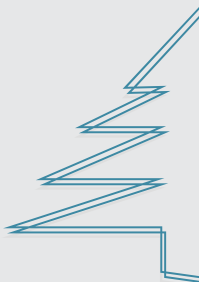


Assessment report

March 13, 2026

Maritime Chokepoints

**How the Escalating
Regional War Threatens
the Supply of Goods
to Lebanon**



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Lebanon imports more than 80 percent of its commodity needs from abroad. Nearly half (48.6 percent) of these volumes reach the country via three maritime chokepoints: the Mediterranean, the Strait of Hormuz, and the Bab el-Mandeb Strait. In the context of a regional war triggered by the joint US-Israeli attack on Iran and Iran's subsequent response against Israel - compounded by a series of attacks targeting the Gulf Cooperation Council (GCC) states that resulted in security and economic repercussions and disrupted navigation in the Strait of Hormuz -, the sustainability of supply chains has become a vital concern for countries dependent on these maritime routes, including Lebanon.

Lebanon receives goods originating from Europe and the United States through the Mediterranean, while imported goods from the GCC states arrive through the Strait of Hormuz. Goods from China, India, and other countries reach Lebanon through the Bab el-Mandeb Strait. This situation has diverse repercussions; primarily the surge in freight costs and the surcharges imposed by maritime shipping lines. This inevitably translates into price hikes across all goods, exacerbating the inflation crisis that Lebanon has endured since the financial collapse in late 2019. This impact extends to goods sourced through the Strait of Hormuz, and at a later stage, encompasses those arriving through the Bab el-Mandeb Strait.

On the morning of Saturday, February 28, 2016, the United States and Israel launched a large-scale joint military operation against Iran. In retaliation, Iran conducted strikes against Israel and initiated a series of attacks against GCC states, using missiles and unmanned aerial vehicles (UAVs) against military, civilian, and economic sites and facilities. These developments spark a significant escalation in regional tensions, sent shockwaves through the global economy, and posed a direct threat to international supply chains.

Supply chains were impacted from the first day of the conflict. International news agencies quoted an official from the European Union Naval Force (EUNAVFOR) *Aspides*, reporting that vessels had received radio transmissions from the Iranian Revolutionary Guard Corps (IRGC) stating that "no vessel is permitted to transit the Strait of Hormuz⁽¹⁾". According to an IRGC statement broadcast by official media, the Strait of Hormuz would remain under Iranian control for the duration of the war, and any US or European vessel attempting to cross would be targeted. Consequently, by March 6, the IRGC forces had targeted over 12 oil tankers, including the *Skylight* on March 1 north of Khasab, Oman; the *MKD Vyom*, targeted by an unmanned surface vessel (USV); and the US-flagged *Stena Imperative*, struck by two missiles while berthed at a port in Bahrain. Additionally, on March 4, the container ship *Safeen Prestige* was targeted off the coast of Oman.

Furthermore, following Iran's announcement of the closure of the Strait of Hormuz, major global shipping firms⁽²⁾-including Maersk, MSC, and CMA CGM-suspended transit through the strait effective March 1, 2026, rerouting their fleets around the Cape of Good Hope to avoid the area of military operations. According to an analysis published in *The Wall Street Journal* on March 4, examining the repercussions of the Strait's closure, and based on real-time vessel tracking (Automatic Identification System, AIS), data drawn from leading maritime intelligence platforms such as Lloyd's List Intelligence and MarineTraffic, vessel traffic through the strait has plummeted by 80 percent, dropping from a daily average of 138 ships to just 28.

Concurrently, these developments have triggered a surge in maritime freight costs, driven primarily by escalating insurance premiums. According to *The Wall Street Journal*, container shipping rates have spiked by 150 to 200 percent since early March. Specifically, the cost of shipping a standard 40-foot equivalent unit (FEU) from Asia to Europe has surpassed USD 7,000, up from a previous average of USD 2,500. War-risk insurance

(1) "Iran's revolutionary guards tell ships passage through Strait of Hormuz 'not allowed', EU naval mission official says", *Reuters*, February 28, 2026. <https://acr.ps/1L9B9o5>

(2) Statements issued by major shipping companies:

CMA CGM <https://acr.ps/1L9Ba8W> ; MAERSK <https://acr.ps/1L9B9iH>; Joint Maritime Information Center <https://acr.ps/1L9B9A1> p. 5

premiums have climbed to 2 percent of the vessel's value, compared with 0.7 percent prior to February 28. Furthermore, fuel costs and transit durations have risen as vessels are increasingly rerouted through the Cape of Good Hope to avoid the Strait of Hormuz. As a result, maritime transit times have increased by 10 to 14 days, resulting in higher fuel consumption at an estimated additional cost of USD 2 million per round trip.

