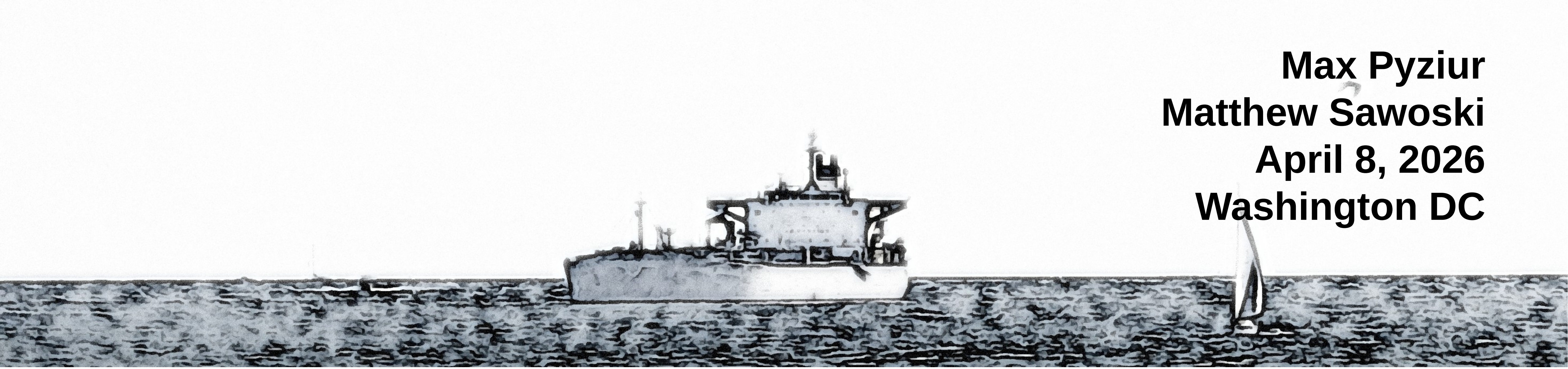
Chart of the Week #2026-14

Hormuz Strait Closure: Assessing the Shortfall in Crude and Condensate Exports



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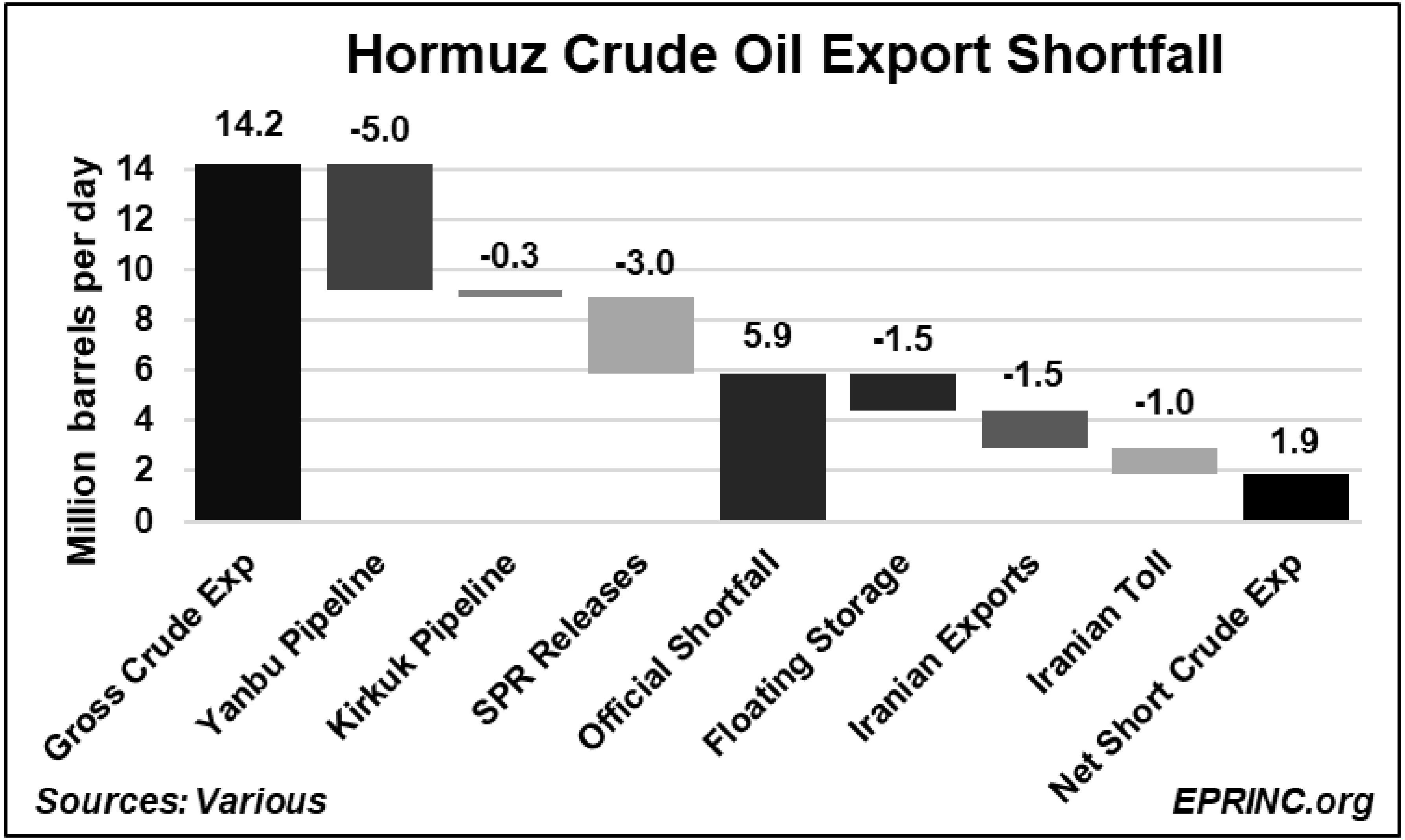

