



Strait of Hormuz Disruptions

Growth and financial implications

1 April 2026



Introduction

The Strait of Hormuz remains practically closed.

Under normal conditions, it is one of the world's most vital arteries of energy-related trade, accounting for a significant share of global oil and gas supplies - the foundation of much of what the world produces, trades and consumes.

Soaring oil and gas prices may inflate the cost of living, squeezing the livelihoods of the most vulnerable.

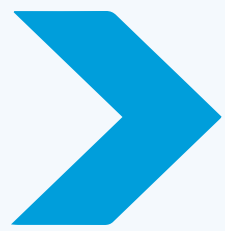
Trade and growth are expected to slow in 2026. Financial ramifications for developing countries include falling stock prices, weakening currencies, and rising cost of external debt.

If the military escalation and disruptions persist, the suffering will extend far beyond the region, translating into widespread economic hardship.

At a moment of heightened fragility, de-escalation and the restoration of stability are essential.

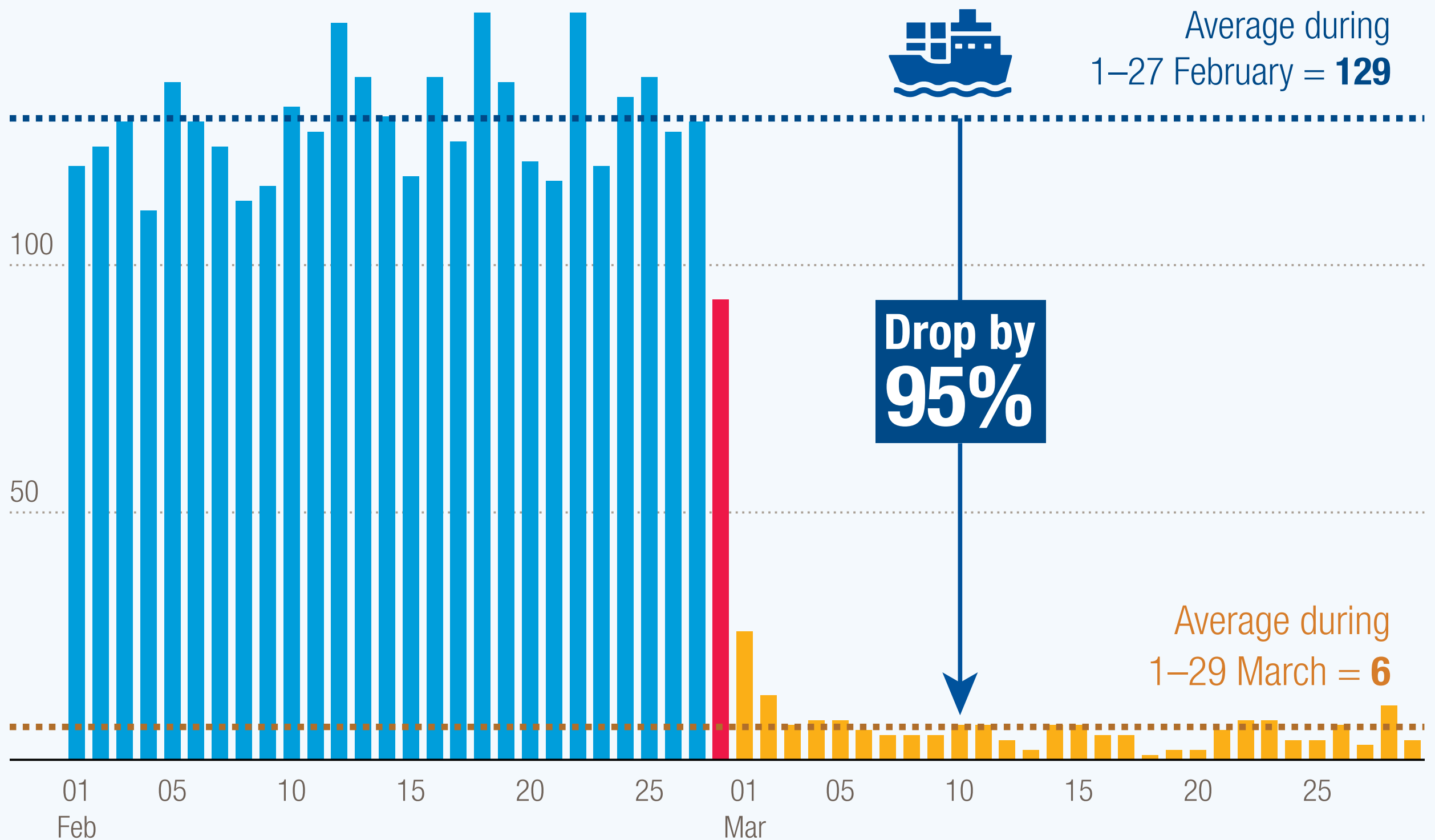


**The Strait of Hormuz
remains
virtually closed**



For a month, transit through the Strait has been at a near halt.