In response, the global shipping company Maersk has imposed an emergency (operational disruption) surcharge ranging from USD 400 to USD 1,000 per container to cover unforeseen logistical expenditures⁽³⁾.

By the end of Monday, March 9, crude oil prices had begun to exceed USD 119 per barrel before stabilizing around USD 90 per barrel, a 30 percent increase relative to pre-war levels⁽⁴⁾. Meanwhile, maritime congestion has intensified near the Strait of Hormuz; data from S&P Global indicates that the number of vessels transiting the strait daily plummeted to just three, down from a pre-war average of over ninety vessels per day before the outbreak of the war⁽⁵⁾.

Global attention is now focused on the oil markets and the implications of the conflict, which are already having a significant impact on global prices, particularly their potential to rise beyond current levels. *The Financial Times* reported that Gulf oil producers are in a race against time to resume exports before oil storage capacities are exhausted. Iraq, for instance, was compelled to curtail production following the closure of three of its major oil fields. The newspaper also cited senior traders as estimating that the Iraqi production losses could reach two million barrels per day if the crisis persists. Additionally, Qatari Energy Minister Saad Sherida Al-Kaabi warned that a sustained production shutdown the Gulf states within weeks could drive oil prices to USD 150 per barrel within weeks⁽⁶⁾.

For Lebanon, the issue is not limited to the risks associated with securing petroleum products. More than eighty percent of the country's domestic consumption needs are imported, including oil, food, and essential commodities⁽⁷⁾. According to official data⁽⁸⁾, Lebanon imported approximately 15.9 million tons of various goods in 2025, with a total value of USD 21 billion. These imports include petroleum derivatives, wheat, fresh and canned food products, and raw materials for local industry.

A portion of Lebanon's maritime imports transits through the Strait of Hormuz corridor and Bab el-Mandeb route, while others arrive directly at the ports of Beirut or Tripoli, through the Mediterranean, primarily from Europe and the United States. In addition to overland routes through Syria and various air corridors, these three maritime arteries account for 48.6 percent of Lebanon's total import volume, representing 65 percent of the total import value.

The Arabian Gulf Route via the Strait of Hormuz

Trade between Lebanon and the Arab Gulf states follows a maritime route originating at Arabian Gulf ports, transiting the Strait of Hormuz into the Gulf of Oman, and proceeding through the Arabian Sea to the Red Sea. From there, it transits the Suez Canal into the Mediterranean before reaching Lebanese ports. This route encompasses Lebanon's trade with the GCC countries, including Saudi Arabia, the United Arab Emirates, Kuwait, Qatar, Oman, and Bahrain.

(3) Bloomberg and Lloyd's data, based on the Drewry Index.

(4) <https://acr.ps/1L9B9k1>

(5) <https://acr.ps/1L9B9MR>

(6) *Financial Times*, 26/3/2026.

(7) *Al-Akhbar* : <https://acr.ps/1L9B9K9>;

Al Araby al Jadeed: <https://acr.ps/1L9Ba2B>

(8) Lebanese customs statistics at: <https://customs.gov.lb/>

In 2025, export volumes from these countries to Lebanon amounted to 1.6 million tons, with a total value of USD 2.9 billion. Among the most significant exports were precious metals, which reached 27 tons with a value of USD 1.5 billion. However, the exceptional significance of the risks associated with the disruption of this maritime corridor lies in its role in the supply of essential commodities, food products, and petroleum derivatives. Last year, Gulf countries exported 1.2 million tons of mineral products to Lebanon (including mineral fuels, mineral oils and their distillation products, mineral ores, etc.), with a total value of USD 621 million. Additionally, they exported 7,953 tons of agricultural products and 52,000 tons of processed food products.

The East Asia Route via the Bab el-Mandeb Strait

Trade between Lebanon and several Asian economies, most notably China, India, Japan, South Korea, Indonesia, and Malaysia, follows a maritime route originating at East Asian ports in China, India, Indonesia, and Southeast Asian ports. The route traverses the Indian Ocean toward the Gulf of Aden, crosses the Bab el-Mandeb Strait into the Red Sea, and proceeds via the Suez Canal, continuing into the Mediterranean before reaching Lebanon.

