



Strategic Security Analysis

The Geoeconomic Implications of the Iran War: An Early Examination

Ali Ahmadi





The Geneva Centre for Security Policy

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Strategic Security Analyses

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Key points

- Globalisation has rested on a set of functions long treated as background conditions: transit through maritime choke points, insurability, dollar settlement, critical material inputs and protection by a hegemonic power. In practice, each is an excludable asset held by an identifiable actor, and the Iran war has demonstrated that they can be withheld and monetised.
- The war followed the failure of the most ambitious campaign of economic coercion yet attempted. In this campaign, sanctions functioned as an antechamber to military action rather than as its substitute, and the resort to a naval blockade to halt Iranian oil exports amounted to an admission that the financial coercion strategy had failed.
- Iran's monetisation of the Strait of Hormuz followed a path already opened by US tariffs and export controls, and by Chinese restrictions on critical materials. Access to global infrastructure and choke points may increasingly be monetised and made conditional, based on future political alignment.
- Actors dependent on infrastructure they do not control are substituting redundancy for efficiency, and European governments appear among the most exposed and least prepared.



Introduction

More than six months since the war began with US and Israeli strikes against Iran in the early hours of 28 February 2026, the conflict shows no sign of ending. While the initial 39-day period of aggressive military action by both sides ended with a ceasefire, followed by the ill-fated memorandum of understanding (MoU), the conflict has continued at a lower intensity, but has also spread to other theatres in Lebanon and Yemen. Diplomacy has seemingly stalled. Both sides have adopted aggressive negotiating positions, even while officials from Pakistan, Qatar and Oman regularly visit Tehran for shuttle diplomacy. The US military is trying to facilitate the passage of crude oil from Arab states through the Strait of Hormuz in the face of Iran's objections and missile strike, with varying degrees of success. Still, as of September, fuel prices have risen significantly and the global market for critical middle distillates like diesel is showing clear signs of distress.

Assets that were previously open to all because no one had found it profitable or possible to exert influence over them are now being fenced.

If the war had ended with the MoU, it would have read as a temporary shock that would have been absorbed through the release of strategic oil reserves, a limited reduction in demand and short-term hikes in energy prices. The war has now outlasted one ceasefire, and any future truce will be seen as fragile and fleeting until proven otherwise. But even if a final peace were soon to be achieved, the war has already had broad implications for the global geoeconomic and risk landscape that will be felt in maritime choke points, monetary architecture, trade, and investment flows for years to come.

The argument advanced in this Strategic Security Analysis proceeds from a simple observation about the functioning of the world economy. To date, globalisation has depended on a set of functions that its participants have been able to treat as background conditions that can effectively be taken for granted.¹ This includes ensured transit through a small number of key maritime choke points, the insurability of the vessels that use them, access to the settlement infrastructure of the dollar system, a secure supply of critical material inputs and the protection of a hegemonic navy. None of these functions has ever been truly ownerless or open to all. Each is an excludable asset controlled by a specific actor whose restraint was widely mistaken for structural neutrality.

The war has demonstrated that much more than access to the global financial infrastructure can be withheld and monetised. Once the logic of geoeconomic warfare is entrenched, every holder of such an asset confronts the temptation to extract rent from what choke points are available to them, while others are confronted with choices between hedging and substitution. Assets that were previously open to all because no one had found it profitable or possible to exert influence over them are now being fenced.

In fact, the United States had already begun to weaponise its control over various aspects of this global order in the decades leading up to the current crisis. Financial sanctions, initially launched in response to the terrorist attacks of 11 September 2001 and the need to target al-Qaeda's financial infrastructure, quickly became the primary US foreign affairs weapon. It was even said that the Office of Foreign Assets Control (OFAC) was President Obama's "favorite 'combatant command' (likening it to the regional military command structures employed by the United States)".² Financial sanctions serve to exclude target nations from a global financial system that the United States has long sponsored and policed as its primary ombudsman.³ This gatekeeping power stemmed from the centrality of the US dollar and the New York financial sector to global trade, both of which facilitated the cross-border transactions that drove rapid post-Cold War globalisation.



The Iran war began where the most ambitious campaign of economic coercion in modern history ended, and the sequence is difficult to dismiss as a coincidence.

As early as 2016, senior US government officials were already warning about how the overuse of economic sanctions would eventually blunt their effectiveness.⁴ But for most of the world there was no alternative to the dollar-based system, and the exclusion from that system of countries like Iran seemed not to impact the global economic order unbearably. But as the weaponisation of global economic interdependence became more in vogue, it spread from finance and trade to technology and eventually geography.

