IEEJ: April © IEEJ 2026
Special Bulletin

A Japanese Perspective on the International Energy Landscape (789) April 16, 2026

The "Hormuz Strait Crisis" in Comparison with the "Oil Crises" and the "Ukraine Crisis"

Ken Koyama, PhD
Chief Economist, Senior Managing Director
The Institute of Energy Economics, Japan

More than six weeks have passed since the effective closure of the Strait of Hormuz began, and a sharp decline in global supplies of oil and LNG has continued unabated. With regard to the ongoing state of war between the United States and Israel on the one hand, and Iran on the other, the situation remains highly unpredictable, leaving no room for complacency. U.S. President Donald Trump announced a two-week suspension of military attacks against Iran, and on April 11, direct talks between the United States and Iran were held in Pakistan, acting as an intermediary. However, no agreement toward the termination of hostilities was reached, and the negotiations ended without result. Subsequently, President Trump declared a "reverse blockade" of the Strait of Hormuz aimed at containing Iran's trade, and severe tensions between the two countries have continued.

At the same time, media reports have recently suggested the possibility that U.S.–Iran negotiations may resume in the near future, raising expectations that a bilateral agreement leading to the end of the war could be reached. Nevertheless, significant gaps reportedly remain between the positions of the two countries, and any optimistic outlook would be premature. Particular attention must also be paid to the response of Israel, which has been pointed out as not necessarily favoring a U.S.–Iran agreement or the termination of the conflict.

Under these circumstances, international energy conditions are likely to remain uncertain and unstable, driven by profound geopolitical risks and the persistent disruption of energy supplies. Depending on how the conflict develops, energy prices may remain elevated for a prolonged period or even surge further at an accelerated pace. A prolonged supply disruption could make it increasingly difficult to secure the energy necessary to sustain economic and social activity, potentially leading to actual "physical shortages." The current energy crisis, marked by the continued effective closure of the Strait of Hormuz, represents an extraordinarily significant challenge unprecedented in the history of international energy markets.

Against this backdrop, this paper seeks to elucidate the defining characteristics of the current "Hormuz Strait Crisis" through a comparative analysis with the "Oil Crises" and the "Ukraine Crisis," both of which profoundly shook global energy security in the past.

First, when comparing the scale and severity of supply disruptions, it becomes clear that the magnitude of disruption associated with the current Hormuz Strait Crisis is unprecedented. The loss of approximately 20 million barrels per day of crude oil exports transiting the Strait of Hormuz far exceeds the peak disruptions recorded during the First and Second Oil Crises, which amounted to 4.3 million barrels per day and 5.6 million barrels per day, respectively. During the Ukraine Crisis, Russian crude oil became subject to economic sanctions imposed by Japan, the United States, and Europe, leading to a decline in imports of Russian oil by these countries. However, Russia's oil exports in 2022 decreased by only 180,000 barrels per day year-on-year. This limited decline occurred because reduced imports by Western countries were offset by increased purchases from China, India, and other countries, thereby constraining the net reduction in global supply.

The First and Second Oil Crises were, as their names suggest, crises caused by disruptions in crude oil supply. By contrast, the present Hormuz Strait Crisis constitutes an unprecedented event in which exports from the Middle East—accounting for approximately 20 percent of global LNG supply—have also been lost. Accordingly, this crisis represents a severe supply shock affecting both crude oil and LNG (or natural gas). In this respect, the current crisis shares similarities with the Ukraine Crisis, which also involved disruptions to both oil and gas supply. However, as noted above, while the net reduction in oil supply during the Ukraine Crisis was extremely limited, the scale of supply disruption in the present crisis is overwhelmingly larger. Regarding gas supply disruptions, the Ukraine Crisis saw a drastic reduction in Russian pipeline gas exports in 2022, sending shockwaves through Europe and the global market. The reduction amounted to approximately 76 billion cubic meters, equivalent to about 56 million tons of LNG. While the volume of supply lost due to the Hormuz Strait Crisis depends on the duration of the blockade, the scale is fully comparable to, and potentially exceeds, this level. In other words, the present crisis constitutes the first instance in the history of international energy markets in which severe supply disruptions in both oil and LNG (gas) have occurred simultaneously.

The second point of analysis concerns the relationship between the scale of supply disruptions and their impact on market instability, including price surges. In the course of the Hormuz Strait Crisis, crude oil prices have remained elevated, with WTI futures briefly approaching USD 120 per barrel at their peak (with the highest closing price in the USD 112 range). LNG spot prices have so far peaked at approximately USD 25 per million BTU (around USD 150 on an oil-equivalent basis). These levels are sufficiently high to exert serious adverse effects on daily life and economic activity. However, during the Ukraine Crisis, crude oil prices briefly reached USD 130 per barrel, while LNG spot prices surged to nearly USD 70 per million BTU at their peak. Given the vastly larger scale of supply disruptions in the current crisis, it is noteworthy that price increases have been relatively restrained. By contrast, during the First Oil Crisis, crude oil prices quadrupled, while during the Second Oil Crisis they doubled, reflecting extremely sharp price escalations.

From various analytical perspectives, the factor to which the author attaches the greatest importance is the market environment and supply-demand balance at the time the disruption occurs. In essence, supply disruptions exert their most powerful upward pressure on prices when markets are already tight and prices are on an upward trend. Conversely, when supply-demand conditions are loose and prices are weakening, the impact of supply disruptions tends to be moderated. In the period immediately preceding the Ukraine Crisis (and likewise the Oil Crises), oil prices had already been on an upward trajectory. The subsequent supply disruptions magnified concerns over shortages and rapidly accelerated price increases. Although it later became apparent that Russian oil exports had not declined substantially, fears during the crisis that Russian supply would fall sharply were sufficient to drive prices higher. In contrast, prior to the current crisis, downward pressure on oil prices had persisted into early 2026, and expectations of a supply-demand surplus were dominant. This difference helps explain the apparent imbalance between the unprecedented scale of the supply disruption and the relatively moderate price increases observed to date. Conversely, it also underscores that the present disruption is sufficiently massive to reverse a market characterized by surplus conditions almost instantaneously.

It is also important to recognize that, compared with the period of the oil crises half a century ago, the share of oil in the overall primary energy mix has declined markedly. Furthermore, the expansion of strategic oil stockpiles and the establishment of coordinated response frameworks under the International Energy Agency (IEA) have enhanced overall resilience to energy crises. These developments should not be underestimated. In addition, the capacity to draw lessons from the repeated experience of past “crises” constitutes another meaningful source of resilience. Nevertheless, the most critical issue going forward lies in the unprecedented magnitude of the current supply disruption. If such disruptions were to persist over an extended period, they could give rise not only to sustained price increases but also to a situation in which securing the energy required to support economic activity and daily life becomes physically difficult.

Finally, all past energy crises have shared the characteristic of being global in nature, sending shockwaves through the entire world and inflicting severe negative impacts on consuming and importing countries in particular. Looking more closely, however, the First and Second Oil Crises had especially profound consequences for advanced economies, which at the time formed the center of gravity of the global oil market. The Ukraine Crisis, by contrast, was particularly severe for Europe, given its high dependence on Russian energy supplies. The present Hormuz Strait Crisis, while global in scope, is increasingly emerging as a grave crisis for Asia, a region characterized by high dependence on Middle Eastern energy supplies and considerable vulnerability to supply disruptions.

Contact: report@tky.ieej.or.jp