

LAT: 26.56° N
LNG: 56.14° E
ALT: 0 FT

RADAR: ACTIVE
SCAN: 360°
RANGE: 500 NM

The 2026 Hormuz Chokepoint: Simulating the Macroeconomic Shockwave

An integrated analysis of trade friction, structural amplification, and BRICS/Global South resilience.

SYSTEM: ONLINE
LNG TRANSIT: 28%
EST. DELAY: +48 HRS

DATA STREAM: ENCRYPTED
BRICS INDEX: +1.2%
USD: STABLE

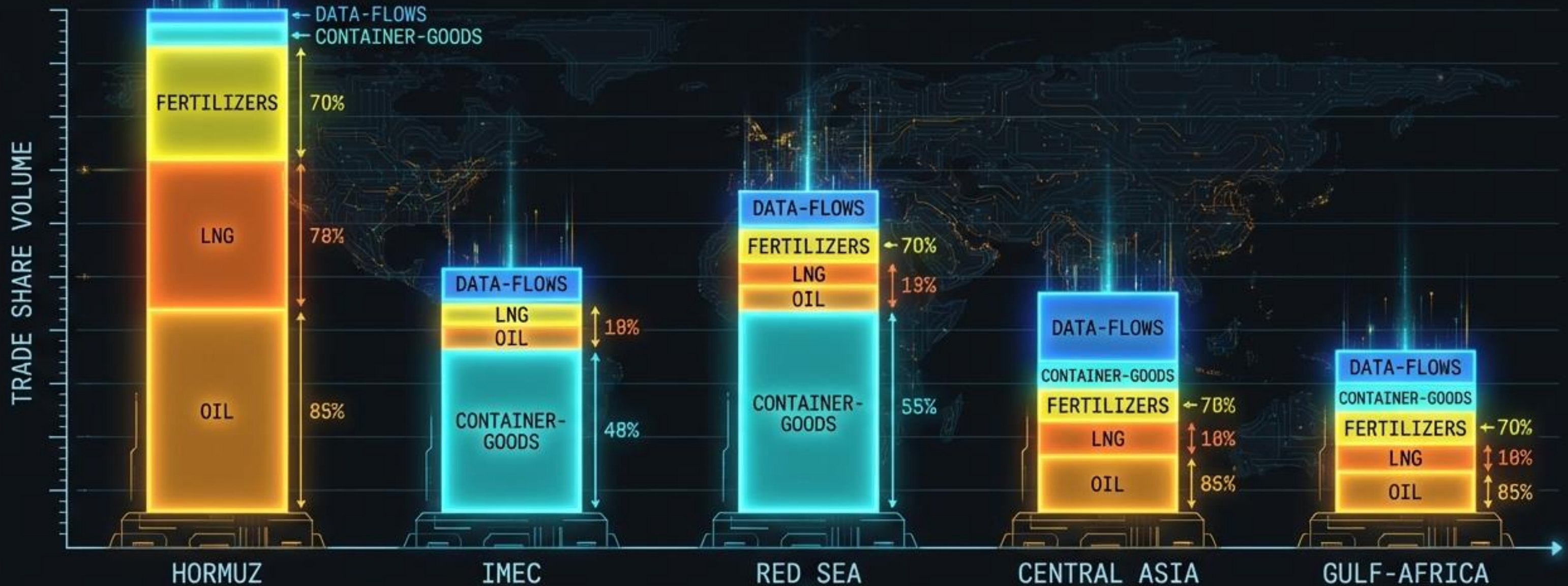


The Hormuz Anchor:
The 21-mile Strait of Hormuz facilitates **~20 million barrels** of crude daily, representing roughly **20%** of global consumption and **25%** of seaborne oil trade.

Chokepoint Contagion:
With Red Sea/Bab-el-Mandeb container traffic plummeting **75%** due to regional conflict, the systemic pressure on alternative maritime and overland corridors has reached historic highs.

Strategic Pivot: BRICS and Global-South economies are actively scaling alternative overland arteries—such as the INSTC and Middle Corridor—to bypass vulnerable, historically Western-secured maritime nodes.

CORRIDOR DEPENDENCY BY INDUSTRY SECTOR



- **SECTORAL ASYMMETRY:** HORMUZ IS THE WORLD'S UNDISPUTED ENERGY ARTERY; ITS DISRUPTION IMMEDIATELY CHOKES GLOBAL PETROLEUM AND LNG SUPPLIES, WHEREAS RED SEA SHOCKS PRIMARILY FRACTURE MANUFACTURING AND RETAIL SUPPLY CHAINS.