Lebanon imported 960,000 tons of goods from these countries, valued at USD 3.88 billion. China ranked first, exporting 360,000 tons, valued at USD 2.4 billion, followed by India with 127,000 tons worth USD 396 million, and Indonesia with 105,000 tons valued at USD 156 million. The main goods exported to Lebanon from these countries include metals and metal products such as iron, copper, nickel, aluminum, lead, and tin, as well as chemical products such as pharmaceuticals and fertilizers. Other imports comprise machinery, electrical equipment, transport equipment, textiles and garments, essential oils, cosmetics, and additional inputs required for local industries.

The Mediterranean Route: Europe and the United States

Trade between Lebanon and Europe and the United States follows a shorter maritime route originating at European Mediterranean ports, including those in Italy, Greece, France, Spain, and Turkey, and proceeding directly across the Mediterranean to Lebanese ports. Trade with the United States typically crosses the Atlantic Ocean, reaching European Mediterranean ports, or sailing directly to the Eastern Mediterranean.

Merchandise imports from these countries represent the largest share of Lebanon's imports in terms of both value and volume. The European Union exported to Lebanon 4.5 million tons of goods, valued at USD 6.1 billion, while the United States exported 237,000 tons, valued at USD 800 million, bringing the total to 4.73 million tons, worth USD 6.9 billion. Mineral products, particularly petroleum derivatives, constitute the backbone of these imports, accounting for 3.34 million tons, valued at USD 2.37 billion, all originating from the European Union. Transport equipment ranks second, with a total value of USD 684 million, including USD 234 million comes from the United States (primarily used vehicles).

Based on these figures and data, the distribution of imports across these three maritime arteries is as follows: 10 percent of Lebanon's total import volume, or 13.9 percent by value, transits the Strait of Hormuz; 8.8 percent by volume, or 18.4 percent by value, come through Bab el-Mandab; 28.3 percent by volume, or 28.9 percent by value, arrives directly from Europe, and 1.49 percent by volume, or the equivalent of 3.8 percent by value, originates from the United States of America.

What is the Significance of this Breakdown? How Essential are the Goods that Lebanon Imports from these Countries?

Price Inflation

This situation entails significant repercussions, as the prices of goods imported by Lebanon are set to rise due to increased freight costs, insurance premiums, and other surcharges imposed by maritime shipping firms and other actors in the logistics sector. An International Monetary Fund (IMF) study shows that a doubling of shipping costs correlates with a 0.7 percent increase in global price inflation⁽⁹⁾. Similarly, the Organization for Economic Co-operation and Development (OECD)⁽¹⁰⁾ notes that every 10 percent increase in shipping costs, results in a 0.2 percent rise in import prices across G20 economies.

Further research suggests that the impact of rising maritime freight rates on raw materials and grains is particularly acute, as shipping costs and insurance premiums account for between 10.9 percent and 24.1 percent of their value. In contrast, smaller, high-value goods, such as electronics, are less susceptible to shipping rate fluctuations where freight costs representing only about 5.1 percent of their value⁽¹¹⁾.

These surcharges will exacerbate inflation in Lebanon, which stood at approximately 14.8 percent in 2025. In preceding years, rates were significantly higher due to the financial collapse of late 2019. Annual inflation rate reached 45.24 percent in 2024; 221.3 percent in 2023; 171.2 percent in 2022; 154.8 percent in 2021; and 84.4 percent in 2020⁽¹²⁾. Consequently, any spike in shipping and insurance costs directly impacts a broad spectrum of essential goods that Lebanon imports and relies upon heavily to meet domestic consumption needs. These surcharges also come on top of new charges imposed by the Lebanese government, including a 17-cent surcharge per liter of gasoline, and an additional USD 80 fee for each 40-foot container⁽¹³⁾.

Escalating energy prices are expected to be a major driver of domestic inflation in Lebanon. On Monday, March 9, 2026, crude oil prices reached record highs, with Brent Crude and West Texas Intermediate (WTI) futures trading at USD 119 per barrel. Despite relative fluctuations in trading, expectations of further price increases have intensified concerns regarding a potential global oil shock and its impact on the world economy. The Managing Director of the International Monetary Fund, Kristalina Georgieva⁽¹⁴⁾ has noted that every 10 percent rise in oil prices results in a global price increase of approximately 40 basis points (0.4 percent).

