



Forum: ECOSOC

Issue: Geostrategic methods to protect open access to the Strait of Hormuz

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Overview of the Issue

The Strait of Hormuz, located between the borders of Oman and Iran, is a narrow passage of water which connects the Persian Gulf with the Gulf of Oman and the Arabian Sea. Roughly 35-60 miles (55-95 km) wide, the strait is one of the world's most strategic and important choke points for oil transportation and trade, both foreign to and within the Middle East. Every Persian Gulf shipping vehicle from all ports in Iraq, Kuwait, Bahrain, Qatar, and ships from the most critical docking points in Saudi Arabia and the UAE must travel through this strait. With 65.36% of the Organization of the Petroleum Exporting Countries' (OPEC) total oil reserves belonging to Middle Eastern countries such as the aforementioned, the Strait of Hormuz is a vital passage point for all traded oil worldwide; each day 17 million barrels of oil pass through this water, which is a substantial contribution to the approximated 90 million BPD needed to power and run humanity's affairs. Therefore, it the vast majority of international and internally involved nations' opinions that in order to maintain a functioning economy, to continue supplying the world with the necessary amount of oil and to refrain from creating a major economic power shift, the Strait of Hormuz should be accessible to all Middle Eastern and outside countries.

For an extended period of time, the Strait of Hormuz has been controlled by Iran, who produces 5.1% of the world's crude oil supply. For approximately the last 50 years, whenever Iran has found itself in political or economic turmoil, or has had it's economic sovereignty threatened by outside forces, the Irani government has used the Strait of Hormuz as a negotiation tool, threatening to close it multiple times, though never committing to their statements. In 2011, the former Vice President of Iran, Mohammad-Reza Rahimi, threatened to close off the strait if any economic sanctions put on the country would limit or stop Iranian oil production and distribution. Similarly, in 2012, the Iranian government threatened to block the choke point in response to the United States of America's and the European Union's outwardly shown disagreement with Iran's nuclear program. Threats such as these, if not dealt with appropriately, could lead to a detrimental economic crash and power shift, as power follows governments who control and have access to large quantities of non renewable, necessary resources. To prevent such shifts and to maintain the current global economic state, the Joint Comprehensive Plan of



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Action (JCPOA) was created in 2015, and implemented the following year. This document acted to suspend previous sanctions put on Iranian oil after various conflicts, such as the Gulf Wars and the Iran-Iraq War, so as to appease Iran and maintain a relatively similar economy and power balance between Western and Middle Eastern nations. As of November 2018, the US has revoked their suspensions and withdrawn from the JCPOA agreement. All previous sanctions which were put in place by the USA have been reinstated or are in the process of being restored. Such restorations include apparent “efforts to reduce Iran’s crude oil sales”, as well as reinstating various Executive Orders (13574, 13590, 13622, and 13645). These are the toughest sanctions the United States has ever placed on Iran, and will likely have disastrous effects on the country’s economy, seeing that the restrictions target energy use, shipping and various financial sectors. To place a numerical value on the heavy restrictions, more than 700 individuals, entities, aircraft and vessels have been sanctioned by the US government. The US views Iran responsible for aggravating and further fueling the Middle East’s regional instability, and therefore hopes that sanctions and threats will force for a change in leadership. Since this region of the world is heavily relied on for economic purposes, the US believes that it is necessary to push for such a change so forcefully.

It is because of the US’ implementation of all previous sanctions that Iran is again threatening to close the Strait of Hormuz. Many Islamic Revolutionary Guard Corps (IRGC) generals, a branch of the Irani Forces, are backing up these threats as of February 2019. However, it does not make strategic sense for the Irani government, in its current state of regional instability, to close off it’s main source of income. An Iranian Oil Ministry Official was quoted as saying, “We would be committing economical suicide by closing off the Hormuz Strait,” as well as: “Oil money is our only income, so we would be spectacularly shooting ourselves in the foot by doing that,” by the Washington Post. Therefore, no action to legally close the Strait of Hormuz will likely be taken, but Iran is likely to retaliate in other ways such as harassment of US and allied transportation and shipping vessels by the IRGC. Regardless, the threats made by Iran have a massive effect on the onlooking community, particularly on the US who have started to develop a relatively anti-Irani agenda.

As it currently stands, the tensions are high between Iran and the USA. The mere idea of blocking open access to the Strait of Hormuz creates vast amounts of uncertainty worldwide.



Key Terms

Geopolitical: relating to a political situation, specifically involving international relations and foreign policy, which is influenced by geographical factors including: geography, economics, and human populations (demography).