- **HIDDEN DEPENDENCIES:** BEYOND CRUDE, HORMUZ-DEPENDENT GULF STATES ARE THE LEADING SUPPLIERS OF CRITICAL NON-MINERAL PRODUCTS, INCLUDING 73.4% OF HYDROCARBON DERIVATIVES AND MAJOR SHARES OF GLOBAL FERTILIZERS.



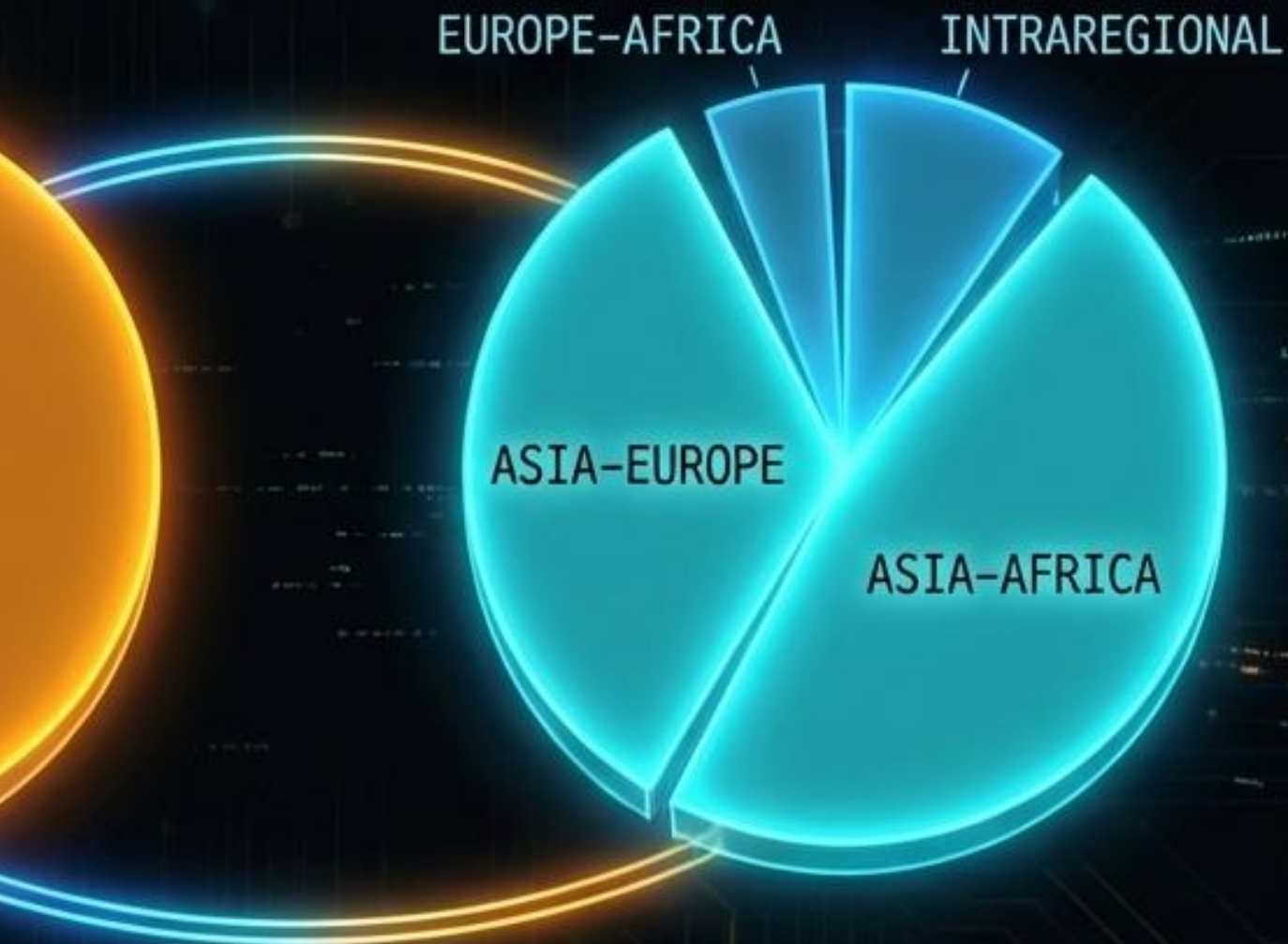
- **THE IMPORTER PENALTY:** VULNERABILITY IS ACUTELY CONCENTRATED IN ENERGY-IMPORTING, MANUFACTURING-LED ECONOMIES OF THE GLOBAL SOUTH, WHICH SIT AT THE INTERSECTION OF BOTH HORMUZ AND RED SEA DEPENDENCIES.



