

Bodenschatz, Philip; Flach, Lisandra

Research Report

The role of the Strait of Hormuz for Germany and the EU

EconPol Policy Brief, No. 81

Provided in Cooperation with:

Ifo Institute – Leibniz Institute for Economic Research at the University of Munich

Suggested Citation: Bodenschatz, Philip; Flach, Lisandra (2026) : The role of the Strait of Hormuz for Germany and the EU, EconPol Policy Brief, No. 81, CESifo GmbH, Munich

This Version is available at:

<https://hdl.handle.net/10419/338922>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

The Role of the Strait of Hormuz for Germany and the EU

Philip Bodenschatz, Lisandra Flach

- In 2024, Iran and neighboring countries relying on the Strait of Hormuz accounted for roughly 0.4 percent of German imports and 1.8 percent of extra-EU imports
- Less than 1 percent of total German imports and roughly 1.7 percent of extra-EU imports pass directly through the Strait of Hormuz
- For Germany, a blockade would mainly affect the sourcing of products such as unalloyed aluminum and medium and crude petroleum oils
- For the EU, the impact is more significant: About 6.2 percent of crude oil and 8.7 percent of the LNG imported from non-EU member states pass through the Strait of Hormuz
- A prolonged blockade of the Strait is the primary threat to the EU and Germany, as it would spike energy prices and disrupt supply chains

ECONPOL

EconPol Europe is CESifo's economic policy platform. With key support from the ifo Institute, it seeks to leverage CESifo's globe-spanning network of more than 2,000 high-ranked economists – 16 of whom have won the Nobel Prize – and ifo's decades-deep research expertise to provide well-founded advice to European policymakers and to facilitate informed decisions. Drawing on the wide range of specializations of its members, EconPol's mission is to contribute to the crafting of evidence-based, effective economic policy in the face of the rapidly evolving challenges faced by the European economies and their global partners.



EconPol Policy Brief

Publisher and distributor: CESifo GmbH
Poschingerstr. 5, 81679 Munich, Germany
Telephone +49 89 9224-0, Email office@cesifo.de
EconPol Europe: www.econpol.eu

Editor: Andrea Balestracci

Editorial Board: Clemens Fuest, Oliver Falck, Lisandra Flach, Sarah Necker, Karen Pittel, Niklas Potrafke, Panu Poutvaara, Andreas Peichl, Helmut Rainer, Marcel Thum, and Ludger Woessmann

Reproduction permitted only if source is stated and copy is sent to EconPol.

The Role of the Strait of Hormuz for Germany and the EU

Philip Bodenschatz
Lisandra Flach*

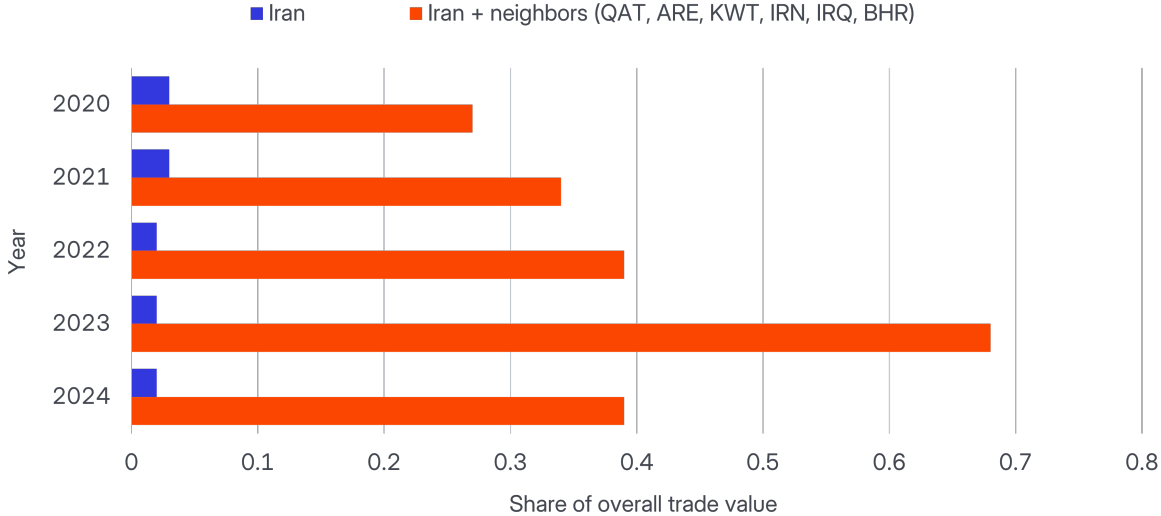
This policy brief examines the economic importance of Iran and neighboring countries relying on the Strait of Hormuz for trade flows of the EU and Germany. It then assesses the potential impact of a blockade of the Strait of Hormuz, which would significantly disrupt trade in the region.