Exploiting one's position in the global economy's hub and spoke system became a necessary function of countries' foreign policy, with consequences that were not easily foreseen or controlled. The Iran war began where the most ambitious campaign of economic coercion in modern history ended, and the sequence is difficult to dismiss as a coincidence. The present analysis, therefore, begins with sanctions.

Sanctions and the misreading of the JCPOA

Whether sanctions are working has always depended on who is asked and what is meant by "working". Economists have tended to measure effectiveness by the damage inflicted on the target economy, while political scientists have applied the Clausewitzian standard of policy modification in the targeted country. Hence, the proper and common definition of sanctions' effectiveness among scholars rests with the ability of sanctions to induce changes in the target's policy that conform to the expectations of the country imposing the sanctions.⁵ The judgement of the early literature was bleak. Galtung's founding study of Rhodesia (now Zimbabwe) saw little evidence of sanctions' effectiveness and found that the rally-round-the-flag dynamic brought on by external pressure strengthens besieged regimes' capacity to resist that pressure. Doxey arrived at similar conclusions vis-à-vis Cuba. By 1985, Baldwin could observe that the defining features of the literature were references to a near-universal tendency to denigrate the instrument. The harshest formulation held that the rare apparent successes arose where sanctions functioned as a stalking horse for military attack.⁶

The rehabilitation that followed rested less on fresh evidence of coercive success than on definitional and methodological revision. The large-N datasets recorded partial success in roughly a third of cases, and later codings that counted threat-stage settlements or minimal policy change pushed the apparent success rate over 40%, at the cost of considerably relaxing the definition of "success".⁷ What converted this rehabilitation into euphoria was the Joint Comprehensive Plan of Action (JCPOA).¹

From then onwards, a broad literature credited sanctions with having forced Iran's concessions reflected in the JCPOA, frequently as a matter of near-tautological fact and without a serious case study assessment. Sanctions became seen as Washington's "shiny new toy" and a tool of first resort, and for the first time the academy and foreign policy establishment converged on perceptions of the instrument's effectiveness.⁸ This consensus arguably rested on a selective reading of the accord's circumstances, one which foregrounded the contribution of economic pain while discounting the mutual character of the concessions and the diplomatic conjuncture that made agreement possible. The "maximum pressure" campaigns that followed the US withdrawal from the accord on 8 May 2018 were, in effect, a policy built

¹ The JCPOA was finalised on 14 July 2015, adopted on 18 October, and implemented on 16 January 2016, when the International Atomic Energy Agency verified Iran's compliance.



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on that misreading, leading to the belief that if pain had produced Iran's JCPOA nuclear concessions, more pain would produce more concessions.

But despite the significant US government commitment to this harsh approach from 2018 onward, Tehran's policies did not adjust in the way that the United States intended, and its crude oil continued to be exported. On the eve of the current war, shadow-fleet logistics were carrying roughly two million barrels per day in exports. What finally interrupted these flows was neither OFAC designation nor exclusion from payment messaging, but the US Navy's physical interdiction of Iranian ports, an instrument more in common with medieval siegecraft than with sophisticated 21st century financial statecraft.

Had the sanctions architecture been capable of halting Iranian oil exports, no siege would have been required, and had it been capable of coercing Tehran to make more concessions, no war would have been necessary. The need for military action and, especially, the effort to stop Iranian oil sales through a physical blockade should raise serious questions about the genuine effectiveness of US financial sanctions and the policy matrices and goals built around the impression of their capacity to bring about change in Iranian policy.

Assessments of the Trump administration's use of sanctions in 2025 seem to indicate that US government officials are absorbing these ideas. For a quarter of a century since the 11 September 2001 attacks, every year brought a new record high in the imposition of sanctions. Since 2001, OFAC had designated more individuals and entities as the targets of sanctions every year, including during all four years of Trump's first term. But in 2025, the number of OFAC designations actually declined.⁹ Despite Washington being on as much of a war footing as ever, sanctions seem to have conspicuously faded in relevance in favour of direct military action.