SEABORNE OIL/LNG VIA HORMUZ



CONTAINER-TRADE VIA RED SEA/SUEZ



THE ASIAN HYPER-DEPENDENCY

An estimated 89% of crude oil and condensate moving through Hormuz is destined for Asian markets, with China, India, Japan, and South Korea alone absorbing 74% of the flow.



LNG EXPOSURE

Over 20% of global LNG trade transits Hormuz (11.4 Bcf/d), with almost 90% of Qatari and UAE exports heading to Asian economies, stranding them in a closure scenario.

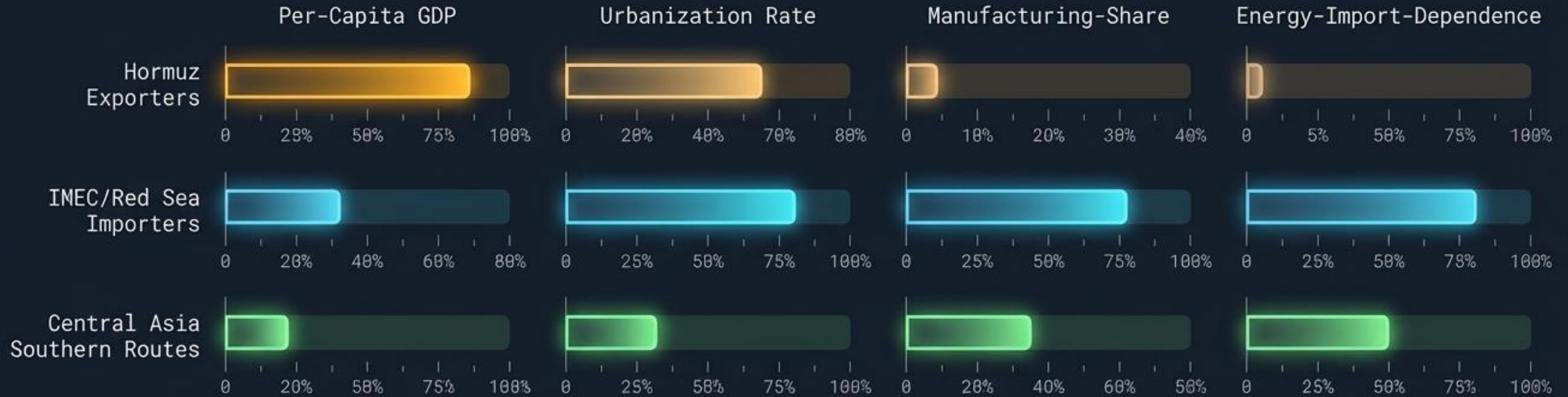


WESTERN INSULATION

The Americas import only ~7% of their crude via Hormuz, leaving BRICS and Global-South nations among the 10-15 most critically exposed economies to a Gulf blockade.



Socio-Demographic Profiles by Corridor Dependency



The Structural Imbalance: Hornuz corridors primarily enrich high-income, low-manufacturing energy exporters, while heavily taxing rapidly urbanizing, energy-importing regions.