For Lebanon, which relies heavily on imports to meet its needs and depends on fuel for transportation, logistics, and electricity generation, higher gasoline and diesel prices are likely to translate rapidly into higher domestic prices. The impact is expected to be more profound and immediate than in other countries, due to structural dependence on imports, institutional fragility and monopolistic market structures.

According to the Central Administration of Statistics, transport accounts for 13.1 percent of the Consumer Price Index or CPI (i.e. the household expenditure basket or Minimum Expenditure Basket - MEB), meaning a

(9) Yan Carrière-Swallow, "How Soaring Shipping Costs Raise Prices Around the World," *International Monetary Fund (IMF)*, 28 March 2022, accessed on 10/3/2026, at: <https://acr.ps/1L9Ba1F>

(10) Elena Rusticelli & Catherine MacLeod, "The Impact of Container Shipping Costs on Import and Consumer Prices," *OECD Economics Department Working Papers*, no. 1838 (August 2025), accessed on 10/3/2026, at: <https://acr.ps/1L9B9qr>

(11) United Nations Conference on Trade and Development (UNCTAD), *Review of Maritime Transport 2024* (New York: United Nations, 2024), p. 78, which indicates that global consumer prices could rise by 0.6 percent by 2025 as a result of higher freight costs.

(12) Central Administration of Statistics <http://cas.gov.lb/index.php/home-ar/79-english>

(13) Council of Ministers, Decisions of the Cabinet meeting held on 16 February 2026, Decision No. 2.

(14) IMF's Georgieva Warns Middle East Conflict Could Push Global Inflation Higher," *Reuters*, March 9, 2026, accessed March 13, 2026, <https://acr.ps/1L9Ba71>

10 percent increase in transport costs could raise the overall price index by 1.3 percent. Furthermore, food prices are directly linked to domestic transport and the operational costs.

The impact extends to electricity costs, which depend heavily on unregulated private diesel-powered generators. This significantly increases the cost of living for residents in Lebanon and raises production costs for the industrial sector, which relies heavily on these generators for its energy supply.

Amid these challenges, the government's capacity to manage imported inflation is severely constrained by scarce domestic resources. Since the financial collapse in late 2019, the state budget is barely sufficient to cover operational needs of public institutions. Concurrently, the Central Bank of Lebanon (BDL) faces a massive deficit stemming from accumulated losses linked to its excessive borrowing from commercial banks. By the end of 2025, commercial bank deposits at the BDL reached USD 77.4 billion; meanwhile, banks' obligations to depositors amounted to USD 87.6 billion, leaving their remaining capital buffers at a mere USD 4.7 billion⁽¹⁵⁾.

Availability of goods

While a significant share of imported goods enters Lebanon through the Bab el-Mandeb and Hormuz straits, the primary flow of essential food and essential commodities originates in Europe. The arrival of goods in Lebanon far more on the Mediterranean maritime corridor than on the Strait of Hormuz. An analysis of maritime transit trajectories for key commodities, such as petroleum derivatives, agricultural produce and processed foods, indicates that neither the Strait of Hormuz nor the Bab el-Mandeb can be considered decisive corridors for the availability of goods in Lebanon. This can be illustrated by the following:

- Lebanon imports 60,263 tons of agricultural products and processed foods via the Strait of Hormuz and approximately 89,946 tons via the Bab el-Mandeb Strait, compared to 490,000 tons via the Mediterranean.
- Lebanon imports 1.2 million tons of mineral products (mostly petroleum derivatives and other commodities) via the Strait of Hormuz, and 2.540 tons via the Bab el-Mandeb Strait, compared to 3.34 million tons via the Mediterranean.

These figures indicate that, in the event of an expansion of the war currently underway in the region, or an escalation of Israeli attacks extending to ports and the airport, the risks to the flow of goods to Lebanon would naturally increase. However, no such expansion has occurred thus far, and there are no indications of any shortage in the availability of goods or in their market supply. The Port of Beirut, which receives most of these goods, continues to operate normally. Lebanese authorities have also accelerated the pace of customs clearance procedures in order to prevent any disruptions in the market.

(15) Association of Banks in Lebanon (ABL), Monthly Bulletin, January 2026.