This is not to say that sanctions never work. The precise circumstances and conditions under which they can be effective have been the central subject of sanctions scholarship since the field has existed. While many viewpoints exist, most sanctions scholars agree that sanctions are most effective when they are used to pursue limited security objectives in the context of diplomatic negotiations. Unless the aim of the sanctions campaign is simply to deny revenue to the target, the harm done to the economy of the target state itself does not make the sanctions effective. Rather, they become a point of leverage that can facilitate diplomatic conflict resolution.¹⁰ If diplomacy is not prioritised or does not succeed, sanctions can escalate hostilities toward military conflict.¹¹

Despite the recent reduction in their use, sanctions will likely continue to be imposed at a high level. They will still be imposed to give "teeth" to a formal US declaration and to inflict general harm on a country that goes against Washington's preferences. But this is primarily due to sanctions being seen as a cheap weapon rather than an effective one, and even when the current US administration is trying to chastise countries for a perceived offence, tariffs have increasingly become the tool of choice.



The Strait of Hormuz and the end of free passage

The closure of the Strait of Hormuz withdrew roughly a fifth of globally traded oil and gas from the market within days, and transit volumes collapsed by approximately 95% in March 2026. From mid-March, Iranian forces began selling escorted passage through the Strait. Operators who submitted documentation and paid a fee, initially in the region of a dollar per barrel, received safe passage along the Iranian littoral. The Iranian Parliament, or Majlis, then codified the system in legislation, and a permanent administrative body known as the Persian Gulf Strait Authority was established in May.

The political economy of this machinery has received rather less attention than its legality. Prior to the war, the risk of closure existed as a contingent liability diffused across insurance premiums, freight rates, and the futures curve, and it generated revenue for no one. Charging for passage converts the contingency into an income stream, and income alters incentives. A state that profits from throughput acquires reasons to protect it that a blockading state lacks. It is at least arguable that a fee regime from which Iran benefits could prove a more reliable guarantor of transit than the decades-long militarisation of the Persian Gulf, which, as the current conflict shows, was not the stabilising presence advertised.

The precedent created by Iran's closure of the Strait seems likely to travel, although its range remains uncertain. The Ansarallah group in Yemen (commonly referred to in the West as the Houthis) had already engaged in selective attacks on ships transiting the Red Sea in 2023. This was effectively a form of sanctions imposed by the Houthis to pressure the global economy over the Gaza crisis. The Houthis formally ended their campaign after the "Gaza Peace Plan" was reached in 2025.

But the US-Israel war against Iran served as a catalyst to spark a new conflict between the Houthis and the government of Saudi Arabia. The Houthi military victories against Saudi-backed forces in Yemen and the strides that they have made in precision strikes on Saudi military and oil facilities (in addition to other strikes likely emanating from Iraq) expose the constraints on building alternative overland infrastructure to circumvent maritime choke points. To date, the Houthis have not reinstituted their total blockade on shipping through the Bab al-Mandeb Strait, but have demonstrated their ability to do so with a more limited ban on ships carrying Saudi oil and have created significant security disruptions in Red Sea navigation.

Turkey administers the one strait with a treaty-sanctioned fee tradition, and may find grounds for revisiting the terms of the 1936 Montreux Convention that gave it the right to charge fees for the provision of specific maritime services, while the canal authorities of Egypt and Panama, which already charge transit fees, may feel that the current war has made the case for them to impose security surcharges on transiting ships. Even in the early few months of the Iran conflict, the United States was moving aggressively in the area of the Strait of Malacca, strengthening military ties with Indonesia¹² and seemingly punishing Malaysia with export control measures for its lack of cooperation with this project.¹³

To date, Iran's ability to control the Strait of Hormuz is still being militarily contested. The United States has imposed its own counter-blockade and is facilitating the passage of oil from Arab states through the Strait with the provision of military escorts to tanker traffic. According to recent reports, these missions include state-owned vessels with limited insurance cover¹⁴ and the stationing of US military personnel on some of the vessels for added protection.¹⁵ The amount of oil that has traversed the Strait has fluctuated

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considerably during these operations. More recent figures show a consistent rise in the amount of oil getting through, but this hardly compensates for the 2.8 billion barrels in oil exports that global energy markets have been deprived of over the course of the war.¹⁶ Further, while escorting oil tankers through the Strait may weaken Iran's leverage in the short term, it is certainly too expensive and arduous to be a sustainable new norm for the market.

