

SECTOR THREAT BRIEF

TRANSPORTATION & LOGISTICS

Iran Conflict / Strait of Hormuz Crisis | Global Supply Chain Impact Assessment

Prepared by Fortune Favors the Prepared | 2 April 2026 | For Operator & Enterprise Audiences

CLASSIFICATION: UNCLASSIFIED / FOR PLANNING PURPOSES | THREAT LEVEL: CRITICAL

1. EXECUTIVE SUMMARY — BOTTOM LINE UP FRONT

BLUF: The 2026 Strait of Hormuz crisis constitutes the single largest disruption to maritime trade since the 1970s oil embargo. With both the Strait of Hormuz and the Red Sea/Suez corridor simultaneously impaired, global shipping is facing a dual-chokepoint scenario with no historical precedent in the modern era. As of 2 April 2026, the Strait remains effectively closed to commercial traffic, all major carriers have suspended Gulf transits, war-risk insurance is either cancelled or commercially prohibitive, and Cape of Good Hope rerouting adds 10–14 days to Asia-Europe transit times. U.S. military operations to reopen the Strait are ongoing but timeline for resolution is indeterminate. Shippers, logistics operators, and any enterprise with Middle East supply chain exposure must treat this as a structural operating condition — not a transient spike — through at minimum Q3 2026.

2. THREAT ENVIRONMENT — CURRENT OPERATIONAL PICTURE

2A. STRAIT OF HORMUZ STATUS

THREAT LEVEL: CRITICAL

Status	De facto closed to commercial traffic. Not physically blocked but commercially unnavigable due to insurance withdrawal and active IRGC attacks.
Trigger Event	28 Feb 2026 — U.S./Israel launch Operation Epic Fury against Iranian military, nuclear, and leadership targets. Supreme Leader Ali Khamenei killed.
IRGC Declaration	2 March 2026 — IRGC officially declares Strait closed; threatens to 'set ablaze' any vessel attempting passage.
Confirmed Attacks	As of 31 March 2026: 23+ commercial vessels struck or affected; 5 seafarer fatalities on two vessels; Kuwaiti-flagged tanker attacked 31 March ~30nm offshore Dubai.

Vessel Traffic	Prior average: 138 vessels/24-hour period. March 1–25: 142 total transits. Shadow fleet now 80%+ of remaining transit traffic (vs. ~15% in Feb 2026).
Iran Tollbooth	IRGC opened a tolled passage through Iranian territorial waters around Larak Island ~13 March. Fee structure involves advance documentation, crew/ownership vetting, and reportedly substantial payments. No nation has publicly acknowledged paying.
Sovereignty Demand	Iran's parliament approved a plan to impose rial-denominated tolls and assert sovereign control over the Strait. Iran is formally demanding international recognition of sovereignty as a ceasefire condition.
U.S. Military Response	19 March — U.S. begins aerial campaign (GBU-72 penetrators against missile silos, A-10s and AH-64s against fast-attack craft). 22 nations signed statement supporting 'safe passage' efforts. Coalition military action ongoing.

Sources: [Wikipedia — 2026 Strait of Hormuz Crisis](#) | [UANI Shipping Update 31 Mar 2026](#) | [USNI News — IRGC Tollbooth](#) | [CNN — Iran Sovereignty Demand](#)

2B. RED SEA / SUEZ CANAL STATUS

THREAT LEVEL: CRITICAL

Status	Houthis resumed attacks 28 Feb 2026 in solidarity with Iran, reversing the partial recovery since Oct 2025 Gaza ceasefire. Maersk, CMA CGM abandoned their abortive Suez Canal return.
Dual Chokepoint	Both Hormuz (east) and Red Sea/Suez (west) are simultaneously impaired — an unprecedented dual-corridor shutdown. Cape of Good Hope routing is now the only viable alternative for most operators.
Impact on Suez	Suez Canal monthly transits, recovering toward 120 vessels, have sharply declined again. Projected to remain suppressed through at minimum mid-2026.
Air Cargo	Middle East air hub closures (Dubai, Abu Dhabi disruptions, Gulf airspace constraints) have reduced available capacity on Asia-Europe lanes. South/SE Asian exporters facing acute delays.

Sources: [Castor Vali — Commercial Shipping Risk](#) | [Freightos — March 4 Update](#) | [Carra Globe — Strait Closure Supply Chain](#)

3. FREIGHT RATES, WAR RISK INSURANCE & COST ESCALATION

3A. WAR RISK INSURANCE MARKET COLLAPSE

- Major P&I Clubs — Gard, Skuld, NorthStandard, London P&I Club, American Club — issued formal coverage cancellations for the Persian Gulf effective 1 March 2026.
- Lloyd's Joint War Committee (JWC) expanded Listed Areas to include Persian Gulf and waters around Oman on 1 March 2026. Oman's Duqm, Salalah, and Sohar subsequently designated high-risk following Iranian drone strikes.
- War risk Additional Premiums (APs) spiked from 0.2% to over 1.0% of vessel value within 48 hours of conflict onset. For a typical LNG carrier valued at \$150M, this adds \$1.5M in insurance cost per voyage.
- Several major insurers have suspended new policy underwriting for the region entirely — making the Strait not merely expensive but commercially uninsurable at any price for much of the global fleet.
- BIMCO CONWARTIME war risk clauses activated — ship captains legally entitled to refuse Gulf entry orders when risk to crew and vessel is assessed as excessive.