Trade Between Europe and Countries Reliant on the Strait of Hormuz

Iran and neighboring countries relying on the Strait of Hormuz (Qatar, United Arab Emirates, Kuwait, Iraq, and Bahrain) accounted for roughly 0.4 percent of German imports (Figure 1) and 1.8 percent of extra-EU imports (Figure 2) in the year 2024.¹

Iran alone accounts for only 0.02 percent and 0.03 percent of imports of Germany and the EU, respectively.² This emphasizes that Western sanctions against Iran have substantially reduced the country’s global economic integration, with a marked decline since 2012, as shown by Felbermayr, Ghosi, Kariem, Stehler and Yotov (2026).

Figure 1
Share of German Imports from Iran and Neighboring Countries (2020–24)



Sources: Gaulier and Zignago (2010); own calculations.

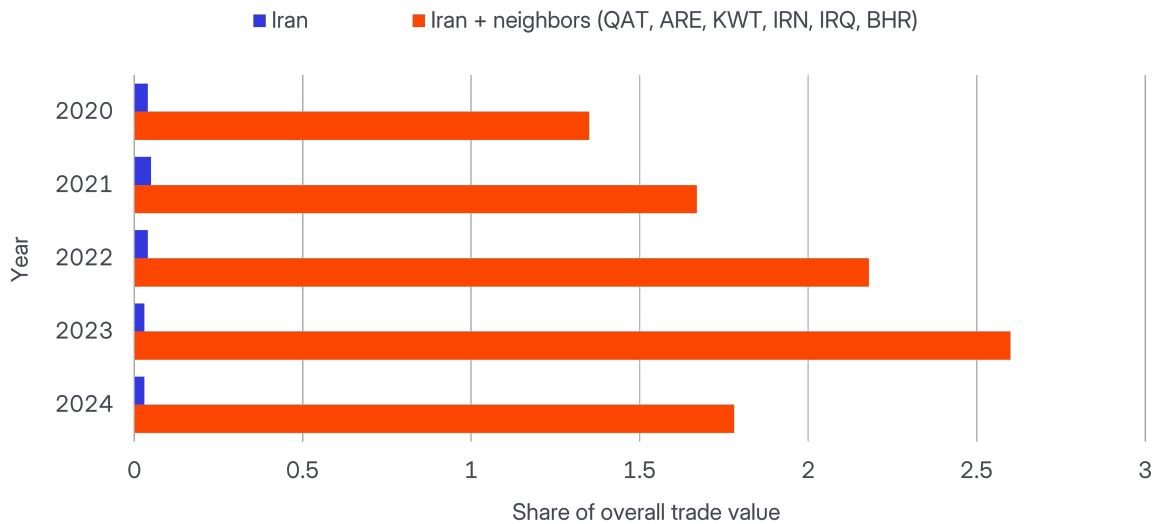
© ifo Institute

¹ Among the reasons for the increase in German trade with the states of the Persian Gulf in the year 2023 is an increase in imports of petroleum oils (excluding crude oil).

² The analysis is conducted using BACI Database (Gaulier and Zignago 2010).

Figure 2

Share of Extra-EU Imports from Iran and Neighboring Countries (2020–24)



Sources: Gaulier and Zignago (2010); own calculations.