Total number of daily ship transits through the Strait of Hormuz

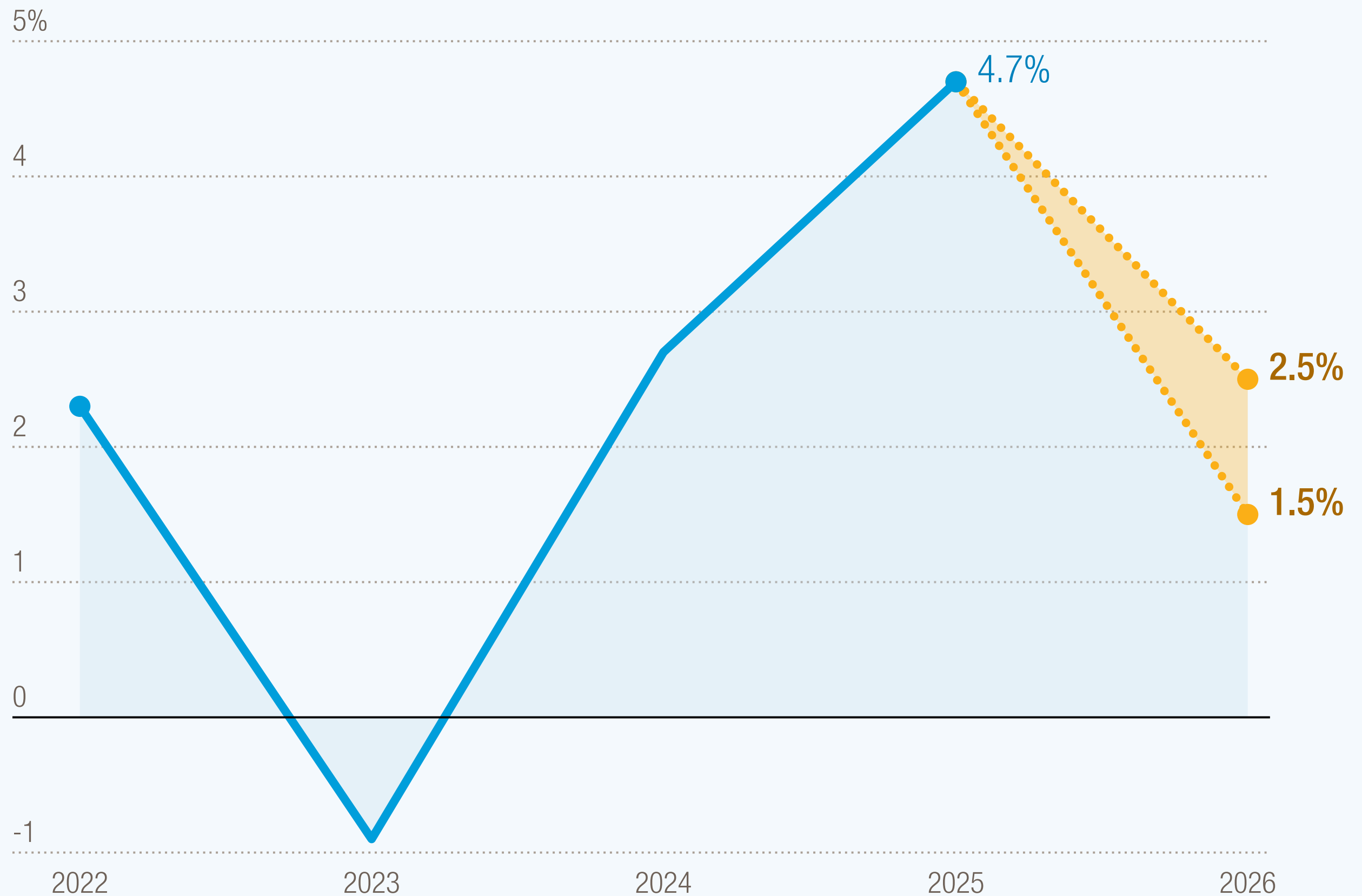


Source: UN Trade and Development, based on data provided by Clarksons Research Shipping Intelligence Network.



This is a shock for global trade, which is expected to slow down.

Annual merchandise trade growth in real terms, in per cent

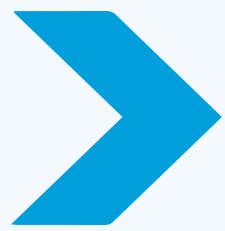


Source: UN Trade and Development.

Note: The figure for 2025 is an estimate; the figures for 2026 constitute a forecast range.



The risk of inflation has reemerged

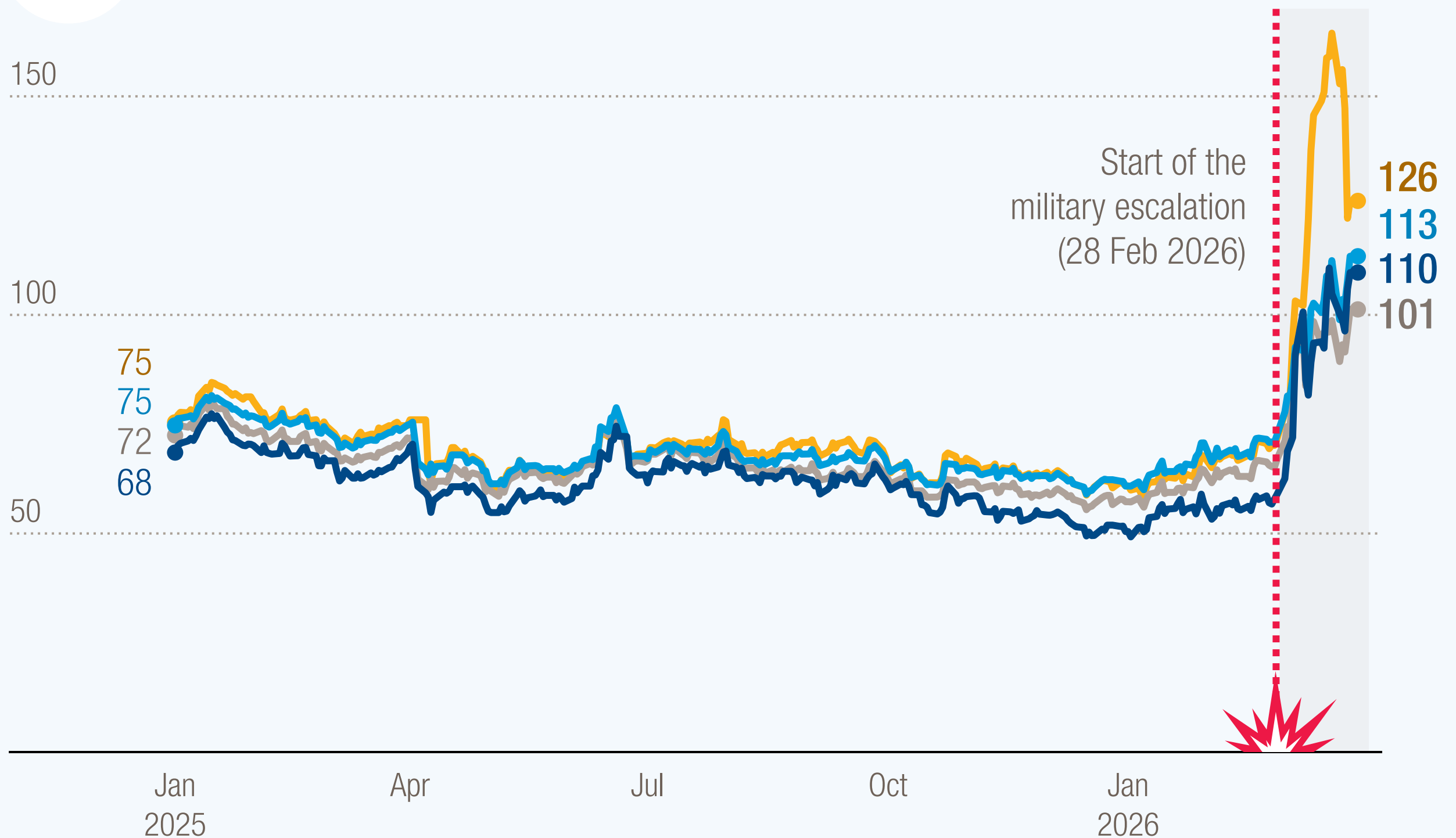


Fuel prices have skyrocketed and remain elevated.