Choke points differ considerably in substitution elasticity, and the extractable rents vary accordingly. Hormuz became an issue primarily because its elasticity is lowest. Thus, as a great power heavily dependent on maritime trade, China will have read the episode in two registers at once, as evidence that land-based missile power can defeat the core mission of an expensive navy, and as a warning about the exposure of its own trade routes through the straits of Hormuz and Malacca. Should no other choke point state move towards charging for transit within a few years, the argument advanced here will not apply – but early indications point in the opposite direction. The politicisation of vital maritime choke points will likely be the most direct implication of the war.

Hegemonic naval power

Enforcing the commercial norms many took for granted was a military power, which had economic consequences. Free transit through the world's straits owed more to hegemonic naval power, first British and then American, than to any self-executing rule of the post-war legal order. In effect, the norms codified in the UN Convention on the Law of the Sea that called for freedom of navigation in international waters without tolls or discrimination were a product of Western naval power projection. The power to patrol global waters was said to be money-gated and exclusive to hegemonies with the financial power to build colossal fleets.

But precision missiles and unmanned systems (e.g. drones) have inverted the cost-exchange ratios on which that dominance rested and disrupted the utility of these naval vessels, with unpredictable consequences for the future of warfare and implications for global trade. Erik Prince, former CEO of the Blackwater defence contractor, said that “drones are the biggest disruption to warfare since Genghis Khan put stirrups on horses”.¹⁷ This statement may be hyperbolic when accounting for innovations such as nuclear weapons, but it shows how disruptive drones have become to modern conflicts.

Mahan's conception of the economic fruits of commanding the sea now appears contestable by any determined actor possessing a fortuitous geography and asymmetrical warfare capacity. Even if Iran were to abandon its demands on ships passing through the Strait – a realistic possibility if a diplomatic settlement were to be reached – the superpower itself may demand fees. Trump has floated the idea of the United States collecting a toll from the Strait of Hormuz on several occasions, and even floated the notion of it charging 20% of total cargo value as a kind of protection fee.¹⁸

The parallel systems: insurance, money and materials

In operational terms, the Strait was closed when the London insurance market repriced passage through it. The war-risk underwriters and protection and indemnity clubs that provide insurance cover to the greater part of the world merchant fleet redesignated the Gulf as an area of enhanced risk, premiums rose severalfold (with cover in some cases withdrawn outright), and the movement of shipping through the Strait stopped.¹⁹ The sudden increase in



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the price of maritime insurance needed to make commercial voyages through the Strait of Hormuz, made doing so functionally impossible. The Joint War Committee's listed areas decisions rather than Iranian communiqués thus constituted the operative instrument of the blockade.ⁱⁱ In this reading, the Western-domiciled and privately governed insurance system effectively became both a choke point and an Iranian instrument.

For decades, control over maritime insurance providers was the United States' primary means of blocking or complicating oil exports for the states it sanctioned. Financial sanctions are especially effective and easily deployed against Western financial institutions with heavy exposure to the US dollar. For them, being cut off from the dollar system would be an effective death sentence, so influencing their operations is a simple task. Because this maritime insurance sector is heavily concentrated in just a handful of British, Scandinavian and German firms, Washington could easily ensure that the most reputable form of insurance was denied to countries like Iran.

International agreements involving governments and firms over the past decades, primarily driven by coastal states with pollution concerns, have resulted in the adoption of far stricter standards for ports and logistics firms, which helps make the denial of insurance impactful.²⁰ For the average firm currently involved in the transport of petroleum, taking oil tankers to sea without insurance is impractical, because the port operator may even refuse their authorisation to dock at their intended destination.

Hence, countries like Iran maintain their own fleet of ships operating quietly and covertly to export their oil. They work directly with ports and registries that are willing to accept alternative cover and insurers who are prepared to offer it in order to reap the economic benefits of the sanctioned trade, commonly referred to as a sanctions premium. As more of the world's oil falls under sanctions, the incentive to accept lower quality insurance and registration documents increases, particularly in countries like China and India. The shadow-fleet architecture assembled since 2022 to move Russian crude oil, comprising alternative cover with uncertain capitalisation, opaque ownership chains and accommodating registries, has significantly enhanced the alternative logistics options. Over time, sanctions regimes seeking to obstruct the oil flows of major petroleum exporters have created the incentive structure among both businesses and governments to build a parallel logistics structure outside the mainstream global system.