© ifo Institute

The Role of the Strait of Hormuz for Germany and the EU

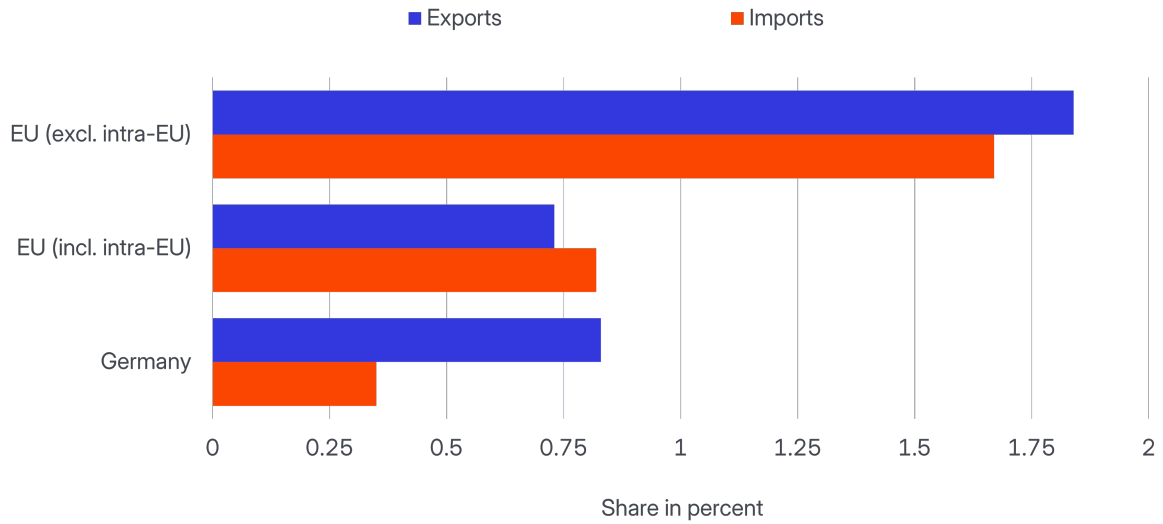
To evaluate the importance of the Strait of Hormuz for Germany and the EU at the product level, we use the methodology proposed by Bodenschatz, Eberth, Erhardt and Flach (2025) and combine the route-level data with the most recent trade data provided by BACI-Comtrade for the year 2024 (see Gaulier and Zignago 2010).

We first show that total (aggregate) EU and German imports would hardly be affected by a blockade: Less than 1 percent of total German imports and approximately 1.7 percent of extra-EU imports pass directly through the Strait of Hormuz. This number is much lower in comparison to other maritime choke-points, as shown for Germany in a recent EconPol Report (Bodenschatz et al. 2025).

However, an analysis at the product level reveals substantial heterogeneity. German imports of unalloyed aluminum, as well as medium and crude petroleum oils, would be among the most heavily affected (Figure 4). Since some products are not imported directly by Germany but rather via other EU member states, it is important to consider imports by the EU as a whole. An analysis for the EU reveals that the impact of a blockade on oil and gas would be significantly more pronounced for the bloc, as approximately 6.2 percent of crude oil and 8.7 percent of the LNG imported by the EU (from non-EU member states) pass through the Strait of Hormuz (Figure 5).

Figure 3

Share of Trade that Relies on Passage Through the Strait of Hormuz (2024)

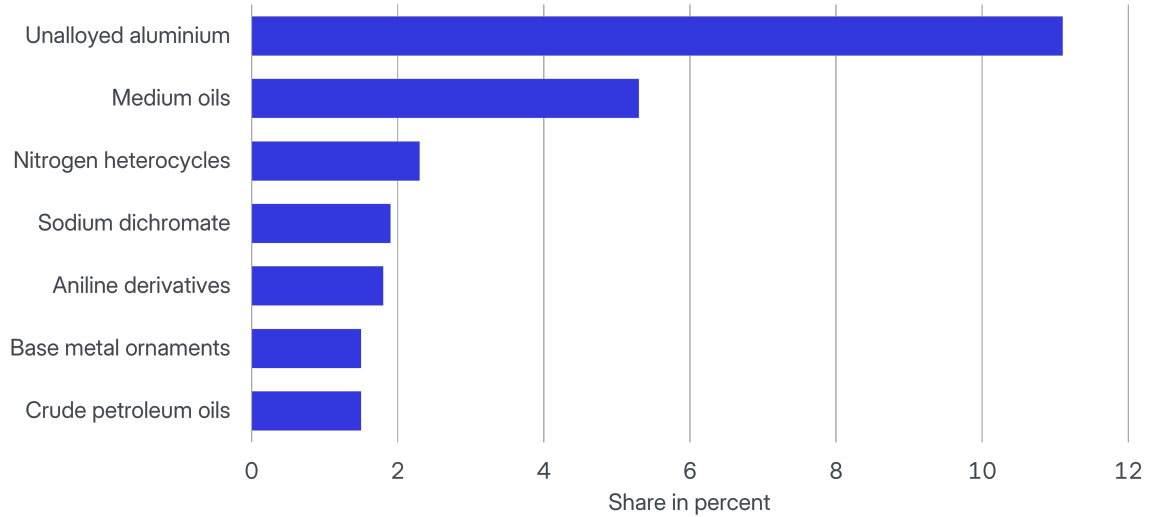


Sources: Eurostat (2026); Ganapati, Wong and Ziv (2024); own calculations.