Daily crude oil prices, in US\$ per barrel



— Europe (Brent) — Northern America (WTI) — Russian Federation (Urals) — Middle East (Dubai)



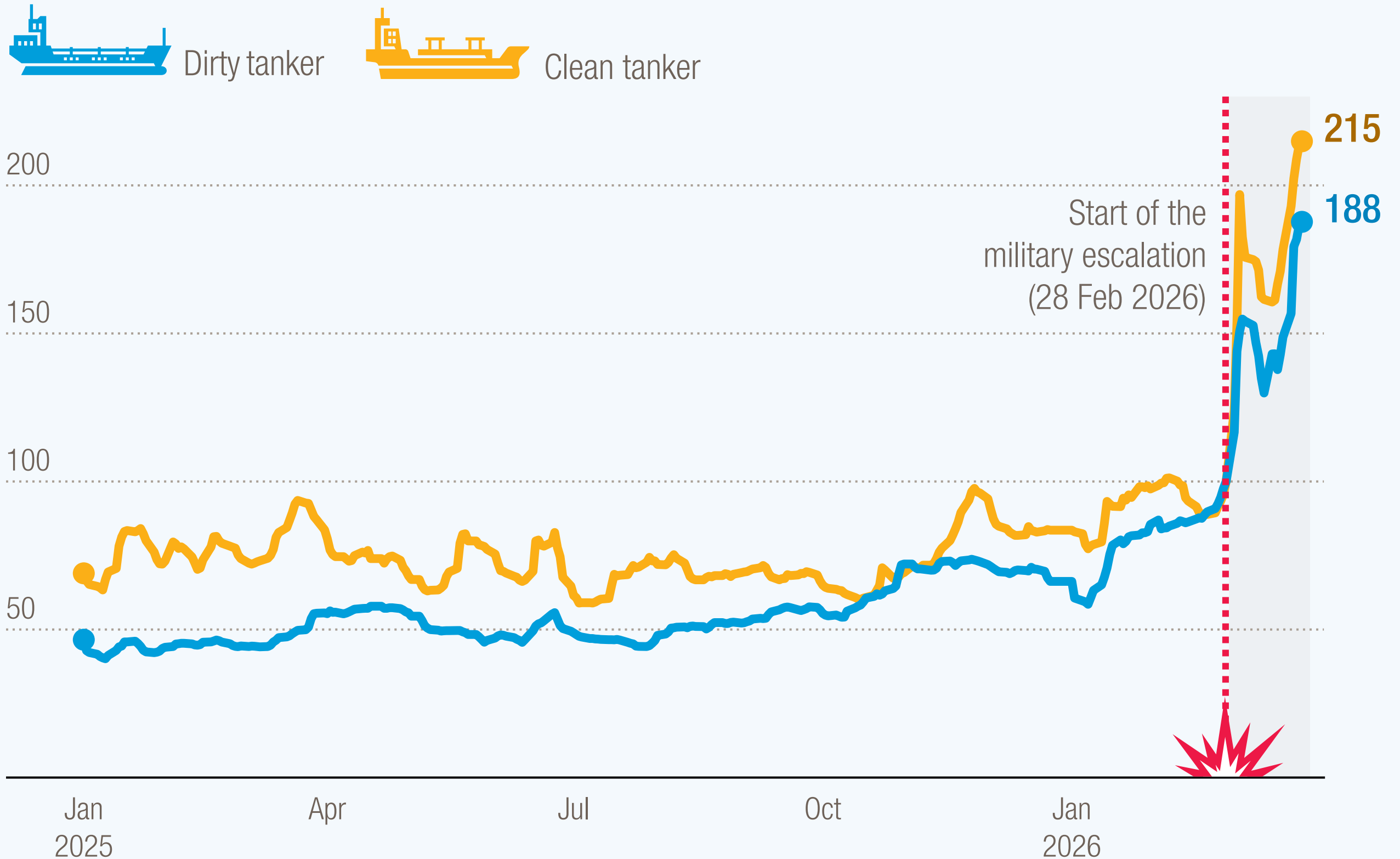
Source: UN Trade and Development, based on LSEG Data & Analytics.

Note: Brent (FOB), WTI (Cushing), Dubai (Cash), Urals (CIF, including insurance and logistics costs). On 2 March 2026, the Dubai index suspended nominations of crude grades requiring transit through the Strait of Hormuz. Currently, only Oman crude and Murban crude loaded at Fujairah are used in the Dubai index.



The cost of moving oil also keeps rising.

Freight cost indices by vessel type, index: 27 February 2026 = 100



Source: UN Trade and Development, based on LSEG Data & Analytics.

Note: Daily Baltic Exchange Dirty Tanker Index (BDTI) and Clean Tanker Index (BCTI). Clean tankers carry lower-sulphur petroleum, including refined petroleum products. Dirty tankers mostly carry crude oil.