Sources: [Property Casualty 360 — Maritime War Risk Insurance](#) | [CXTMS — War Risk Surcharge Guide](#)

3B. CARRIER SURCHARGE SCHEDULE (AS OF MARCH 2026)

Carrier	Surcharge Type	Rate (per container)	Applicable Region
Hapag-Lloyd	War Risk Surcharge (WRS)	\$1,500/TEU; \$3,500 reefer	Arabian/Persian Gulf, Upper Gulf
CMA CGM	Emergency Conflict Surcharge (ECS)	\$2,000/20ft; \$3,000/40ft; \$4,000 reefer	Iraq, Gulf states, Egypt, Djibouti, Yemen
Multiple carriers	Surcharge stack (WRS + fuel + congestion)	\$7,650–\$10,350/container	Jebel Ali to Rotterdam (full stack)
Market-wide	Shanghai–Jebel Ali spot rate	\$4,200/FEU (up 55% from \$1,800 pre-crisis)	China–Gulf corridor

Note: Surcharges are retroactively applied to existing booked but unshipped cargo. Q3 2026 bunker surcharges will also reflect current oil price spike with 1-month notice lag.

Sources: [The National — Strait Surcharges](#) | [TTL War Risk Surcharge Guide 27 Mar](#) | [Supply Chain Dive — TPM26 Analysis](#)

4. ALTERNATIVE ROUTING — CAPABILITY VS. CAPACITY GAP

With both the Strait of Hormuz and the Red Sea simultaneously impaired, shippers have three primary alternatives — each with significant constraints:

Route	Status	Time / Cost Impact	Constraint
Cape of Good Hope	ACTIVE	+10–14 days; freight rates doubled on key corridors	Fleet capacity insufficient; congestion building at Asian transshipment hubs (Singapore, Sri Lanka, Malaysia)
Saudi East-West Pipeline (Petroline)	INCREASING UTILIZATION	Capacity 5–7M bbl/day to Yanbu, Red Sea	Yanbu struck by Iranian munitions; handles crude only — refined products still need tankers. Combined bypass capacity for all alternatives ~10M bbl/day vs. 20M bbl/day normal Hormuz flow.
UAE ADCOP (Habshan–Fujairah)	ACTIVE / VULNERABLE	1.5–1.8M bbl/day; ~8% of normal Hormuz flow	Fujairah struck by Iranian drones; refined products from Ruwais complex still dependent on Hormuz tanker routes
Iraq–Turkey Kirkuk–Ceyhan Pipeline	PARTIAL	900K–1.5M bbl/day capacity if repaired	Basra fields have no inland connection to northern pipeline. Iraq storage reaching capacity. Political disputes unresolved.
Air Freight (DXB)	OPERATIONAL	SE Asia–Europe rates up 6%+ (\$3.82/kg); backlogs building	Cost-prohibitive for most freight categories. Viable only for high-value or time-critical cargo.

ANALYTICAL FINDING: Combined bypass pipeline capacity (~10M bbl/day) is structurally incapable of replacing normal Hormuz throughput (20M bbl/day). A minimum 10M bbl/day gap exists with no short-term infrastructure remedy. The Cape route addresses container movement but adds significant transit time and cost, and global fleet capacity is already stretched from the 2024 Red Sea crisis. This is not a resolvable logistics problem — it is a geopolitical problem with logistics consequences.

Sources: [Al Jazeera — Three Pipeline Analysis](#) | [CNBC — East-West Pipeline & ADCOP](#) | [Hormuz Strait Monitor — Alternative Routes](#) | [InvestingLive — Five Pipeline Analysis](#)

5. LEGISLATIVE & REGULATORY TRACKER

The following legislative and executive actions are active or in progress as of 2 April 2026, with direct implications for transportation, logistics, and supply chain operators:

5A. ENACTED / IN FORCE

Instrument	Key Provisions / Logistics Impact	Status / Source
Executive Order 14382 (7 Feb 2026)	Authorizes up to 25% additional tariffs on imports from countries that trade with Iran. Creates third-country supply chain liability. Targets the entire supply chain — not just direct Iran transactions. Estimated \$2–5B annual impact on third-country exports. UAE/Turkey transshipment corridors now under heightened OFAC scrutiny.	IN FORCE Direct Drive Logistic
NDA FY2026 (P.L. 119-60) (18 Dec 2025)	DISRUPT Act (Sec. 1273): Whole-of-government strategy to counter China/Russia/Iran/DPRK cooperation. Outbound Investment Security Program expanded to include Iran, Cuba, North Korea, Russia, Venezuela. DoD battery procurement from Iran-linked entities banned by 2028. Supply chain screening requirements tightened for DoD contractors.	IN FORCE Baker McKenzie Analysis
SHIP Act (P.L. 118-50 Div. J) (2024 Supplemental)	Directs President to sanction port operators, refineries, and entities linked to Iranian oil. Sanctions targeting entire Iranian maritime and energy logistics chain. Enforcement accelerated in conflict context.	IN FORCE Congress.gov — Iran Sanctions Overview
Jones Act Waiver (Trump Admin, Mar 2026)	60-day waiver of Jones Act shipping restrictions to facilitate domestic oil market stabilization in response to Hormuz disruption. Allows foreign-flagged vessels to carry cargo between U.S. ports. Impacts domestic maritime operators and Jones Act-dependent logistics chains.	IN FORCE (60 days) CNBC — Pipeline Coverage