© ifo Institute

Figure 4

German Imports of HS 6-digit Products with High Reliance on the Strait of Hormuz (2024, Selected Products)

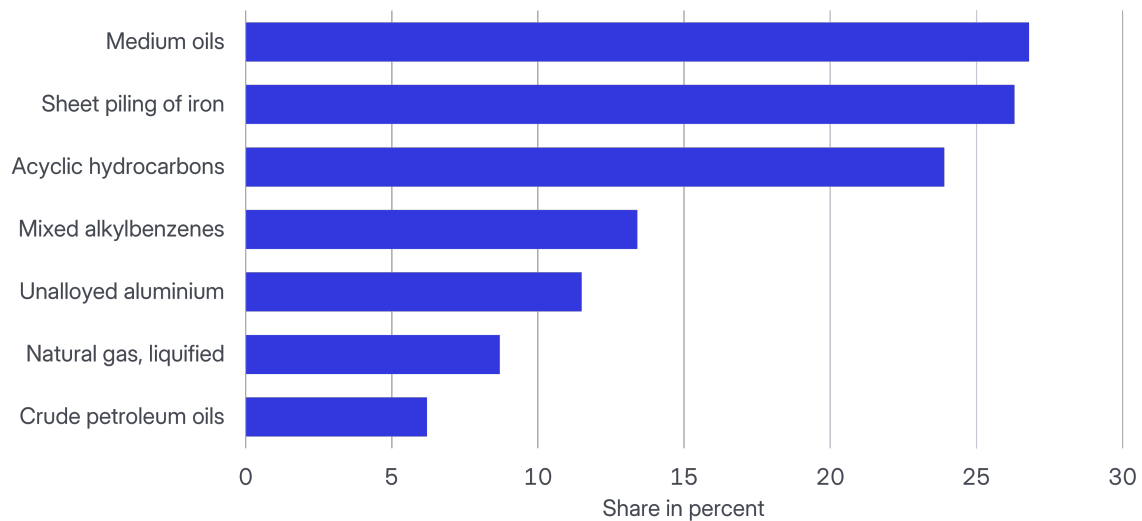


Sources: Eurostat (2026); Ganapati et al. (2024); own calculations.

© ifo Institute

Figure 5

Extra-EU Imports of HS 6-digit Products with High Reliance on the Strait of Hormuz (2024, Selected Products)



Sources: Eurostat (2026); Ganapati et al. (2024); own calculations.

© ifo Institute

Discussion and Policy Implications

This policy brief shows that less than 1 percent of total German imports and approximately 1.7 percent of extra-EU imports pass directly through the Strait of Hormuz. However, a product-level analysis for the EU reveals substantial heterogeneity: products such as crude oil, LNG, and other derivatives have a higher direct exposure to the Strait of Hormuz.

For LNG trade, we show that, in 2024, roughly 8.7 percent of the extra-EU imports of LNG passed through the Strait of Hormuz. According to Bruegel Dataset (2022), LNG from the United States dominates European LNG supply in 2025, increasing in January 2026 as supply from Africa and the Middle East slows down. With the EU transporting approximately 45 percent of its 2025 natural gas imports via LNG and the rest being transported via pipelines, maritime bottlenecks such as the Strait of Hormuz emphasize once more the need to diversify energy sourcing.

The numbers suggest that the primary risk of a blockade of the Strait of Hormuz for Germany and the EU remains an escalation of the conflict, which – particularly through oil and gas prices – could have substantial negative effects on the world economy. A blockade of the Strait of Hormuz could significantly restrict oil exports of the Persian Gulf states located west of the Strait. In total, these countries exported over one-fifth of the world's crude oil in 2024. China alone sources a large portion of its crude oil imports from these states. A blockade could therefore have a negative impact on the Chinese economy and, through the integration of global value chains, drive global inflation.

References

Bodenschatz, P., L. Eberth, K. Erhardt, and L. Flach (2025), "The Role of Maritime Chokepoints for German International Trade", *EconPol Report* 56(9).

Bruegel Dataset (2022), *European Natural Gas Imports, Version of 6 February 2026*, <https://doi.org/10.64153/WVKK8731>.

Eurostat (2026), *Database on International Trade in Goods (Comext)*, https://ec.europa.eu/eurostat/databrowser/bulk?lang=en&selectedTab=fileComext&breadcrumbFilter=COMEXT_DATA (accessed March 4, 2026).

Felbermayr, G., M. Ghosi, H. Kariem, R. Stehler, and Y. Yotov (2026), "Economic Implications for Europe of a Potential Re-integration of Iran into the World Economy", *WIIW Research Report* 481.

Gaulier, G. and S. Zignago (2010), "BACI: International Trade Database at the Product-Level. The 1994-2007 Version", *CEPII Working Paper* 2010-23.

Ganapati, S., W. F. Wong, O. Ziv (2024), "Entrepot: Hubs, Scale, and Trade Costs", *American Economic Journal: Macroeconomics* 16(4), 239-278.