functioning hotline, mutual knowledge of how devastating the next round would be — particularly to the Gulf's water supply — and the plain fact that both economies benefit from the pause. That balance has survived one violent weekend already. Whether it survives the August deadline is exactly the question the second half of this report has tried to equip you to judge.

## How to follow this yourself: five signals

You do not need a terminal or a subscription to track this crisis; five public signals carry most of the information. Watch how many ships pass the strait each day, and how many need escorts — that is the daily measure of how real the “reopening” is. Watch ship-insurance prices rather than oil prices — the insurers have been right about this crisis whenever the oil traders were wrong. Watch what happens to the fee plan for the strait — the moment it acquires official machinery, the permanent regime is being born. Watch whether American aircraft carriers stay or leave in late July — fleet movements will reveal Washington's intentions before any statement does. And watch rice prices and fertilizer

export bans rather than the headline food index — the staples of the world's poorest will signal the food shock months before the averages move.

## Five terms, plainly defined

**Global System Rupture** — a crisis that hits energy, food, money, shipping, and politics at the same time, so each problem makes the others worse. This is the fourth such crisis since 2007, after the financial crash, the pandemic, and Russia's war against Ukraine — each arriving faster, on a world with thinner safety margins.

**The Supervised Pause** — the current situation: the crisis has been suspended, not solved. Things keep working because powerful states actively hold them together — one with warships, one with rationing — under a deal with an expiry date.

**Strategic reserve** — a country's emergency stockpile of oil, meant for genuine catastrophes. Drawing it down is a one-time trick: every barrel used today is a barrel missing from the next emergency.

**War-risk insurance** — the special cover ships must buy to sail through dangerous waters. Its price is the market's most honest opinion about how dangerous the strait really is — currently: eight times more dangerous than before the war.

**The cascade** — the chain reaction by which the shock travels: expensive energy makes fertilizer expensive; expensive fertilizer means less gets used; less fertilizer means smaller harvests; smaller harvests mean dearer food — a year later, in countries that had nothing to do with the war.

## A closing note

Everything in this report rests on publicly available data — shipping counts, storage levels, price indexes, official statements — assembled and cross-checked as of 4 July 2026. Some of these numbers will move; a few may be revised. What will not change is the method for reading them: whenever the fast indicators (prices, headlines) and the slow indicators (ships, stockpiles, insurance, fertilizer, debt) tell different stories, believe the slow ones. They are harder to see, slower to move — and in every systemic crisis of the past twenty years, they have had the last word.

