



ESCALATING TENSIONS IN HORMUZ: CURRENT SITUATION AND FUTURE RISKS

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Middle East is home to one of the most strategic water ways - the Persian Gulf. Quite recently, tensions in the region have mounted, following deployment of troops to the region by US, and Iran's seizure of three flagships; Panama flagship, MT Riah on July 14, 2019, British flagged-ship Stena Impero on July 19, 2019 and a British-owned Liberian-flagged tanker Mesdar on July 19, 2019 (released later on), attracting the attention of regional and international powers.¹ Iran, at odds with the US, UK, and Saudi Arabia demonstrated its resolve to blockade the Strait of Hormuz, halting the global oil trade and thereby, impairing global economy.

Tensions between US and Iran escalated in July 2019, when Iran threatened to choke the Strait of Hormuz, a key strategic waterway of the Persian Gulf. On July 04, 2019, UK seized an Iranian flagged oil tanker, Grace 1, in Gibraltar, claiming that the carrier was bound to Syria which was sanctioned by the EU.² In Tehran, the seizure of Iranian vessel was perceived to be an anti-Iran move, aiming to gratify Trump. It is speculated that UK impounded the Iranian vessel upon the instructions of Trump, since America is trying to limit the oil exports as part of their strategy to reopen talks on the 2015 Joint Comprehensive Plan of Action (JCPOA).³

¹ David. 2019. "Iran's Seizure of British Vessel Further Roils Gulf Region." *The New York Times*. July 19, 2019. <https://www.nytimes.com/2019/07/19/world/middleeast/iran-british-tanker-drone.html>

² "UK, Gibraltar Discuss Seized Oil Tanker amid Row with Iran". *Press TV*. August 5, 2019. <https://www.prestv.com/Detail/2019/07/18/601216/UK-Theresa-May-Gibraltar-Fabian-Picardo-Iran-tanker>

³ Ibid.

Responding to the seizure of Grace-1, on July 19, 2019, Iranian Revolutionary Guard Corps (IRGC) seized British flagged vessel Stena Impero in the Strait of Hormuz, galvanizing US and UK alike.⁴ Consequently, UK government decided to provide a Royal Navy escort to the British flagged ships travelling through the Strait of Hormuz.⁵ Commenting on the seizure by Iran, British state spokesperson said that, "Freedom of navigation is crucial for the global trading system and world economy, and we will do all to defend it."⁶ To deal with the situation, British Foreign Office also proposed a new scheme that will have an obligation to ensure safe passage and freedom of navigation of international ships. Moreover, British Foreign Secretary, Jeremy Hunt held a telephonic conversation with his Iranian counterpart Mohammad Javad Zarif and expressed his extreme disappointment upon Iran's behavior concerning the seizure of British flagged oil tanker Impero.⁷ However, he also urged Iran to release the oil tanker and lower tensions in the region. He also expressed his hope for the release of Iranian oil-tanker after investigations.⁸

Responding to the crisis, US Secretary of State, Mike Pompeo said the Central Command under Operation Sentinel would make efforts to secure and patrol the shipping routes in the Persian Gulf. He also invited other states to join the US for coordination, surveillance and enhanced maritime awareness.⁹ He further said that Pentagon marked it as a mutual effort to ensure safe passage of vessels to promote maritime stability and to reduce tensions in the international waters in the Strait of Hormuz, Persian Gulf, Gulf of Oman and Bab-el-Mandeb.¹⁰ US invited France, UK, Germany, Norway, South Korea, Japan and Australia to join them. Germany and France declined the American request to join escorts. Responding to Germany's refusal, Richard Grenell, US ambassador to Germany stated, "As the strongest economy in Europe, Germany needs to accept more responsibilities in the world."¹¹ Other European nations like Sweden and Italy have also not responded to US request, considering it responsible for the current tensions in the region. According

⁴ "British Warship Tried to Stop Iran From Seizing UK-Flagged Tanker in Hormuz Strait - IRGC." *Sputnik International*. July 20, 2019. <https://sputniknews.com/middleeast/201907201076306630-british-warship-tried-to-stop-iran-from-seizing-uk-flagged-tanker-in-hormuz-strait---irgc/>

⁵ Kim Sengupta Defence Editor. 2019. "Royal Navy Deployed to Escort UK-Flagged Ships through Gulf." *The Independent. Independent Digital News and Media*. July 25, 2019. <https://www.independent.co.uk/news/world/middle-east/gulf-strait-hormuz-iran-royal-navy-a9020561.html>.