5B. PENDING LEGISLATION — 119TH CONGRESS

Bill	Key Provisions / Logistics Impact	Status / Source
H.R. 1422 / S. 556 Enhanced Iran Sanctions Act of 2025	Mandates sanctions on any foreign person engaged in transactions involving Iranian oil, LNG, condensates, or petrochemicals — including flagging registries, insurance providers, and pipeline operators.	PASSED HOUSE 16 MAR 2026 Congress.gov H.R. 1422

	Secondary sanctions exposure for logistics providers handling Iran-origin or Iran-linked cargo. Passed the House 16 March 2026; pending Senate action.	
Maritime Supply Chain Security (Rouzer/Calvert — pending)	Limits Chinese, Russian, North Korean, and Iranian influence at U.S. ports. Targets port infrastructure, crane technology, and terminal operations. Logistics operators with Gulf-origin cargo or Iranian-linked shipping partners face enhanced compliance requirements.	COMMITTEE PENDING House T&I Committee
CRS — Hormuz Oil & Gas Report Congress.gov R45281	Congressional Research Service report analyzing Hormuz closure impacts on oil, gas, and commodity markets. Flagged as active congressional oversight vehicle. Likely to inform emergency legislation, military authorization reviews, and sanctions expansion. Historical precedent: 1987–88 Tanker War generated multiple CRS hearings and legislative action.	ACTIVE OVERSIGHT Congress.gov R45281

PRACTITIONER NOTE: H.R. 1422, if enacted as passed, creates secondary sanctions exposure for any logistics provider, insurer, flagging registry, or financial institution that touches Iranian-origin or Iran-linked petroleum cargo anywhere in the chain. This includes indirect exposure via transshipment in third-country hubs (Jebel Ali, Singapore, Malaysia EOPL). Compliance review of carrier and forwarder relationships is a board-level risk item.

Sources: [Congress.gov — Enhanced Iran Sanctions Act](#) | [Congress.gov — Iran Sanctions Overview](#) | [Direct Drive Logistic — Trade Compliance 2026](#)

6. CRITICAL ANALYSIS

ANALYTICAL METHOD: This section documents the assumptions embedded in the preceding intelligence picture, challenges each against available evidence and plausible alternatives, presents alternative analytical frameworks, and explicitly states the limitations of this analysis. It is intended to prevent the preceding sections from being read as more certain than the underlying intelligence warrants. Where assumptions are found to be weak, the planning implications of their failure are stated.

6A. ASSUMPTION REGISTER — STRESS TEST

A-1

ASSUMPTION: Iran's sovereignty demand is a hard ceasefire condition

STATED ASSUMPTION: The brief treats Iran's demand for international recognition of Strait sovereignty as a structural barrier to diplomatic resolution — effectively closing off negotiated outcomes short of Iranian military defeat.

CHALLENGE:

- Iran has a documented pattern of maximalist opening positions abandoned under economic or military pressure. The 2015 JCPOA was preceded by Iranian officials publicly insisting on zero enrichment concessions — a position that collapsed entirely in negotiations. Treating the current sovereignty demand as immovable is to assume the exception rather than the pattern.
- The Iranian parliament's toll plan approval is a legislative gesture. It does not bind the Supreme National Security Council, which conducts actual ceasefire negotiations. Parliamentary hawkishness has historically outpaced SNSC flexibility without constraining it.
- Iran's ghost fleet revenue (\$3B+ since conflict onset) cushions the IRGC institutionally — but broader Iranian economy, civilian infrastructure, and political legitimacy of any successor leadership absorbs the cost. The sovereignty demand may be a ceiling position designed to extract durable sanctions relief, security guarantees, or implicit acknowledgment of Iranian influence — not literal control.
- The demand appeared after disruption scale exceeded Iranian planners' expectations. Opportunistic escalation of negotiating ambitions in response to unexpectedly effective leverage is a well-documented state behavior pattern.

ALTERNATIVE HYPOTHESIS: Iran's sovereignty demand is a ceiling that will be traded for a combination of U.S. non-aggression commitments, phased sanctions relief, and implicit acknowledgment of Iranian maritime influence — none of which require public sovereignty recognition. Back-channel talks may already be underway. Probability: MODERATE-HIGH.

IMPLICATION IF WRONG: Resolution timeline collapses from 6–18 months toward 6–10 weeks. Shippers locking in long-term Cape routing contracts on prolonged-disruption assumptions face significant penalty exposure if normalization arrives faster than expected. Model this scenario explicitly before committing to infrastructure or routing contracts.