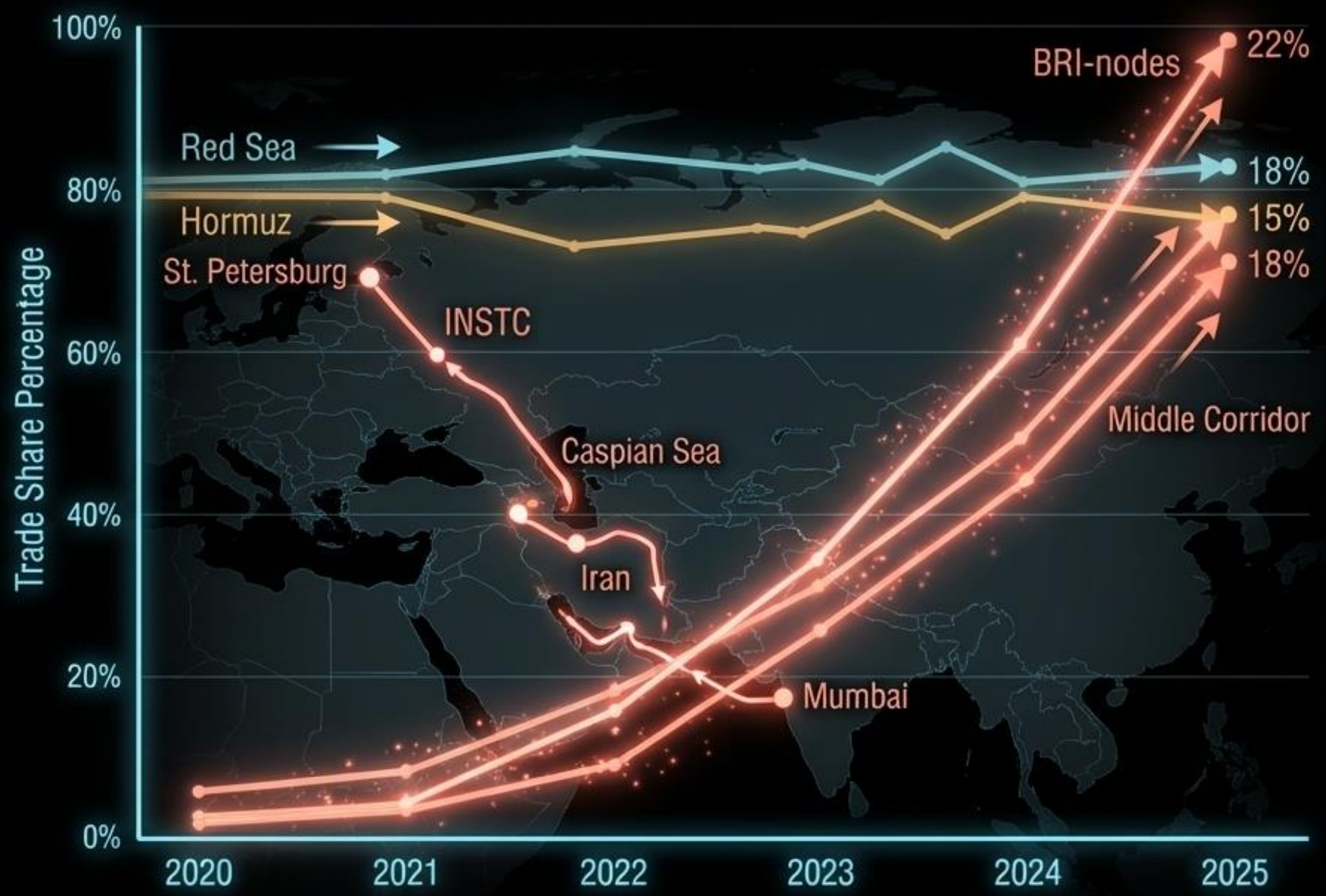


Manufacturing Vulnerability: IMEC and Red Sea disruptions threaten the industrial base of emerging markets reliant on imported inputs to sustain their manufacturing GDP.



Landlocked Exposure: Central Asia's southern corridors link resource-exporting but low-urbanization economies that remain highly vulnerable to the logistical costs of rerouting.

Trade-Share Growth: Corridors & Alternatives (2020–2025)



The Eurasian Bypass: The International North-South Transport Corridor (INSTC) aims to reduce transit times by 40% (down to 25–30 days) and cut freight costs by 30% compared to traditional Suez routes.