Geostrategic: relating to the strategy/ies required when dealing with geopolitical issues.

Economy: the structure and conditions of production, distribution and consumption of products or services in a country, area or period.

Exports: raw materials, agricultural products or manufactured goods which are transported from one country to another for financial or trading purposes.

Revenue: the total income produced by a specific item or source.

Economic sanctions: commercial, trading and financial penalties given to a nation by one or more countries in the international community which are applied for political and economic reasons and failure to comply to such restrictions leads to severe repercussions; these are being increasingly used as tools in foreign policy and in conflict resolution world-wide.

Regional instability: a state of being whereby a region is in a state of unrest and there is a vast amount of uncertainty caused by the possibility of sudden political and/or economic changes in the present situation.

Economic sovereignty: a state of being whereby a country has complete control over and can make independent decisions of those made by other governments concerning finances, production, distribution, trading of products or services and foreign trading relations.

BPD: Barrels per day (unit of measurement).

Countries and Organizations Involved

Iran: Iran, as of current times, has control over the Strait of Hormuz, allowing them to open or close the choke point. Previously, and as of recent times, Iran has used the strait as a leverage



point when in political or economic disagreement with other Middle Eastern and/or Western countries, seeing that the Strait of Hormuz is essential to preserving the world's current economic state and crucial for oil trade worldwide; thirty five percent of all sea traded oil goes through the passage. Because of the US' reinstatement of the sanctions previously removed by the JCPOA, Iran has been threatening to close the passage, once again. However, this would be "economical suicide" according to an Iranian Oil Ministry official, seeing that the majority of Iran's revenue is due to their oil production and trade, all of which goes through the Strait of Hormuz.

United States of America: The United States of America is the largest consumer of oil worldwide, using roughly 19 million BPD. In 2015, they were a part of the team which created the JCPOA agreement, and in doing so suspended any sanctions concerning transportation, energy and finances that were previously placed on Iran. In November 2018, the U.S.A. officially withdrew from the JCPOA agreement and consequently, all sanctions have been reinstated. In doing this, the US hopes to pressure the Iranian government into changing their leadership so that the economic state of the Middle East becomes more stable in order to preserve the current economy and to prevent dramatic shifts in power.

European Union: The European Union, commonly referred to as the EU, is a political and economic union of 28 nations primarily located in Europe. The EU, as a conglomeration, are the second largest consumer of oil worldwide, using approximately 15 million BPD. The EU has been relatively vocal in its disagreement with Iran's threats to close the Strait of Hormuz because of the economically damaging effects that would undoubtedly follow. The EU previously had financial and energy sanctions placed upon Iran, but the majority have been suspended or lessened by the JCPOA.

Islamic Revolutionary Guard Corps (IRGC): The IRGC is a branch of the Iran Armed Forces with its own ground forces, navy, air force, special forces and intelligence and was founded after the Iranian Revolution, in 1979. Their main focus is on national security; it is estimated that the IRGC has ties with one hundred plus companies and has been awarded billions of dollars in oil contracts. The Corps has expressed their willingness to follow through with the closing of the Strait of Hormuz to protect economic sovereignty of Iran, with the commander-in-chief being quoted as saying, "we are hopeful that this plan expressed by our president will be implemented if needed. We will make the enemy understand that either all can use the Strait of Hormuz or no one."



Gulf Cooperation Council: The Gulf Cooperation Council is a political and economic alliance between Saudi Arabia, Kuwait, the UAE, Qatar, Bahrain and Oman. These countries are all in close proximity to Iran and the Strait of Hormuz; it is profoundly used in trade and is a necessary passing point for all ships leaving from major, if not all, ports of the previously stated members of the Council. Closing access to the Strait of Hormuz would most likely mean war or conflict

with the members of the Gulf Cooperation Council, as they generally seek to preserve freedom of passage and shipping through the Strait of Hormuz and all other waters.

Organization of the Petroleum Exporting Countries (OPEC): The OPEC is a group consisting of 12 of the world's major oil exporting nations, whose main purpose is to coordinate petroleum policies and to provide its members with economic or technical aid

Related UN resolutions and Previous Approaches to Solving the Issue

Joint Comprehensive Plan of Action (JCPOA): More commonly known as the Iran nuclear deal, the JCPOA is a 159-page agreement which negotiated a deal between Iran and the P5 (China, France, Russia, UK, USA), Germany and the European Union. In exchange for Iran agreeing to cutting their low-enriched uranium stockpile by 98% and entirely cut their medium-enriched stockpile, among other things, political and economic sanctions put into place by the aforementioned countries would be lifted. As of November 2018, the US has withdrawn from the JCPOA and has reinstated all sanctions previously suspended.