A-2

ASSUMPTION: U.S. military campaign can functionally reopen the Strait

STATED ASSUMPTION: The brief notes the U.S. aerial campaign (GBU-72 strikes on missile silos, A-10/Apache deployment) without assessing whether destroying IRGC naval assets restores commercial operator confidence.

CHALLENGE:

- Destroying fixed infrastructure does not eliminate mobile anti-ship missile capability. Iran's AI-guided Abu Mahdi long-range cruise missile represents a dispersed, mobile threat not solved by striking static targets. The threat envelope may actually widen post-strikes as surviving IRGC units shift to more dispersed, irregular tactics.
- The J.W.C. Listed Area designation and P&I Club withdrawal are market mechanisms, not military ones. Complete destruction of IRGC naval forces does not automatically restore insurance market confidence. The 1987–88 Tanker War provides the precedent: U.S. military escorts reduced but did not eliminate risk, and insurance markets remained elevated for months after operations concluded.
- 22 nations signed a statement supporting safe passage but only the U.S. is conducting combat operations. Germany and Greece explicitly ruled out military involvement. A coalition capable of sustained convoy escort at 138 vessels/day historical average does not exist in theater and cannot be assembled within the current operational tempo.
- Iran retains coastal battery positions, fast-attack staging from dispersed Gulf islands, and submarine capability in restricted waters. A-10 and Apache assets are optimized for surface threats but do not address subsurface risk or over-the-horizon missile threats from Iranian mainland positions.

ALTERNATIVE HYPOTHESIS: The campaign succeeds in suppressing overt IRGC surface attacks but cannot eliminate the residual threat that keeps insurance markets in restricted mode. The Strait enters a semi-open state — passable under military escort for limited vessel categories — rather than achieving full commercial normalization. This is operationally better than a closed Strait but commercially worse than the pre-crisis baseline. Probability: HIGH.

IMPLICATION IF WRONG: If the campaign achieves rapid and decisive degradation of IRGC capability, the insurance market recovery timeline — not the military situation — becomes the binding constraint. Plan against insurance market recovery taking 2–4 months post-credible ceasefire regardless of how quickly the kinetic situation resolves.

A-3

ASSUMPTION: Ghost fleet revenue sustains Iran without altering its strategic calculus

STATED ASSUMPTION: The brief flags the ghost fleet as a sanctions compliance risk but treats it as background — without analyzing how ghost fleet revenue affects Iran's willingness to sustain the closure or the internal Iranian power dynamics it creates.

CHALLENGE:

- Ghost fleet revenue is real but fractional relative to pre-conflict export income. Iran was exporting approximately 1.5–1.8M bbl/day before the conflict. Ghost fleet operations represent a subset of that volume at degraded operational security — higher cost, lower margin, higher seizure risk. It cushions; it does not replace.
- The ghost fleet simultaneously suppresses the global oil price impact of the Hormuz closure by maintaining Chinese supply. This partially undermines Iran's primary economic coercion lever. Higher sustained oil prices create more political pressure for resolution; ghost fleet supply moderates that pressure — working against Iran's own strategic interest in demonstrating costs to the international community.
- IRGC control of ghost fleet revenue means the hardline faction that benefits most from the closure also controls the primary economic buffer against its costs. This creates an internal Iranian power dynamic where the IRGC has institutional incentive to prolong the crisis regardless of broader Iranian national interest — a bureaucratic capture problem within Iran's own decision-making structure.
- Malaysia EOPL anchorage activity (81 tankers tracked by UANI as of 31 March) is visible to U.S. Treasury and allied intelligence. H.R. 1422 enactment creates near-certain designation risk for the intermediary infrastructure — Chinese shadow banks, Malaysian shell companies, flag registries — that makes this work. That pressure compounds over time and is not yet fully priced into Iranian strategic calculations.

ALTERNATIVE HYPOTHESIS: Ghost fleet revenue prolongs the crisis by giving the IRGC economic insulation while creating internal Iranian political division — the IRGC benefits while the civilian economy and any successor leadership absorbs the cost of infrastructure damage and international isolation. Internal Iranian political pressure, not external military action, may be the more probable resolution trigger. Probability: MODERATE.

A-4

ASSUMPTION: China will act as a passive bystander or benign mediator

STATED ASSUMPTION: The brief identifies China as a critical variable but does not stress-test whether China's role is mediatory, adversarial, or self-serving — treating China as a potential resolution lever without examining what China actually optimizes for in this scenario.

CHALLENGE:

- China receives ~90% of its energy imports through the Strait and has the strongest economic incentive of any single actor to resolve the crisis. This creates mediation motivation. However, it also creates incentive to negotiate a bilateral Chinese carve-out — Iran provides China preferential access in exchange for continued economic and diplomatic support — which resolves China's problem while leaving the crisis structurally intact for everyone else.