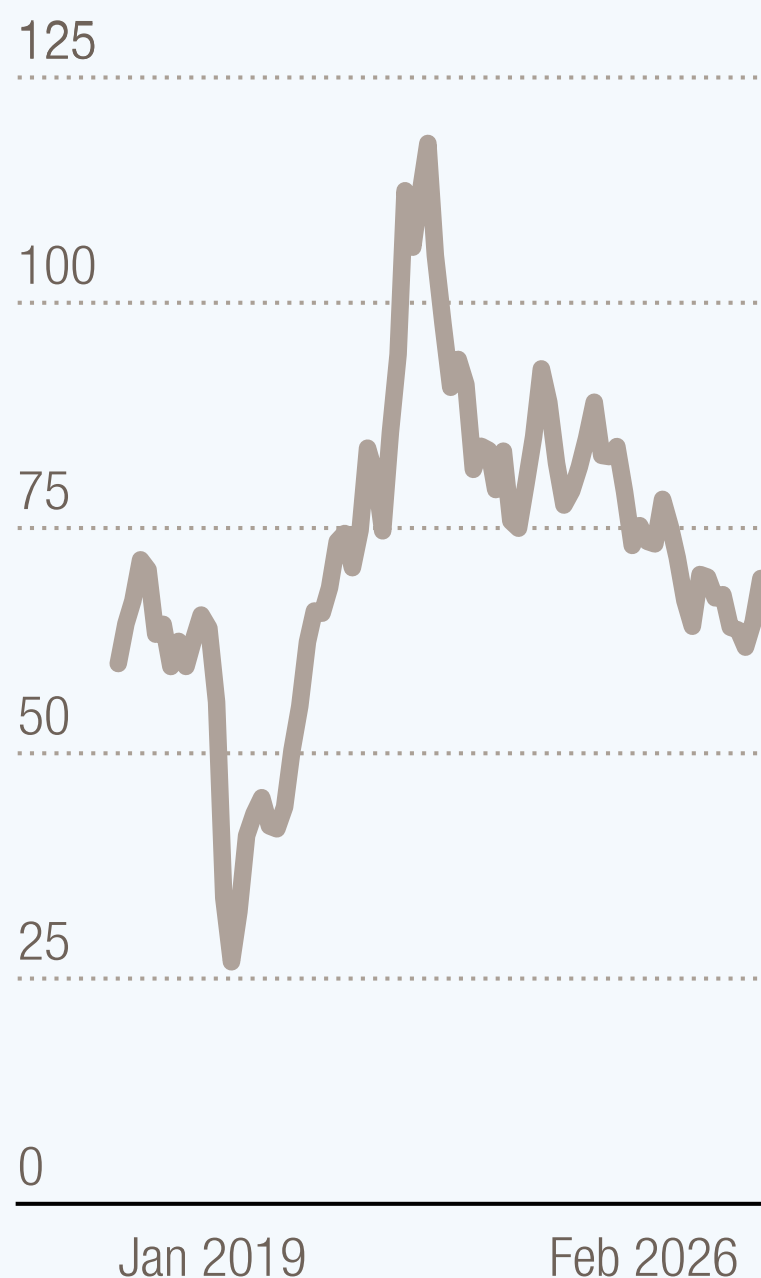


When oil prices rise sharply, the cost of living follows.

Monthly inflation rates by country group, and monthly development of oil prices

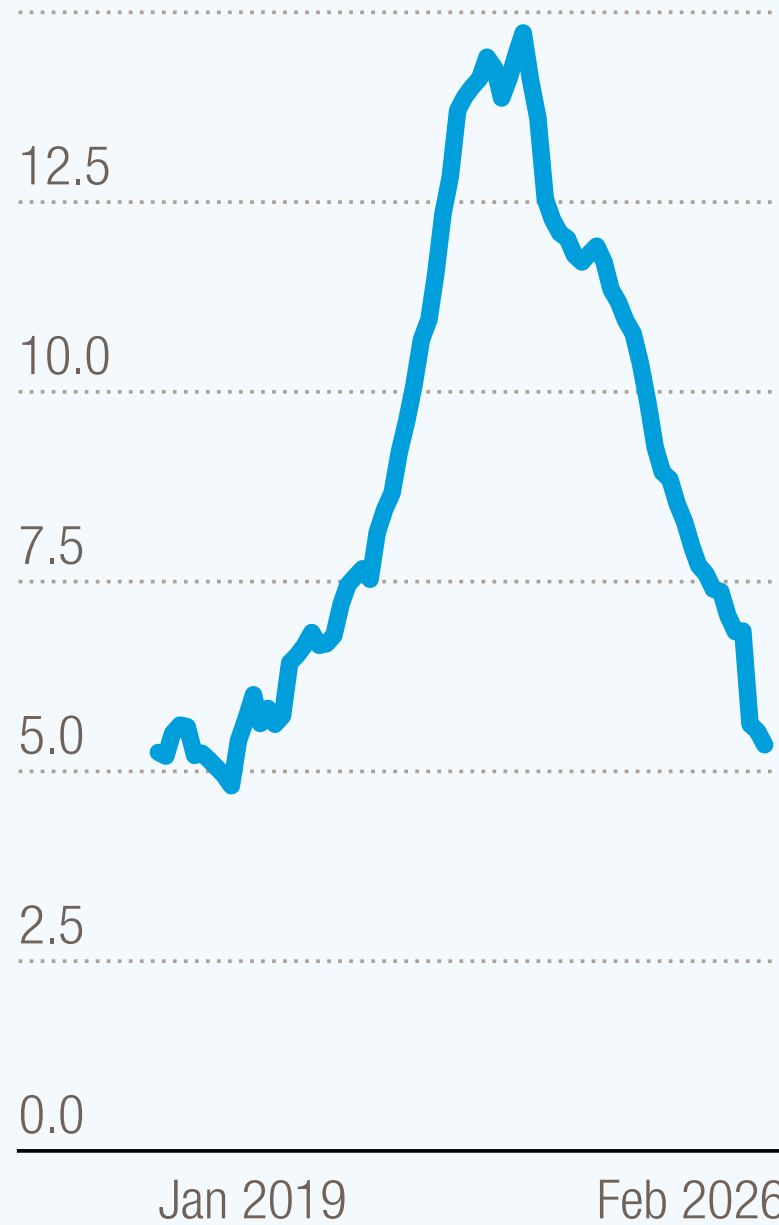


Oil prices

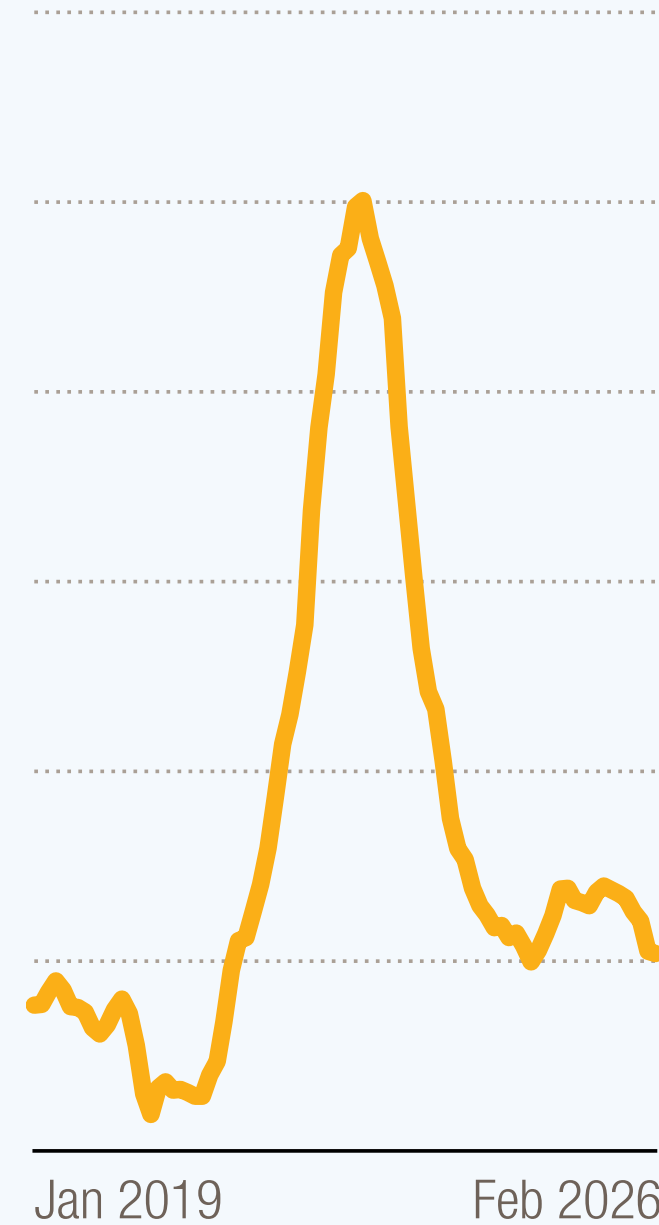


Inflation rate

▶ Developing



▶ Developed

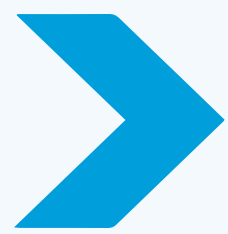


Source: UN Trade and Development, based on national sources and OECD retrieved from LSEG Data & Analytics.