US sanctions previously suspended by the JCPOA and agreements previously made via the JCPOA include:

1. The U.S. will “cease the application” of the major economic sanctions against Iran’s financial and energy sectors.
2. The U.S. will cease “efforts to reduce Iran’s crude oil sales”
3. The U.S. will revoke banking sanctions, allowing Iranian banks to reconnect to the global financial system, although they will remain frozen out of the U.S. market.
4. The U.S. will cancel four Executive Orders (13574, 13590, 13622, and 13645)
5. The U.S. will remove the 444 companies or individuals, 76 planes, and 227 ships from its sanctions blacklist.

Besides this, there are limited documents and resolutions which have been made to protect open access to the Strait of Hormuz.



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Appendix

Appendix 1. Map depicting the Strait of Hormuz' location and all surrounding entities

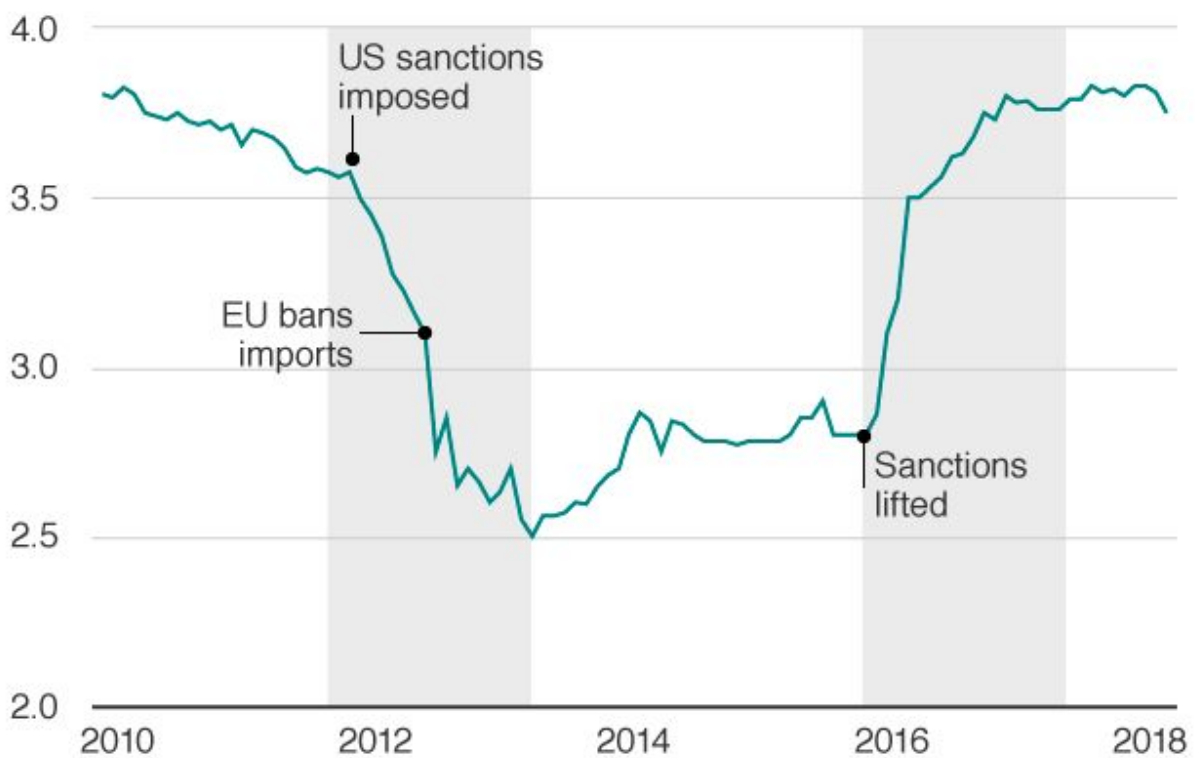


Appendix 2. Comparing Iran's oil output (production in millions of BPD) from before US sanctions were imposed (2011) and after they were lifted (2016)*

*As of November 2018, the US sanctions have been reinstated as they have withdrawn from JCPOA.

Iran's oil output

Production in millions of barrels per day



Source: Central Bank of the Islamic Republic of Iran, IATBXOIL index

BBC