- The IRGC blocked two Chinese ships on 27 March. This could be a miscalculation, a deliberate signal that Iran's closure applies universally, or an internal IRGC action taken without top-level approval. The interpretation materially affects China's response calculus — and the brief does not distinguish between these readings.
- China's broader strategic interest may favor prolonged U.S. military commitment in the Gulf — diverting attention and resources from the Indo-Pacific, straining alliance relationships, and creating economic pressure on U.S. trading partners — over rapid resolution. A protracted Hormuz crisis is not necessarily bad for China's strategic position even if it carries short-term energy costs.
- Trump's public linkage of China's Strait cooperation to the Xi summit makes Hormuz a chip in a broader U.S.-China negotiation covering trade, Taiwan, and technology. China may exploit this linkage rather than simply cooperate, extracting concessions on other fronts in exchange for minimal Strait-related action.

HIGHEST-PROBABILITY ALTERNATIVE: China negotiates bilateral Iranian passage rights for Chinese-flagged and -chartered vessels, creating a two-tier transit regime. China passes freely; Western operators remain blocked. This resolves China's immediate supply problem, sustains Iranian leverage against the West, and allows China to position itself as a responsible actor without U.S. cooperation. Probability: MODERATE-HIGH and rising given 27 March ship-blocking incident.

IMPLICATION IF THIS MATERIALIZES: The global shipping market bifurcates along geopolitical lines. Chinese-flagged and -chartered vessels regain competitive freight cost advantage over Western operators on Asia-Europe corridors. This is a structural realignment of maritime trade, not a temporary disruption — and it accelerates a bifurcation dynamic already underway from tariff policy and semiconductor export controls.

A-5

ASSUMPTION: Market signals accurately reflect the threat picture

STATED ASSUMPTION: The freight rate, insurance, and congestion data presented in the brief are treated as accurate proxies for underlying threat conditions. The brief does not account for behavioral amplification, information operations, or narrative-driven market distortion.

CHALLENGE:

- Insurance market responses, carrier surcharge decisions, and port congestion are partially driven by shipper behavior responding to news — not solely to underlying threat conditions. Panic booking, pre-emptive rerouting, and inventory hoarding create congestion and rate spikes that would not occur if operators made decisions solely on assessed probability of loss. The information environment is a supply chain risk multiplier independent of the kinetic situation.
- Iran has documented history of using signaling and information operations to amplify the perceived threat of Strait closure beyond actual operational capability — creating economic disruption without committing proportional military resources. The IRGC toll announcement may be partly an information operation establishing sovereignty-by-practice precedent, regardless of whether the toll infrastructure is operationally real or scalable.
- Social media is running coordinated escalation narratives — Iranian nuclear reconstitution, IRGC sleeper cell activation in Western countries, wider regional war scenarios — that are not supported by current operational evidence but are shaping corporate risk decisions. This mirrors the Q1 2026 industrial fire cluster, where the coordinated-attack narrative drove behavior independent of actual threat indicators.
- Current surcharge levels (\$7,650–\$10,350 all-in per container) include a behavioral premium above the actuarially justified rate. That premium may correct rapidly if credible de-escalation signals emerge — creating a sharp reversal in freight economics that catches operators holding high-cost routing contracts.

IMPLICATION: Decisions based on current market signals must explicitly model the scenario where those signals normalize faster than the underlying threat. The behavioral premium in current rates is real but not permanent. Operators making capital-intensive routing or sourcing commitments at crisis-level pricing should build in optionality for faster normalization.

6B. ALTERNATIVE ANALYTICAL FRAMEWORKS

The companion brief analyzes the crisis primarily through a logistics disruption lens — chokepoint closure, rerouting options, cost escalation. The following alternative frameworks produce materially different risk assessments and planning implications.

ALT FRAME B-1

STRUCTURAL GEOPOLITICAL REALIGNMENT — not a disruption event

The primary brief treats the Hormuz crisis as a disruption event — abnormal, temporary, with a return-to-baseline assumption. This framework treats it as an accelerant of structural realignment already underway: the bifurcation of global trade infrastructure into geopolitical blocs.

- The 2024 Red Sea crisis, the 2025 Iran-Israel conflict, and the 2026 Hormuz closure form a three-event sequence. Each has pushed global shipping further toward bloc-based routing. Western operators are increasingly routing via Cape and near-shoring; Chinese and Russia-adjacent operators are developing alternative corridors and bilateral arrangements. This is not noise — it is a trend with directional momentum.
- U.S. tariff policy, semiconductor export controls, the NDAA FY2026 DISRUPT Act, and H.R. 1422 (pending) collectively create a regulatory environment where supply chain geography is increasingly determined by geopolitical alignment rather than commercial efficiency. The Hormuz crisis accelerates a separation already being driven by policy.
- Under this framework, the relevant planning question is not 'when does the Strait reopen?' but 'what does the post-crisis maritime trade architecture look like and where does my supply chain sit within it?' The answer may be a permanently higher cost baseline for Western operators and a permanently restructured competitive landscape for China-adjacent logistics providers.

PLANNING IMPLICATION: If this framework is correct, near-shoring and ally-shoring investments are not contingency planning — they are strategic positioning for a structurally different trade environment. The ROI calculation changes significantly: the question is not 'will we recover the cost if the crisis ends quickly?' but 'are we positioned for the world that emerges regardless of how this specific crisis resolves?'