Note: The oil price corresponds to crude oil, Brent, US\$ per barrel. Inflation rates are based on year-on-year variations of consumer price indices for 155 countries. Group aggregates are simple average values with latest data points used when 80% of countries in the group have reported data.

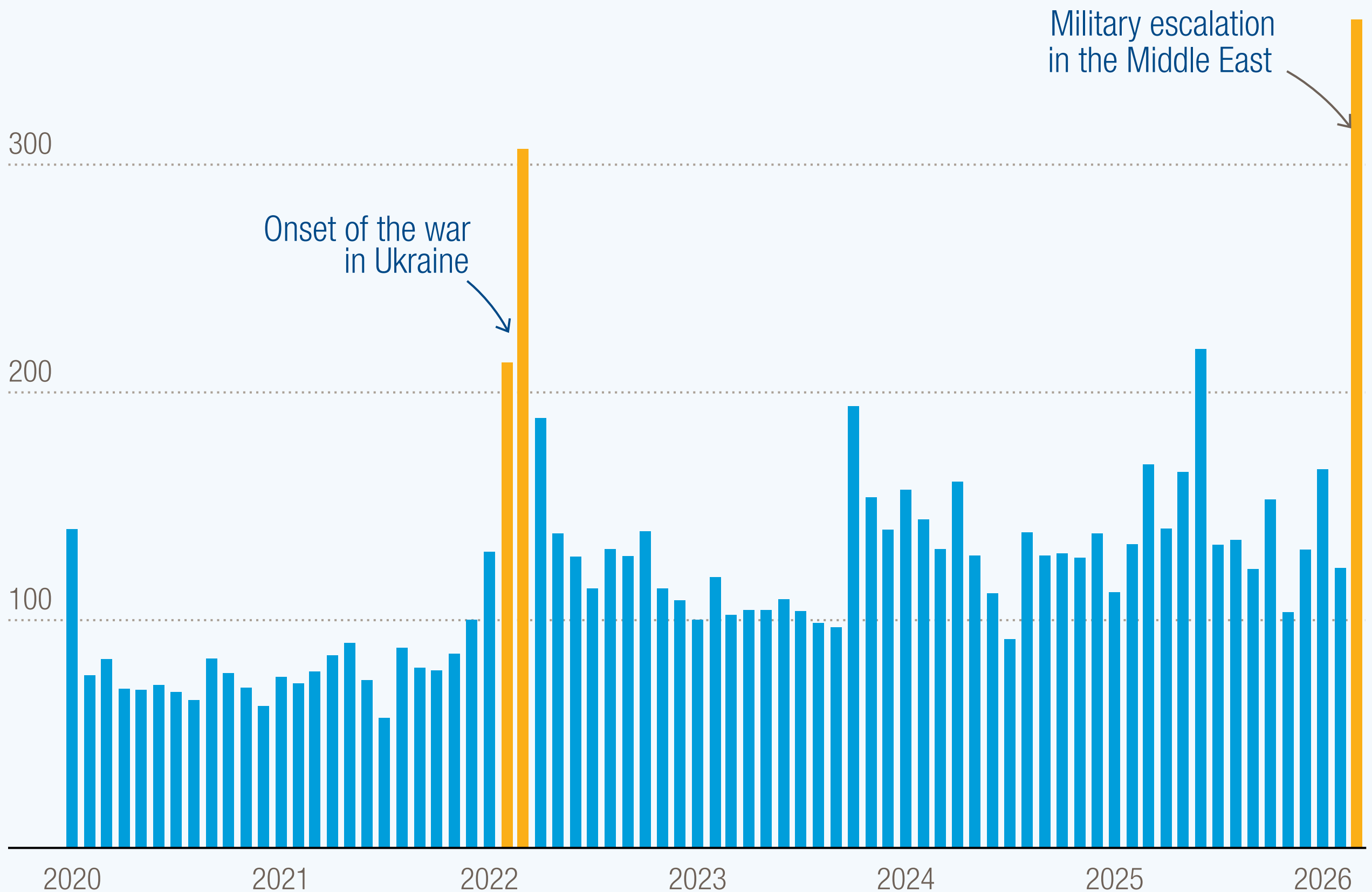


**The global economy
will feel the shock**



Rising geopolitical risk fuels global economic uncertainty.