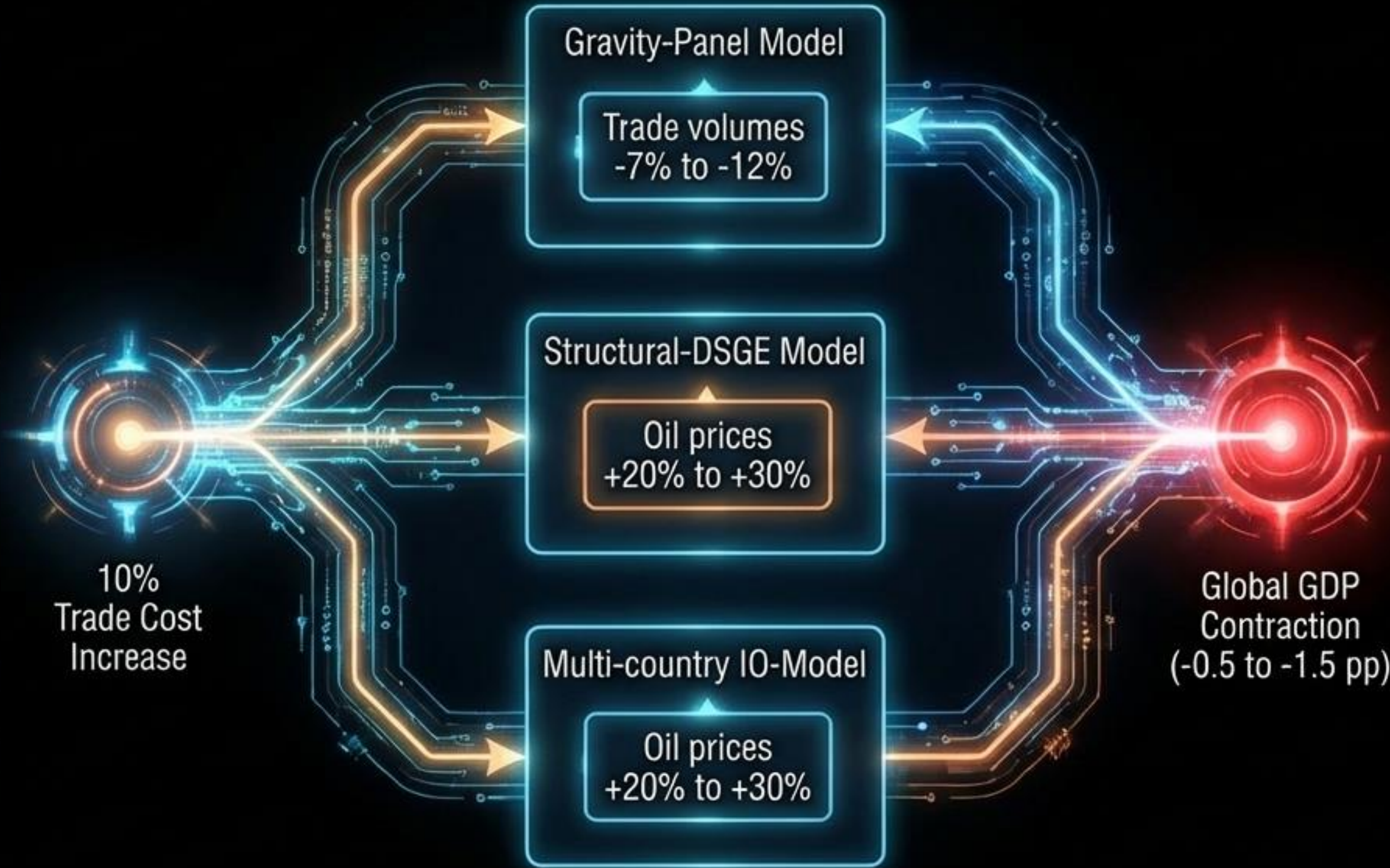
Strategic De-Risking: Projects like INSTC, IMEC, and the Middle Corridor represent deliberate attempts by BRICS and Global South nations to reduce dependency on U.S.-centric maritime and financial transport infrastructure.



Scaling Limitations: While these alternative blueprints are growing rapidly and could reroute 10–20% of BRICS-linked trade by 2030, they currently handle a minor share and require billions in infrastructure investment to fully offset a Hormuz closure.



Shock Transmission Architecture



Gravity Model Realities:
Empirical gravity models prove that a 10% increase in trade costs mathematically reduces global trade volumes by 7–12%, directly spiking CPI inflation.