ALT FRAME B-2

SECOND AND THIRD ORDER ECONOMIC EFFECTS — the crisis beyond the Gulf

The primary brief focuses on Gulf-exposed operators. This framework maps how the crisis propagates to operators and enterprises with no direct Gulf exposure — via fuel cost lag, congestion cascade, monetary policy response, and agricultural price transmission.

- Q3 2026 BUNKER SURCHARGE LAG: Carriers' variable bunker surcharges are adjusted quarterly with a one-month notice. Q2 surcharges were set pre-crisis. Q3 announcements — due approximately June 2026 — will fully reflect the current oil price spike. This pushes the full freight rate impact onto Pacific and transatlantic lanes in July–August 2026, affecting U.S. domestic importers with zero Gulf supply

chain exposure. This is a political and economic inflection point that falls inside the 2026 midterm election window.

- **ASIAN TRANSSHIPMENT CONGESTION CASCADE:** Containers displaced from the Gulf are concentrating at Singapore, Sri Lanka, and Malaysia transshipment hubs. When hub congestion builds at scale, dwell times increase across all cargo at those hubs — including cargo on non-Gulf routes. The 2024 Red Sea crisis demonstrated this cascade: congestion at transshipment hubs created rate spikes on Pacific lanes 6–8 weeks after the initial disruption. The 2026 crisis is larger and the effect will be proportionally greater.
- **FERTILIZER AND FOOD SECURITY TRANSMISSION:** Up to 30% of internationally traded fertilizers normally transit the Strait of Hormuz. Middle East granular urea prices rose nearly 20% in early March 2026. Global fertilizer prices are projected 15–20% higher through H1 2026. This transmits to food prices in net food-importing nations — a supply chain risk for agricultural sector enterprises and a food security risk for lower-income countries that does not appear in standard logistics risk frameworks.
- **MONETARY POLICY INTERFERENCE:** Economists in Chile, Poland, and other nations have already scaled back rate cut expectations in response to oil price and freight cost increases. A sustained Hormuz disruption creates a global inflation pulse that complicates central bank policy — including the Federal Reserve — and affects the cost of capital for supply chain investment and restructuring.

PLANNING IMPLICATION: Enterprises that have concluded they have no Gulf supply chain exposure need to rerun that analysis against second-order effects: Q3 bunker surcharge increases on all trade lanes, congestion cascades through Asian transshipment hubs, fertilizer-linked input cost inflation, and potential monetary policy responses affecting financing costs. The Hormuz crisis is a global supply chain event, not a regional one.

**ALT FRAME
B-3**

IRAN'S INTERNAL POLITICS AS THE PRIMARY RESOLUTION VARIABLE

The primary brief frames resolution as externally driven — by U.S. military pressure, international diplomatic coalition, or China's mediation. This framework examines whether the more probable resolution trigger is internal to Iran.

- Khamenei's death in the opening strikes removed the figure around whom IRGC institutional loyalty was organized. Any successor leadership inherits a damaged economy, destroyed military infrastructure, international isolation, and a conflict they did not choose. The incentive structure for a new leadership to negotiate an off-ramp — framed as Iranian strategic wisdom rather than capitulation — is substantially higher than for the pre-conflict regime.
- The IRGC's institutional benefit from prolonging the crisis (ghost fleet revenue, domestic political relevance, control of the economy of force) creates a direct conflict of interest with any civilian or technocratic successor government seeking normalization. This internal tension may be the primary friction point determining resolution timeline — more so than U.S. military pressure or international coalition politics.
- Historical precedent from the Iran-Iraq War (1988 ceasefire) suggests Iranian leadership is capable of accepting what Khomeini called 'drinking poison' — accepting outcomes publicly framed as defeats — when the continuation of conflict threatens regime survival more than acceptance does. The successor leadership calculation may reach that threshold earlier than external analysis predicts.

PLANNING IMPLICATION: If internal Iranian political dynamics are the primary resolution variable, the relevant intelligence collection is on Iranian domestic political conditions — successor leadership stability, IRGC vs. civilian government power balance, Iranian public opinion — not on U.S. military campaign metrics. Watch for signals of internal Iranian political movement, not just operational military developments.