⁶ MacAskill, Andrew, and Jonathan Saul. 2019. "Britain Begins Escorting All UK Vessels through Hormuz Strait." *Reuters*. July 26, 2019. <https://af.reuters.com/article/worldNews/idAFKCN1UK1HM>

⁷ "UK Foreign Secretary Expresses 'Extreme Disappointment' with Iran's Actions." 2019. CNN. *Cable News Network*. July 20, 2019. https://edition.cnn.com/middleeast/live-news/iran-british-tanker-july-2019/h_2b912f344aeb2063b6b1387867bfb5be

⁸ Ibid.

⁹ "US to Increase Surveillance in Middle East Waterways." *Economic Times*. July 20, 2019. <https://economictimes.indiatimes.com/news/defence/us-to-increase-surveillance-in-middle-east-waterways/articleshow/70303161.cms>

¹⁰ Ibid.

¹¹ Ibid.

to the German Foreign Minister Heiko Maas, “the solution to the current crisis should not be a military escalation it should be resolved through the diplomatic means.”¹²

Amid the rising tensions, Alireza Tangsiri, Head of Islamic Revolutionary Guard Corps (IRGC) Navy Force said, “If we are prevented from using the Strait of Hormuz, we will close it. The Strait of Hormuz is a sea passage in accordance with international law. No one will benefit from it if we do not use it.”¹³ He further asserted that Iran’s attempt to block the Strait of Hormuz could transfer the war of words into a full fledged war. He warned that in case a military confrontation broke out between US and Iran, number of countries would fall prey to it, particularly Israel. Iran has also asserted that it has the capability to destroy Israel within half an hour if US attacks Iran.¹⁴

Responding defensively to the threat, Israeli Prime Minister Benjamin Netanyahu, filming in front of F-35 fighter jets said, “Iran has recently threatened the destruction of Israel, but these planes can reach anywhere in the Middle East including Iran and Syria.”¹⁵ Also, Israeli Foreign Minister Yisrael Katz stated that, “Israel is prepared for any type of military confrontation between the US and Iran.”¹⁶ On the other hand according to US Secretary of Defense Patrick M. Shanahan, US is sending 1000 soldiers and a squadron of fighter jets into the region although the Pentagon did not give any further details on the timing of the deployment. However, this move if materialized will further deteriorate the situation.¹⁷

Iran and Gulf Cooperation Council (GCC) states, particularly, Saudi Arabia and Iran have been historically at odds with each other. Gulf States’ alliance with US further makes Iran apprehensive of these states. The Hormuz crisis has once again converged Saudi Arabia and GCC states with US on one board for a decisive action to be taken against Iran. The Saudi King, Salman bin Abdulaziz, recently expressed his disappointment over the Gulf States’ failure to take a strong position against Iran, which has ultimately driven the current situation.¹⁸ Deliberating on the dangers of the crisis in

¹² “US to Increase Surveillance in Middle East Waterways.” *Economic Times*. July 20, 2019. <https://economictimes.indiatimes.com/news/defence/us-to-increase-surveillance-in-middle-east-waterways/articleshow/70303161.cms>

¹³ “Iran Seizes British Oil Tanker in Strait of Hormuz.”. *Al Jazeera*. July 19, 2019. <https://www.aljazeera.com/news/2019/07/iran-seized-british-oil-tanker-gulf-190719180058275.html>

¹⁴ Toi, Penny Schwartz, Toi, Vanessa Gera, Rich Tenorio, Toi, Edith M. Lederer, et al. n.d. “Iran Says US Doesn't Dare Attack for Fear of Provoking Assault on Israel.” *The Times of Israel*. August 5, 2019. <https://www.timesofisrael.com/iran-says-us-doesnt-dare-attack-for-fear-of-provoking-assault-on-israel/>

¹⁵ Leone, Dario. 2019. “Sabre-Rattling: Israel Warns Its Stealthy F-35i Can Reach Iran and Syria.” *The Centre for the National Interest*. July 17, 2019. <https://nationalinterest.org/blog/buzz/sabre-rattling-israel-warns-its-stealthy-f-35i-can-reach-iran-and-syria-67487>

¹⁶ Ibid.