Global geopolitical risk index, monthly average



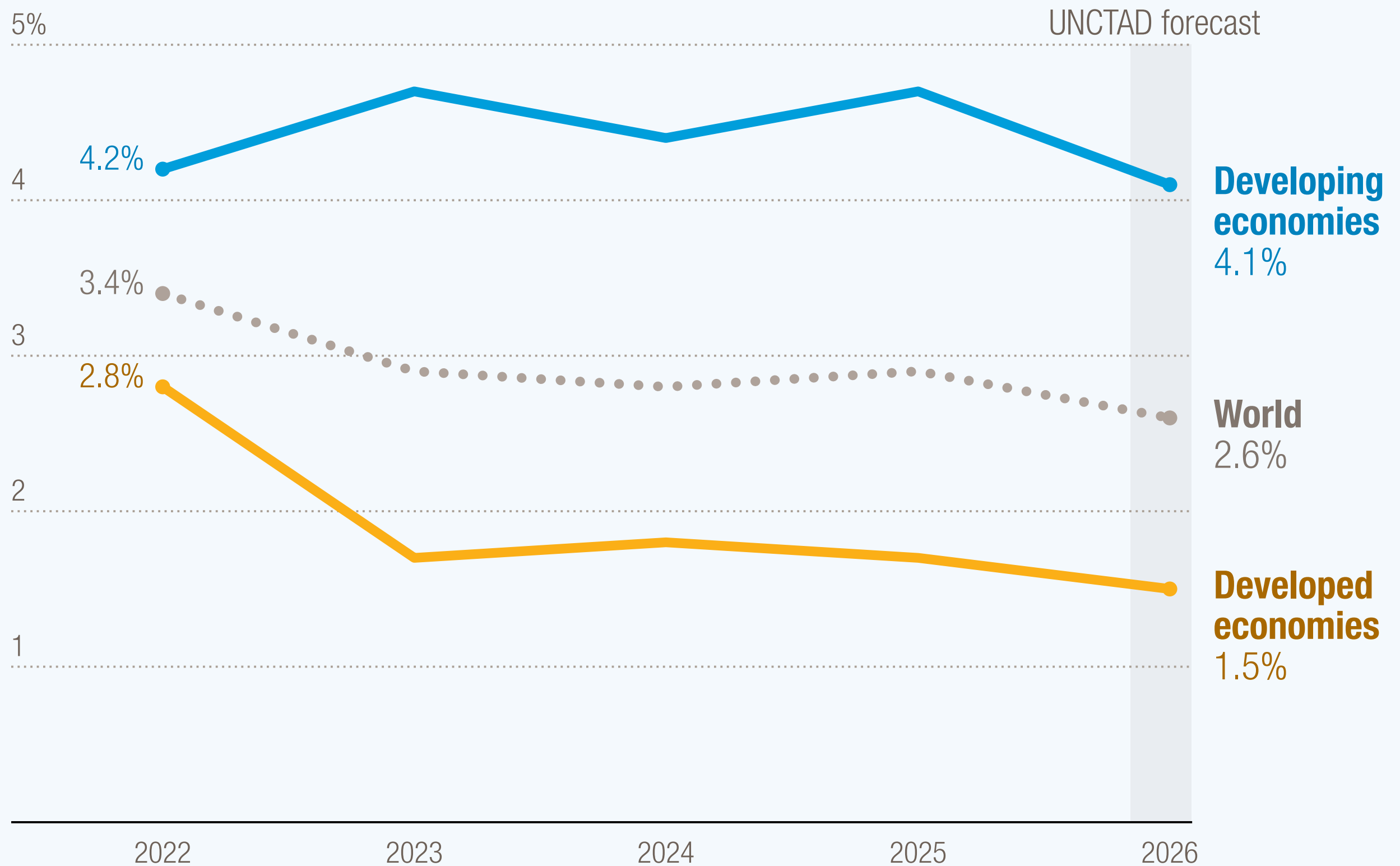
Source: UN Trade and Development, based on Caldara et al. (2020) and Caldara and Iacoviello (2022) with updated data from <https://www.matteoiacoviello.com/tpu.htm>.

Note: The index measures media attention to news related to adverse geopolitical events. A value of 100 corresponds to the average number observed during the 1985–2019 period.



Global growth is likely to slow down.

Annual growth rates of gross domestic product, in per cent



Source: UN Trade and Development, based on United Nations, Department of Economic and Social Affairs, National Accounts Main Aggregates database and World Economic Situation and Prospects 2026; Economic Commission for Latin America and the Caribbean, 2026; OECD, 2026; IMF, World Economic Outlook; Economist Intelligence Unit, EIU Viewpoint Data database; JP Morgan, Global Data Watch; and national sources.

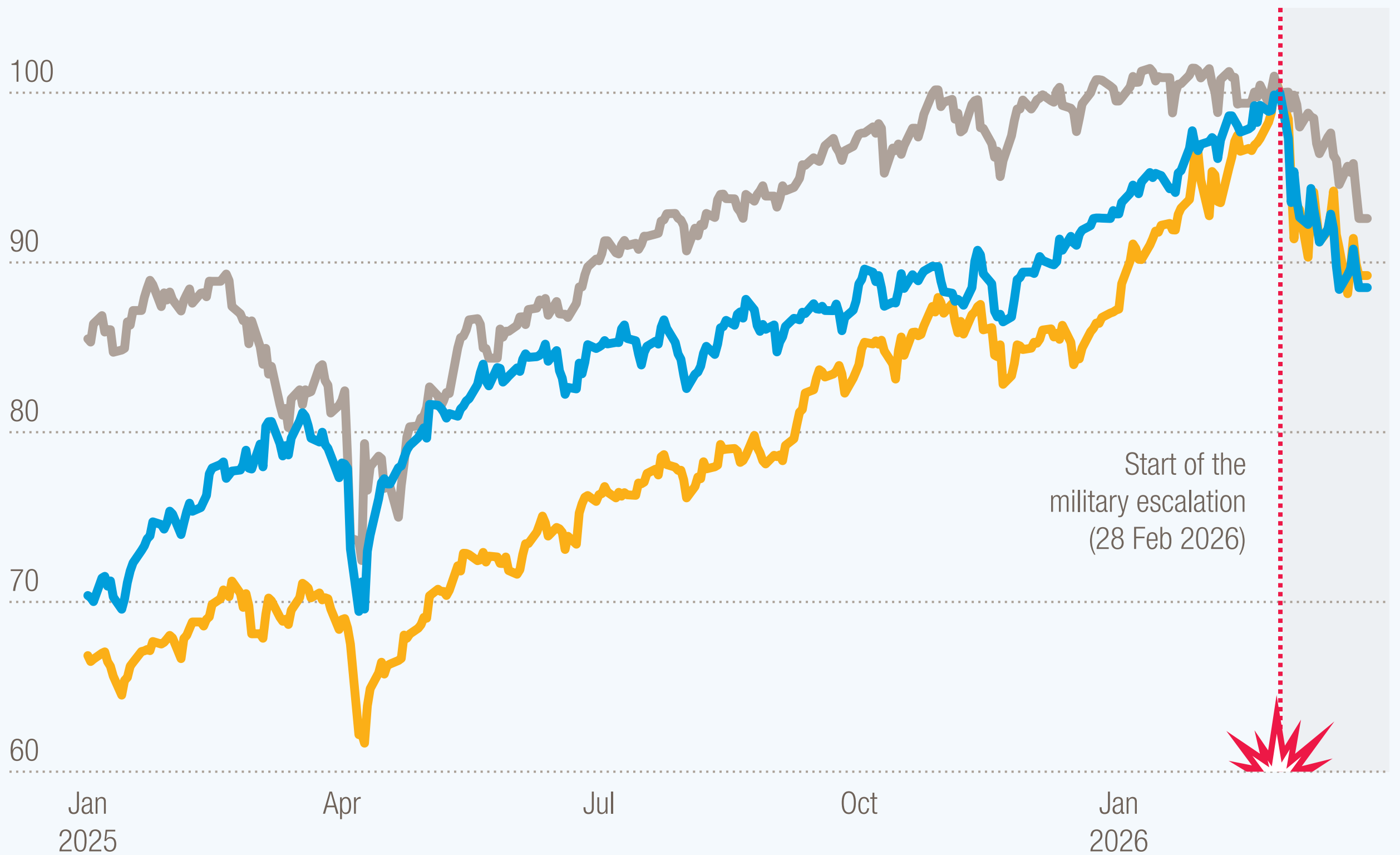
Note: For more disaggregated growth rate figures, please consult [this table](#).