6C. RESOLUTION SCENARIO MATRIX — REVISED WITH ASSUMPTION CHALLENGES

Scenario	Timeline	Key Conditions	Probability	Logistics Impact
Negotiated Back-Channel Exit	4–8 weeks	Iran sovereignty demand proves negotiating theater. Back-channel deal trades sanctions relief for staged Strait normalization. Assumption A-1 fails.	LOW-MODERATE (underweighted in primary brief)	Rapid behavioral premium correction in rates. Insurance recovery 6–10 weeks. Cape routing contracts face penalty exposure.
Semi-Open Escort Regime	6–10 weeks	U.S. military suppresses surface attacks; escort convoys resume limited transit. Strait passable under military umbrella but not commercially normal. Assumption A-2 outcome.	MODERATE-HIGH (most probable near-term)	Insurance market partial recovery. Gulf transit possible for some operators at premium cost. Dual-tier market: escorted vs. unescorted.
China Bilateral Carve-Out	4–12 weeks	China negotiates bilateral passage for Chinese-flagged/chartered vessels. Strait remains blocked for Western operators. Assumption A-4 worst case.	MODERATE-HIGH (rising probability)	Structural competitive advantage for Chinese logistics operators. Maritime trade bifurcation accelerates. Permanent competitive asymmetry on Asia-Europe lanes.
Prolonged Conflict / Tollbooth Norm	6–18 months	No ceasefire. IRGC toll regime becomes quasi-permanent operating environment for non-Western operators. Houthi activity sustained in Red Sea.	MODERATE (consensus estimate; may be overweighted)	Cape routing structural baseline. Q3 surcharges cascade to all lanes. Supply chain geographic restructuring accelerates industry-wide.
Internal Iranian Collapse / Rapid Exit	8–16 weeks	Post-Khamenei successor leadership seeks normalization to consolidate domestic power. IRGC vs. civilian government tension produces ceasefire offer. Assumption A-3 / Framework B-3 outcome.	LOW-MODERATE (systematically underweighted in Western analysis)	Fastest resolution path. Maximum behavioral premium correction risk. Operators planning for prolonged disruption most exposed.

6D. ANALYTICAL LIMITATIONS — STATED EXPLICITLY

SOURCE LIMITS

- This analysis is built entirely from open-source intelligence — congressional research products, commercial maritime analytics (Lloyd's List, Kpler, Freightos, UANI), and practitioner reporting. No classified or government-restricted intelligence was used or available. Key actors' actual intentions — Iranian leadership decision-making, China's bilateral negotiations with Iran, U.S. military campaign objectives — are inferred from observable behavior, not confirmed by primary source access.
- AIS data, the primary vessel tracking source, is unreliable in the current operational environment. Shadow fleet vessels are intermittently disabling transponders. The Iranian ghost fleet's actual composition and revenue are estimated from UANI monitoring, which itself has acknowledged visibility gaps. Vessel counts and revenue figures should be treated as floor estimates, not precise measurements.
- Insurance market data (surcharge levels, P&I Club decisions, J.W.C. listings) reflects publicly announced positions. Bilateral arrangements — the tollbooth payments, the flag-state carve-outs for India, Turkey, Pakistan, and Greece — are occurring outside observable channels. The actual cost and terms of Strait access for non-Western operators are unknown and may be materially different from the public picture.

TIMING LIMITS

- This brief reflects conditions as of 2 April 2026. The situation is evolving at operational tempo. Key variables — IRGC attack frequency, U.S. military campaign progress, China-Iran bilateral negotiations, J.W.C. Listed Area status, and H.R. 1422 Senate action — may change materially within days. Any planning decision made on the basis of this brief should be reviewed against updated intelligence before execution.
- Probability assessments in the scenario matrix reflect conditions as of the production date. They are directional, not actuarial. They should be used to weight planning scenarios, not to make probabilistic commitments about resolution timing.

ANALYST BIAS

- This analysis is produced by a U.S.-based practitioner operating in the Western intelligence and emergency management tradition. It is structurally predisposed toward frameworks that center U.S. military capability, Western alliance cohesion, and rules-based international order as the primary resolution mechanisms. Scenarios where China acts as an independent actor optimizing for Chinese interests, or where Iranian internal politics drive resolution faster than Western policy, may be systematically underweighted relative to their actual probability.
- Commercial intelligence sources (Kpler, Lloyd's List, Freightos, Xeneta) are themselves operating within the same Western commercial framework. Their data is excellent for Western-operator-facing metrics but may have structural blind spots on shadow fleet dynamics, bilateral arrangements outside the J.W.C./P&I system, and Chinese logistics market conditions.
- This brief was produced for a commercial audience with a duty-of-care orientation — logistics operators, supply chain managers, enterprise risk functions. It is optimized for actionable planning, which creates a bias toward stating clearer conclusions than the underlying uncertainty warrants. This section is the corrective to that bias: treat the primary brief as the planning baseline and this section as the uncertainty envelope around it.

**SCOPE
LIMITS**

- This brief does not address cybersecurity threats to maritime logistics infrastructure — port management systems, vessel navigation, AIS integrity — which are elevated in the current conflict environment and are a plausible Iranian escalation vector that does not require naval assets.
- This brief does not address the LNG-specific market dynamics in sufficient depth for operators whose primary exposure is through LNG shipping or LNG-dependent manufacturing. QatarEnergy's force majeure on LNG shipments from Ras Laffan (4 March) removed approximately 20% of global LNG supply from the market — a separate analysis product is warranted for LNG-dependent enterprises.
- This brief does not model the food security transmission pathway in sufficient depth for agricultural sector enterprises or humanitarian logistics operators. The fertilizer price spike (15–20% projected for H1 2026) and Iran's 3 March food export ban create a separate humanitarian and agricultural supply chain crisis that intersects with but is distinct from the maritime logistics disruption addressed here.