## Endnotes: sources for the figures

1. UN Trade and Development (UNCTAD), Strait of Hormuz Disruptions: Implications for Global Trade and Development, 10 March 2026 (UNCTAD/OSG/TT/INF/2026/1) — shares of world oil, LNG and seaborne fertilizer trade passing through the strait. <https://unctad.org> · data: <https://unctad-stat.unctad.org/datacentre/>
2. International Energy Agency (IEA), Oil Market Report assessments, March–May 2026 — characterizing the closure as the largest supply disruption in oil-market history. <https://www.iea.org>
3. UNCTAD (10 March 2026), based on Clarksons Research ship-transit data — daily transits from a 129/day February average to 4/day by 9 March. <https://www.clarksons.com>
4. Brent crude price data via LSEG Data & Analytics, February–July 2026. <https://www.lseg.com>
5. IEA coordinated emergency stock release, March 2026 — the largest in the agency's 52-year history.
6. US–Iran Memorandum of Understanding, 17 June 2026; US Central Command statements (<https://www.centcom.mil>); Joint Maritime Information Center (JMIC) reporting via Combined Maritime Forces, June 2026 (<https://combinedmaritimeforces.com>) — reopening sequence, record 55 transits on 20 June, Geneva communication line.
7. Table sources: JMIC and IMF PortWatch (ship transits, late June–early July 2026; <https://portwatch.imf.org>); LSEG (oil and gas prices); IEA (inventory drawdowns and curtailed production); Gas Infrastructure Europe AGSI platform (EU storage levels; <https://agsi.gie.eu>); Lloyd's of London / Joint War Committee and marine-insurance market reporting (war-risk cover and the US\$400 million consortium; <https://www.lloyds.com>); World Bank commodity price data (fertilizer inputs; <https://www.worldbank.org/en/research/commodity-markets>); FAO Food Price Index, June 2026 release, 3 July 2026 (<https://www.fao.org/worldfoodsituation/foodpricesindex/en/>); ECB (<https://www.ecb.europa.eu>), Bank of Japan (<https://www.boj.or.jp/en/>), Federal Reserve (<https://www.federalreserve.gov>) and Bank of England (<https://www.bankofengland.co.uk>) policy announcements, June 2026.
8. IEA estimate, June 2026 — cumulative 2026 drawdown of roughly 1.3 billion barrels, equivalent to thirteen days of global consumption.
9. US Department of Energy Strategic Petroleum Reserve data and congressionally mandated reserve levels; market analyses of drawdown scenarios, June 2026. <https://www.energy.gov/ceser/strategic-petroleum-reserve>
10. General Administration of Customs of China import statistics (<http://english.customs.gov.cn>); independent tanker-tracking estimates, April–June 2026 — year-on-year import declines, cumulative purchase reduction (≈320 million barrels), and estimated ≈5 million b/d of suppressed demand.
11. US Energy Information Administration (<https://www.eia.gov>) and IEA assessments of Saudi East–West and UAE Fujairah bypass pipeline capacity relative to normal Hormuz volumes.
12. US Naval Institute fleet tracking (<https://news.usni.org>) and US Central Command statements, 30 June–1 July 2026 — ship counts, carrier and amphibious deployments, and personnel figures; as reported 1 July 2026: [https://www.stripes.com/theaters/middle\\_east/2026-07-01/boxer-middle-east-navy-iran-trump-22136153.html](https://www.stripes.com/theaters/middle_east/2026-07-01/boxer-middle-east-navy-iran-trump-22136153.html)
13. JMIC threat assessment, early July 2026 — threat level raised to “substantial”; assessment of persistent Iranian intent and capability.
14. Xeneta ocean-freight rate data, June 2026 (container spot rates vs pre-conflict; <https://www.xeneta.com>); Clarksons Research bunker-fuel and tanker-market data.
15. World Bank commodity price data (sulfur); trade reporting on China's suspension of sulfuric-acid exports, May 2026; IMF, “How the War in the Middle East Is Affecting Energy, Trade, and Finance,” 30 March 2026 (helium and other industrial inputs). <https://www.imf.org/en/Blogs>
16. International Maritime Organization, Strait of Hormuz updates and seafarer-evacuation statements, June 2026. <https://www.imo.org>
17. Terms of the 17 June 2026 Memorandum as described in official statements; reporting on the Iran–Oman administration and fee proposal, 30 June–3 July 2026 — first reported by The New York Times (<https://www.nytimes.com>); NBC News (<https://www.nbcnews.com>).
18. Copenhagen Convention of 1857, abolishing the Danish Sound Dues — the historical precedent for de-monetizing a strategic waterway.
19. US Treasury public statements regarding potential sanctions over strait-fee arrangements, May 2026. <https://home.treasury.gov>
20. R. A. Pape, “This War Is Nowhere Near Over” — Professor Pape Makes Explosive Statement on Iran–US–Israel War,” video interview, 2026. [https://www.youtube.com/watch?v=WooW\\_aFw7lQ](https://www.youtube.com/watch?v=WooW_aFw7lQ)
21. Reporting on strikes against desalination facilities in Bahrain and on Qeshm Island, and assessments of Gulf water-infrastructure vulnerability, March–June 2026.
22. FAO Food Price Index, June 2026 release, 3 July 2026 — 130.3 points, –0.3 percent month-on-month, +1.7 percent year-on-year.
23. World Food Programme, “Middle East crisis and impact on global hunger,” 2026. <https://www.wfp.org>
24. World Bank Commodity Markets Outlook and Data Blog fertilizer series, April–June 2026 — urea and sulfur price changes; fertilizer affordability at its weakest since 2022. <https://blogs.worldbank.org>
25. World Bank estimate (up to 45 million additional people at risk of acute food insecurity); WFP operational statements on funding shortfalls and program prioritization, 2026.
26. New England Complex Systems Institute (Lagi, Bertrand and Bar-Yam), “The Food Crises and Political Instability in North Africa and the Middle East,” 2011. [https://necsi.edu/s/food\\_crises.pdf](https://necsi.edu/s/food_crises.pdf) · <https://arxiv.org/abs/1108.2455>
27. UNCTAD (10 March 2026) — shares of seaborne fertilizer imports originating from the Persian Gulf region (Sudan 54 percent; Sri Lanka 36; Tanzania 31; Somalia 30; Pakistan 27; Kenya 26; Mozambique 22).
28. ECB Governing Council decision of 11 June 2026 (rates effective 17 June); Bank of Japan policy announcement, June 2026; Federal Reserve and Bank of England communications, June 2026.

- 29. UNCTAD and IMF debt-monitoring assessments, 2025–26 — more than ninety economies under intensifying debt pressure. <https://unctad.org/publication/world-of-debt>
- 30. UNCTAD analysis, 2026 — 61 vulnerable economies exposed simultaneously to oil and cereal import shocks; small island states including Cabo Verde and Micronesia cited as extreme dual-exposure cases.
- 31. UNCTAD (10 March 2026), based on LSEG bond-yield data — Gulf sovereign yields rising 0.24–0.64 percentage points between 27 February and 9 March 2026.
- 32. IMF World Economic Outlook, April 2026, and press briefing of 14 April 2026; IMF Managing Director remarks, May 2026; IMF blog, 15 June 2026 (<https://www.imf.org/en/blogs/articles/2026/06/15/global-economy-endures-war-shock-so-far>); World Economic Outlook Update scheduled for 8 July 2026. <https://www.imf.org/en/publications/weo>
- 33. Joint statement by the heads of the IEA, IMF, World Bank Group and WTO, 29 May 2026. <https://www.wto.org>
- 34. ECB public communications on the digital euro, June–July 2026. [https://www.ecb.europa.eu/euro/digital\\_euro/html/index.en.html](https://www.ecb.europa.eu/euro/digital_euro/html/index.en.html)
- 35. Assessments of Ukrainian long-range strikes on Russian energy-export infrastructure, June 2026 — reported damage of up to 42 percent of export capacity.
- 36. Gas Infrastructure Europe AGSI transparency platform, late June 2026 — EU storage ≈48 percent full versus a five-year seasonal average of ≈61 percent.
- 37. IEA LNG capacity data; IMF Regional Economic Outlook for the Middle East and Central Asia, April 2026 (Qatar growth revision following Ras Laffan damage). <https://www.imf.org/en/publications/reo>