Stock prices are in sharp decline.

Stock market performance, price index: 27 February 2026 = 100

— MSCI Emerging Markets — MSCI Europe — S&P 500



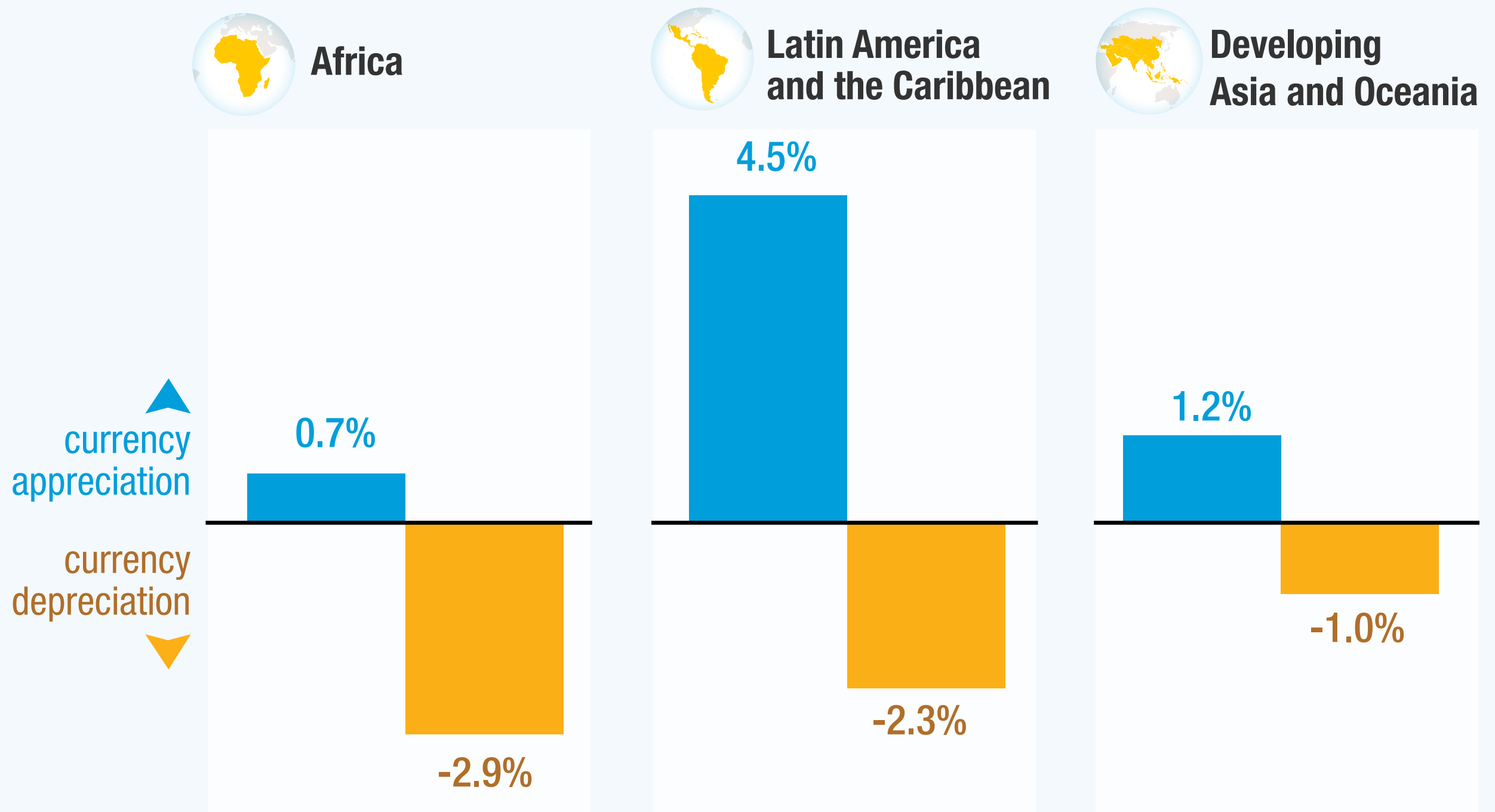
Source: UN Trade and Development, based on LSEG Data & Analytics.



Currencies of developing countries started to weaken.

Change in exchange rates against the US\$, per cent

■ 1 January 2026 to 27 February 2026 ■ Since the military escalation, 27 February to 26 March 2026



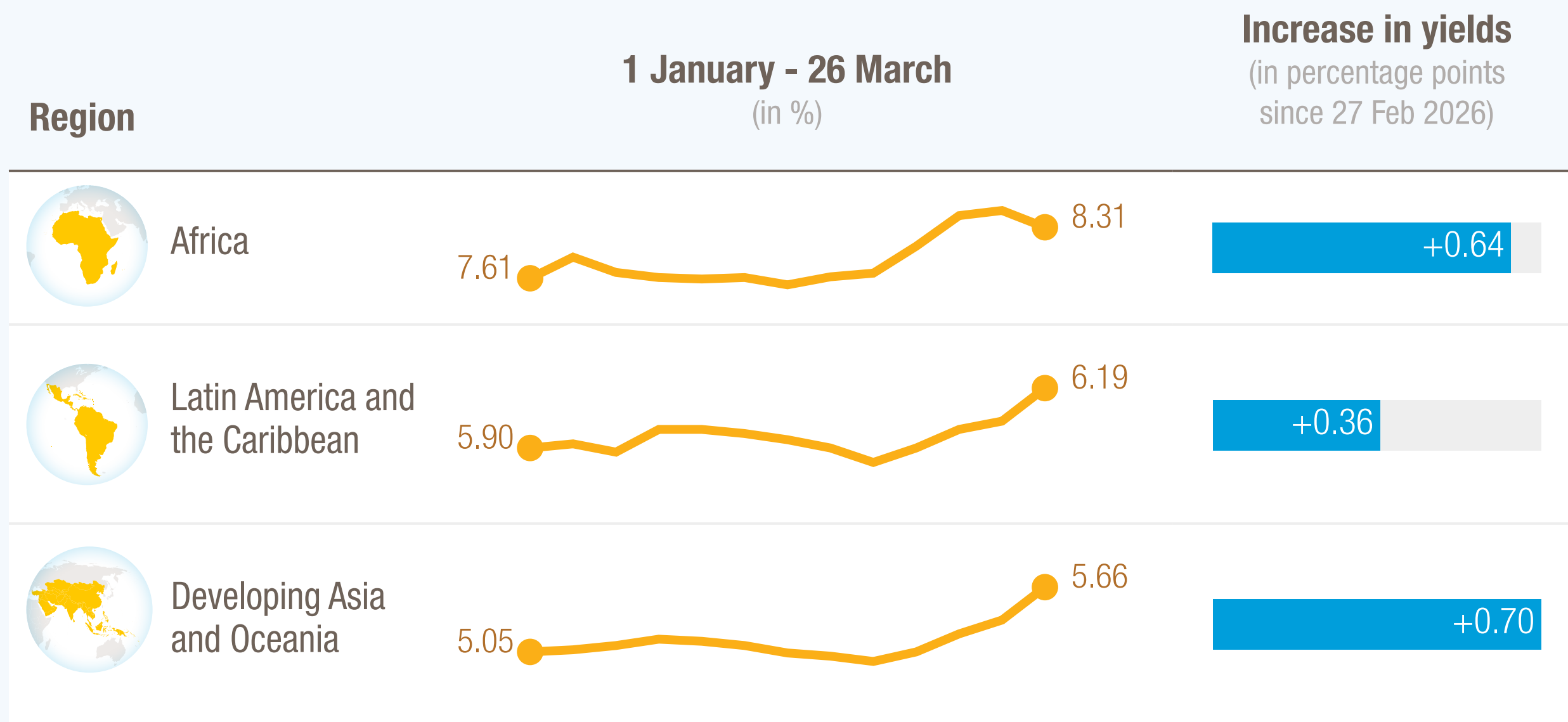
Source: UN Trade and Development, based on LSEG Data & Analytics.