Mainstream logistics firms rely on the international Group of Protection and Indemnity Clubs, Lloyd's and the Joint War Committee, Western insurers, Organisation for Economic Co-operation and Development port states, and dollar correspondent clearing. The parallel system relies on smaller insurers, usually in non-Western jurisdictions; tankers sailing under flags of convenience; transfer hubs off the coast of nations in Eastern Europe, the Middle East, and Southeast Asia; permissive smaller refiners and terminals; and a decentralised network of financial exchange houses using the renminbi and stablecoins. Many of these channels overlap in places like China and the United Arab Emirates. They can even involve related firms working in parallel under the same legal jurisdiction to maximise economic opportunities.

But what the Iran episode has also demonstrated is that a smaller state can weaponise the same modern standards. And, unlike in the 2023 Red Sea crisis, when the Strait of Bab al-Mandeb was closed, there was no Cape of Good Hope to redirect vessel traffic around. Washington even tried to

ⁱⁱ The Joint War Committee represents underwriting representatives from both Lloyd's Market Association and the International Underwriting Association. It lists areas where enhanced risks usually lead to higher premiums and more restrictive terms for maritime insurance coverage.



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provide its own hastily built maritime insurance product, but the geopolitical realities meant that even its USD 40 billion operating capital for reinsurance from the US government and seven participating firms²¹ was nowhere near enough to provide confidence. To date, the project has not announced the issuance of a single policy.

Monetary developments over the same period followed a parallel course. The tolls imposed by Iran were settled in renminbi through channels outside the Western correspondent network and in dollar-pegged stablecoins that cleared without touching a correspondent bank. Much commentary has framed the episode as a challenge to dollar dominance. But the goal of the de-dollarisation efforts being at least partially validated here is not to undermine the dollar's position as the global reserve currency, but to create viable alternative channels through which sanctioned states can continue their commercial activities.²²

If anything, the dollar's standing as a store of value and reserve asset looks stronger now than before the Iran war. Reserve managers did not flee it, and no rival offers comparable depth. The erosion lies elsewhere. The dollar system has traditionally fused two functions. It serves as the world's default pricing currency (its unit-of-account function) and acts as a financial choke point where the United States can freeze transactions (its correspondent-banking layer).

At the state level, the war proved that these functions are no longer inseparable. Countries can now keep the dollar as a price reference while entirely bypassing the US clearing networks that enforce financial blockades. A fee denominated in dollar terms and settled in stablecoins remains a dollar transaction in every respect except the one that matters for coercion. What the war has validated was the parallel institutions themselves rather than dollar dominance, and every sanctioned or sanctionable state has now observed them operate under stress. These parallel institutions include largely unregulated cryptocurrency exchanges; China's Cross Border Interbank Payment System, which provides an alternative to important Western financial infrastructure responsible for payment clearing; and small, decentralised exchange houses that US officials responsible for administering US-imposed sanctions struggle to identify and target.

The third parallel system concerns material inputs, and here the leverage runs against Washington. The war has consumed missile and drone interceptors and precision munitions at rates that evidently surprised planners,²³ and replenishment depends on supply chains gated by Chinese dominance of the processing of rare earths and categories of materials already subject to Chinese export controls.²⁴ Beijing's dominance over the refining of critical metals and minerals has been well established over decades. The Chinese government's development of a legal and bureaucratic architecture to deny these refined products on national security and foreign policy grounds, very much drawing on US export control policies, has been progressively developed over the last decade. The United States now requires Chinese inputs to reconstitute the arsenal underwriting its security guarantees, while the war itself has strained the alliances through which alternative supply chains could be organised. The conflict has converted that position into bargaining power for Beijing at a delicate juncture in its bilateral trade negotiations with the United States.



Geography of exposure

The incidence of these costs has been uneven, and the distribution is itself of strategic interest. For example, Europe imported little crude oil directly transported through the Strait of Hormuz, yet absorbed a closely related shock through the price mechanism that affected liquid natural gas (LNG) supplies, since roughly two-fifths of these supplies now arrive in Europe via a globally contested LNG market, while storage supplies stood unusually low after a severe winter. The European Central Bank raised its benchmark rate in both July and September, citing higher inflation due to the “conflict in the Middle East”.²⁵ Such scenarios would naturally harm Europe’s already anaemic growth prospects and difficult fiscal position. Rearmament, energy cost mitigation and repriced debt servicing now compete for the same fiscal space, while higher inflation levels may demand fiscal retraction.

Firms must dedicate even more resources to building redundancies and stockpiles when these resources could have been used for capital investments and research.