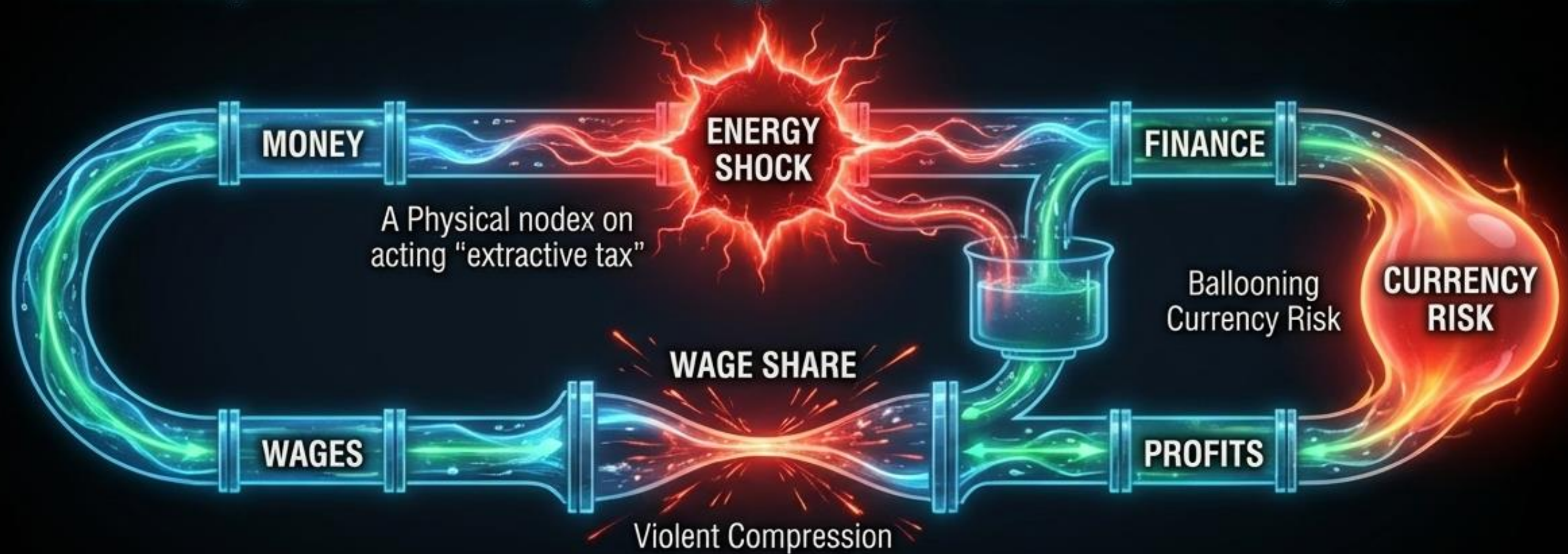
DSGE Output Contraction:
Dynamic Stochastic General Equilibrium (DSGE) and Input-Output models estimate that a 20–30% surge in oil prices cuts global GDP growth by 0.5 to 1.5 percentage points.



The Global South Penalty:
BRICS and emerging economies feature structurally higher elasticities; their high energy-intensity and limited diversification mean they absorb a disproportionate share of this macroeconomic damage.



Post-Keynesian Economy: Energy Shock & Distributional Squeeze



The Distributional Squeeze:

Post-Keynesian models stress that energy shocks are not just supply issues; they trigger conflict inflation, violently compressing real wage shares while simultaneously squeezing non-energy profit margins.

Demand Insufficiency:

As real wages drop to pay for imported energy, aggregate consumption demand collapses, guaranteeing a disinflationary or deflationary recession in the broader economy.

The Balance-of-Payments Bind:

For BRICS and Global South nations, the necessity of importing expensive energy forces rapid currency depreciation, making the debt-servicing constraints mathematically binding.

GDP-Growth Impact (pp) by Region: 1–2 Year Horizon



The Cost of Transit:

Econometric simulations project that a severe disruption or toll scenario would trigger a 15–30% rise in oil prices and a 10–15% spike in global freight costs.

Asymmetrical GDP Destruction:

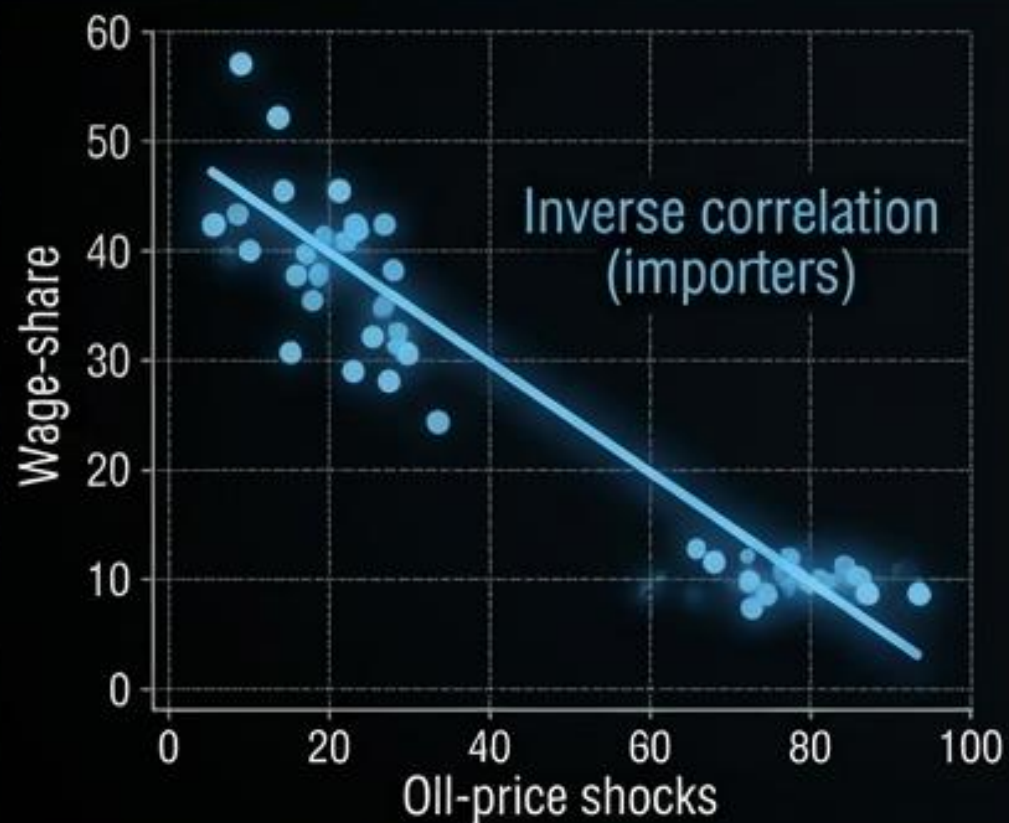
Under the toll simulation, BRICS and Global South nations face severe GDP losses ranging from 0.5 to 2.0 percentage points over a 1–2 year horizon.

The Toll vs. Reroute Dilemma:

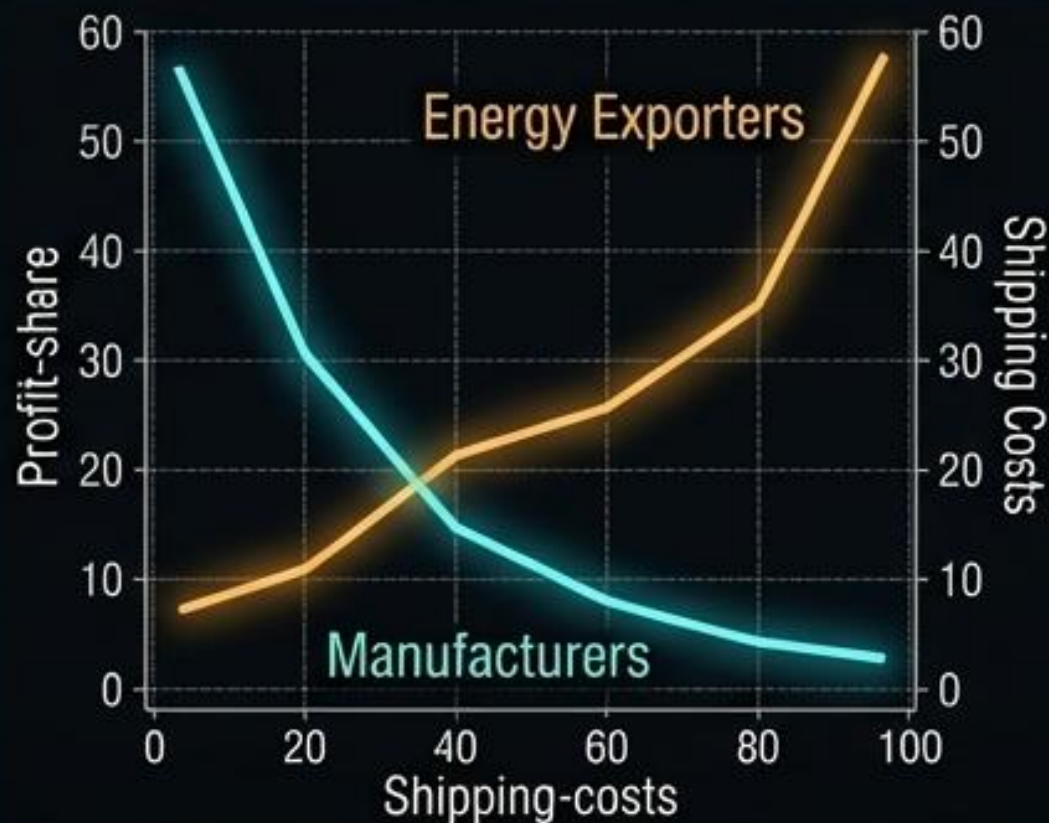
Non-opposed shippers may pay the tolls to maintain faster routes, but opposed nations face compounded, indirect logistical and financial devastation from forced Cape of Good Hope rerouting.