7. ALTERNATIVES ANALYSIS — OPERATOR RESPONSE OPTIONS

The following alternatives are assessed for transportation and logistics operators with Gulf, Middle East, or Asia-Europe supply chain exposure:

ALT 1 — REROUTE ALL GULF-ORIGIN SHIPMENTS VIA CAPE OF GOOD HOPE

Advantage	Eliminates war zone exposure entirely. Cargo and crew not at risk. Removes insurance complexity for the transit leg. Currently operational at scale.
Disadvantage	+10–14 days transit time. Rate doubles on key corridors. Just-in-time supply chains disrupted. Empty container shortage cascades from Gulf stranding. Full fleet capacity insufficient to absorb all displaced volume — backlogs building at Singapore, Sri Lanka, Malaysia hubs.
Assessment	RECOMMENDED as the baseline operating posture for all carriers. Already the de facto standard. The question is not whether to reroute but how to manage the downstream cost and inventory impacts.

ALT 2 — NEGOTIATE BILATERAL IRAN TOLLBOOTH ACCESS

Advantage	Restores direct routing. Shorter transit time. Some flag states (India, Turkey, Pakistan, Greece) have successfully negotiated bilateral arrangements. Potential competitive advantage for operators who secure access.
Disadvantage	PRIMARY RISK: OFAC and H.R. 1422 (pending) secondary sanctions exposure. Any payment to IRGC-administered tollbooth is potentially a designated transaction. Insurance market will not cover the transit regardless of bilateral agreement. P&I Club withdrawal is not reversed by Iranian permission. Iran can revoke access unilaterally with no notice. Crew documentation submitted to IRGC creates intelligence exposure.
Assessment	NOT RECOMMENDED for U.S.-based or U.S.-exposed operators. Tolerable only for operators with no U.S. nexus, under legal counsel, with explicit OFAC guidance. Requires compliance review before any engagement.

ALT 3 — ACCELERATE NEAR-SHORING / SUPPLY CHAIN GEOGRAPHIC DIVERSIFICATION

Advantage	Structural reduction in Hormuz dependency. Builds resilience against recurrence. Aligns with broader tariff environment driving U.S. reshoring and ally-shoring trends. Reduces long-term exposure to any single chokepoint.
Disadvantage	3–5 year implementation timeline minimum. High capital requirements. Disrupts existing supplier relationships. Not a solution to the current crisis — a hedge against the next one.
Assessment	RECOMMENDED as a parallel strategic workstream for enterprises with significant Gulf exposure. Start now. The 2024 Red Sea crisis should have been the trigger; the 2026 Hormuz crisis removes any remaining ambiguity about the risk profile of single-corridor dependencies.

ALT 4 — INVENTORY BUFFER EXPANSION AND DEMAND SIGNAL LOCKDOWN

Advantage	Immediately actionable. Reduces customer-facing disruption. Buys time for routing alternatives to normalize. Applicable to any enterprise with Gulf-origin inputs (electronics, petroleum products, petrochemical feedstocks, fertilizer, LNG-dependent manufacturing).
Disadvantage	Capital tied up in inventory. Warehousing costs elevated. Does not address root cause. Extended disruption will exhaust even expanded buffers.
Assessment	RECOMMENDED as an immediate near-term action concurrent with Cape rerouting. Model inventory against a 6-month minimum disruption scenario. Any enterprise still operating on just-in-time assumptions for Gulf-sourced inputs is operating outside its risk tolerance.

8. 72-HOUR WATCH LIST & COLLECTION TASKING

Watch Variable	Analytical Significance
U.S. Senate action on H.R. 1422	Enactment materially expands secondary sanctions exposure for all supply chain actors. Passage in current conflict context is highly probable. Compliance teams should act as if it is enacted.
China bilateral negotiation with Iran re: Strait access	China receiving ~90% energy imports via Hormuz. IRGC blocked two Chinese ships 27 March. If China achieves bilateral passage rights without U.S./allied inclusion, this restructures the geopolitics of the crisis and creates a Sino-centric transit regime.
Iran mine-laying activity in Strait	Trump specifically warned against mine deployment. If confirmed, it transforms the Strait from a de facto closure to a physical blockade — extending resolution timeline by months and complicating military clearance operations.
JWC Listed Area expansion to additional ports	Oman's Duqm, Salalah, and Sohar already struck and partially listed. Further expansion to Fujairah, Jeddah, or Yanbu would eliminate the remaining bypass loading points and complete an effective Gulf energy export shutdown.

Jones Act waiver expiration (60 days from Mar 2026)	Expiration without renewal could tighten domestic U.S. energy logistics and maritime capacity. Watch for extension announcement or market response as expiry approaches.
Q2 2026 bunker surcharge announcements	Carriers' variable bunker surcharges adjusted quarterly with 1-month notice. Q2 surcharges were set pre-crisis. Q3 announcements will reflect the current oil price spike — further escalating all-in shipping costs on every trade lane, including Pacific routes.

9. CLOSING STATEMENT

This brief was produced by Fortune Favors the Prepared using open-source intelligence, congressional research products, commercial maritime analytics, and practitioner-sourced reporting. It represents an analyst assessment as of 2 April 2026 and will be updated as conditions evolve.

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Semper Paratus, Semper Gumby.

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