Under already difficult economic circumstances, firms and governments now have to adjust their business operations to confront the third major global crisis in six years, after the oil shock following Russia’s invasion of Ukraine and the coronavirus pandemic. Firms must dedicate even more resources to building redundancies and stockpiles when these resources could have been used for capital investments and research. Governments are already struggling with escalating defence spending commitments, the potential of a China Shock 2.0 and cascading trade frictions since President Trump announced the paradigm shift in US attitudes to trade.

The Gulf monarchies may be undergoing a deeper adjustment. The rentier model presupposed that the US umbrella guaranteed near-perfect security in a chaotic region that would allow Gulf Cooperation Council (GCC) countries to present themselves as world-leading platforms for investment and commerce. This model has now broken down, because Washington is clearly unable to provide them with the level of security they have grown to expect, and many now view the concentration of US forces within their borders as a vulnerability. The consequences seem likely to register in asset allocation before they do so in declaratory policy.

Surpluses that once flowed into dollar securities are being redirected towards bypass pipelines, strategic stockpiles, air defence systems, and sovereign shipping and insurance capacity – a redirection focusing on domestic resilience investment for foreign portfolio accumulation. Announcements of the petrodollar’s demise have a long record of prematurity, and the present claim should be hedged accordingly. The recycling relationship has been fading for years, but the war appears to have accelerated this process for reasons no yield differential can offset.

Predictably, the poorest importing economies have possessed the least insulation. After the start of the Iran war, fuel crises of a distinctly 1970s character emerged within weeks and intensified in September,²⁶ and the disruption of Gulf fertiliser exports will adversely affect harvests into 2027. The conclusion many capitals have drawn – that the systems carrying their countries’ imports can be switched off by decisions taken elsewhere – is the conclusion the Gulf states reached in this period, but crucially arrived at from a far poorer starting point.



Implications and conclusions

For European governments in particular, three lines of effort follow from this analysis. The negotiations over the Strait's future administration merit engagement rather than abstention, since fee levels, transparency and non-discrimination provisions will be settled with or without European participation. War-risk insurance capacity deserves treatment as a form of strategic infrastructure, on the straightforward ground that whoever writes the cover governs the transit of the insured vessels. And demand reduction, storage, and electrification warrant funding as security policy, with the caveat that the war's impact on inflation, interest rates, and investor confidence has materially worsened the financing conditions for the development of capital-intensive clean energy infrastructure. Public resources for derisking will have to carry a larger share of the burden than in previous crises, while planning assumptions should treat vulnerability as the base scenario rather than a contingency.

Europe, which has based its economic model on the principle of open access, finds itself with little diplomatic leverage and significant economic exposure.

For multilateral institutions, the realistic agenda is regularisation rather than an immediate restoration of the pre-war status quo. Global norms around maritime choke points were underwritten by a hegemonic naval subsidy that has partially eroded. An internationally recognised framework for limited transit charging, transparency requirements, and dispute settlement would reward coercion less than the available alternative, which is unregulated charging outside any framework and underpinned by force. Both Iran and the GCC countries require funds for post-war rebuilding. A mutually agreed and UN-approved temporary tolling framework that would be adopted explicitly in recognition of the extreme and unique circumstances created by the war would likely be the best way to help end it while avoiding the creation of a broad new precedent.

This analysis began with a simple observation drawn from the sanctions literature that global commerce relies on functions that participants often treated as background conditions. The present conflict has brought these matters to the fore, introducing new risks while emphasising ones that had previously been ignored. None of these conditions has completely disappeared.

Goods, energy and money still flow through the global economy in large volumes, but the terms on which they do so has changed. Maritime choke points like the Strait of Hormuz, once above the capacity of regional states to control, are now contested, and the right to travel through them is based on connections, geopolitical alignments, and naval power. On the other hand, the West's monopoly over the global financial architecture that has facilitated financial sanctions has also weakened. The desire for efficiency, which has streamlined international commerce, will have to increasingly give way to measures ensuring access to the global trading system, including free passage through choke points, that was once guaranteed.

As is typically the case, the cost will fall unevenly. Many developing nations will have little power to control their access, while the Arab countries of the Persian Gulf area see their entire security and economic model being questioned, because their immunity from the conflicts of the Middle East is no longer reliable. Europe, which has based its economic model on the principle of open access, finds itself with little diplomatic leverage and significant economic exposure. Globalisation will certainly outlast the Iran war, but the status of many of its choke points, whether geographic, financial or material, need careful re-examination.



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