Global Arteries & The Pulse: Financial Amplification of Trade Shocks

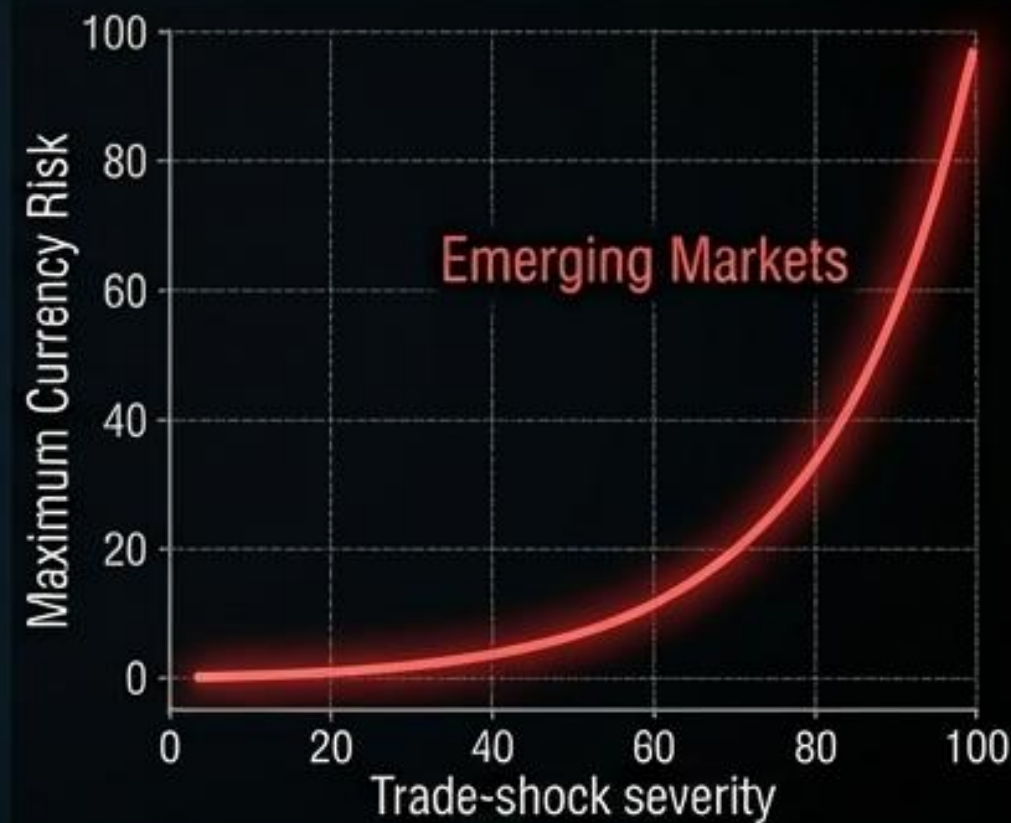
Wage-share vs. Oil-price shocks



Profit-share vs. Shipping-costs



Currency-risk vs. Trade-shock severity



The Importer/Exporter Divide:

Distribution models definitively show that elevated shipping and energy prices compress wage-shares in importing nations while artificially inflating profits for Gulf exporters.

Financial Amplification:

The physical trade shock is instantly amplified by financial channels; currency risk spikes trigger tighter credit and capital flight in vulnerable markets.

Policy Weakness:

In the BRICS/Global South, weak institutional exchange-rate policies turn moderate initial price shocks into massive, long-term growth and stability crises.

Global Arteries & The Pulse: The Unified Framework

- Empirical Loss vs. Financial Amplification

Empirical Estimates

- 7-12% Trade Volume Drop
- 0.5 - 1.5 pp GDP Contraction
- 15-30% Energy Price Surge

Post-Keynesian Mechanisms

- Wage-Share Compression
- Profit-Share Extraction
- Currency Risk Contagion
- Demand Collapse

The Unified Framework:
Empirical data quantifies the finite, absolute GDP losses, confirming that the BRICS and Global South take the heaviest proportionate hit.

The Hidden Amplifiers:
Post-Keynesian analysis reveals why the hit is so hard: debt-servicing constraints and weak exchange rates mathematically amplify the physical losses.

The Ultimate Reality:
A physical blockage in a 21-mile strait guarantees a currency and real-wage crisis for developing nations thousands of miles away, necessitating immediate, global infrastructure diversification.