Hormuz Strait Closure: Assessing the Shortfall in Crude and Condensate Exports

Energy Policy Research Foundation

- **Since Iran's closure of the Hormuz Strait on March 1, 2026, entities have been citing a variety of values for the shortfall in hydrocarbon exports through the waterway. The headline number has ranged from 18.3 to 20 million barrels per day (MB/d).**
- **The most recent published assessment of the U.S. Energy Information Administration (EIA) (https://www.eia.gov/todayinenergy/detail.php?id=65504) cites the 2025 breakdown between crude oil & condensates and petroleum products as 14.2 MB/d and 5.9 MB/d, respectively, for a total of 20.1 MB/d.**
- **Logistical alternatives and policy mechanisms can most directly affect the shipping of crude oil and condensates. Gulf-sourced products, LNG, and NGLs/LPG have no such alternatives to Hormuz transit.**
- **With 14.2 MB/d as a starting point, there are two logistical alternatives for moving crude oil and condensates out of the region: the Saudi Yanbu East-West Pipeline with a nameplate capacity of 7 MB/d and the Iraqi Kirkuk Pipeline with capacity of 0.3 MB/d. The Yanbu system is now operating at 5 MB/d up from minimal transfer, and the Kirkuk is operating at nameplate.**
- **The critical policy mechanism to partially alleviate the Hormuz shortfall has been the IEA coordination of the release of 400 MBs from global strategic reserves (127 MBs from the U.S. SPR) over a period of 120 days. This would offer 3 MB/d of relief.**
- **Combined, this lowers the shortfall to an official 5.9 MB/d. But there are still other available sources.**
- **As of mid-February, there was 222 MBs of floating storage (139 Russian MBs, 61 Iranian MBs, and 22 Venezuelan MBs), some of which was sanctioned. With the lifting of sanctions and with shadow/black market operations, this could offer an additional 1.5 MB/d to global crude oil markets conservatively estimated.**
- **With Iranian controlling transit subject to tolls (estimated to be $1/bbl) along with the transit of its own production, another 2.5 MB/d offsets the original 14.2 MB/d number.**
- **On net, then, there is still a significant global shortfall of 1.9 MB/d.**

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- **This slide deck is available at: https://eprinc.org/chart-of-the-week/**
- **For more information on these charts, please contact Max Pyziur (maxp@eprinc.org) or Matthew Sawoski (matthews@eprinc.org).**