¹⁷ “US to Increase Surveillance in Middle East Waterways.” *Economic Times*. July 20, 2019. <https://economictimes.indiatimes.com/news/defence/us-to-increase-surveillance-in-middle-east-waterways/articleshow/70303161.cms>

¹⁸ “Saudi King Salman Urges International Effort to Thwart Iran.” *Voice of America*. August 5, 2019. <https://www.voanews.com/middle-east/saudi-king-salman-urges-international-effort-thwart-iran-0>

Hormuz, he said that the any kind of blockade in Hormuz could be detrimental for Gulf countries and global energy markets. In response to the Saudi King, Iranian Foreign Minister Javad Zarif, while addressing Iranian and Emirati military officials on July 31, 2019 stated that, "If Saudi Arabia is ready for talks; Iran is always ready for negotiation with neighbors."¹⁹ This positive stance from Iran depicts that Iran is willing for rapprochement with Saudi Arabia to ensure its interests for peace and harmony in the region.

Subsequently, the global economy is highly dependent upon oil. Any disturbance in the flow of oil can cause oil shortages within a couple of month. During month of June, there was a hike of up to 4% in the price of Brent Crude Oil, resulting from the alarming regional instability. It has slowed down the oil trafficking through the Strait.²⁰ According to *Refinitiv* ship-tracking data, more than 11,000 oil and LNG tankers crossed the Strait in 2018, while for the first half of this year shows around 5,250 ships to have passed the Strait. The closure of Strait of Hormuz would have disastrous consequences for the global economy. As one-third of global seaborne crude oil exports travel through the Strait of Hormuz, funnelling almost 21 million barrels per day (bpd) of crude, condensate and refined products from OPEC's five biggest members. The majority of this is bound for Asia, although the West also relies heavily on supplies from the Strait.²¹

The threat of military response to the Hormuz crisis will disrupt trade and trading partners in the region. In any case if hostilities with Iran in Hormuz are further escalated, it is very likely that US and Iran may face direct military confrontation in the region.²² This confrontation will have negative consequences in case of further escalation or miscalculation amid the growing tensions in the region.²³ An adequate and soft response from the confronting parties is indispensable to de-escalate the crisis and protect global economy. According to Mr. Rouhani, "war with Iran is the mother of all wars". A military confrontation will plunge the region into a suicidal war. Any kind of disruption in the Strait of Hormuz will have the serious implications for global oil supplies. Moreover, it is pertinent for the US to keep a soft tone towards Iran; sanctions may not have an impact on Iran. On the other hand, lifting up of those sanctions may be the incentive to bring it back to the negotiating table to assure regional peace and stability. Peace can only be achieved in the region through negotiation and dialogue. As it is at this stage, unfortunately, the necessary preconditions for dialogue, including confidence-building measures simply do not exist.

¹⁹ "FM: Iran Ready for Dialogue If Saudi Arabia Is." 2019. *Middle East Monitor*. August 1, 2019.

²⁰ Coffey, Luke. "Securing the Strait of Hormuz: Five Principles for the U.S." *The Heritage Foundation*, <https://www.heritage.org/node/14851389/print-display>

²¹ Ibid. <https://www.heritage.org/node/14851389/print-display>

²² Goldenberg, Ilan. "What a War With Iran Would Look Like." *Foreign Affairs*. June 24, 2019. <https://www.foreignaffairs.com/articles/iran/2019-06-04/what-war-iran-would-look>

²³ Ibid.