Note: Aggregates by region are weighted by countries' GDP.



External borrowing costs are rising across the developing world.

Yields on external sovereign bonds by developing region



Source: UN Trade and Development, based on LSEG Data & Analytics.



Note: Median values by region.



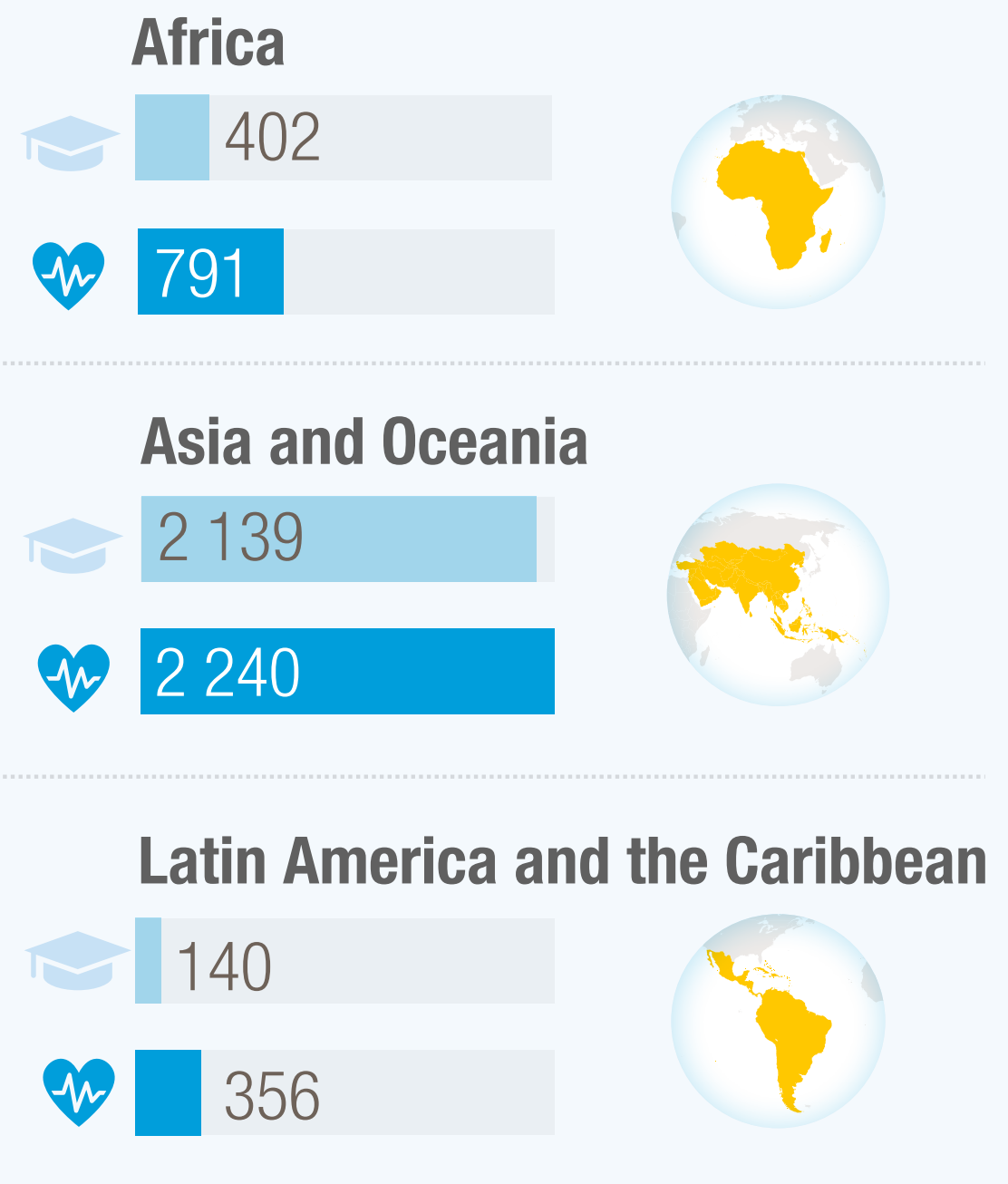
This is an extra burden on nations and people.



3.4 billion people


live in 46 developing countries that spend more on servicing their debt than on  health or  education.

 Millions of people



Source: UN Trade and Development, based on [A world of debt](#) (2025).

Note: Calculations based on the period 2021-2023. Debt refers to domestic and external public debt.



Issues for consideration



Consider a policy mix to stabilize price levels as inflation pressures rise, particularly for vulnerable populations.



Implement measures to contain transmission of systemic risks across energy, trade, and finance.



Enable rapid access to external financing for developing countries for essential imports and debt servicing, potentially through emergency assistance, debt relief, central bank currency swap agreements, and regional financial assistance.



Empower development banks to provide emergency loans; while bilateral creditors may need to suspend debt service to provide crucial relief to developing nations.



**“...the global economic
impact is increasingly
devastating.”**

“End the war — immediately.”

António Guterres
Secretary-General of the United Nations

