



## Perspective

# Geopolitical turbulence in the Middle East: Reshaping global energy landscape?

Jian-Liang Wang<sup>a,b,c,\*</sup>, Jing-Jing Fan<sup>a</sup>, Yi Liu<sup>a</sup>, Hai-Tao Guo<sup>a</sup>, Mei-Yu Guo<sup>d</sup>

<sup>a</sup> School of Economics and Management, China University of Petroleum (Beijing), Beijing, 102249, China

<sup>b</sup> Research Center for China's Oil and Gas Industry Development, China University of Petroleum (Beijing), Beijing, 102249, China

<sup>c</sup> Institute of Carbon Neutrality and Innovative Energy Development, China University of Petroleum (Beijing), Beijing, 102249, China

<sup>d</sup> Department of Geography, Hong Kong Baptist University, Hong Kong SAR, 999077, China

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shift energy governance toward more alliance-based coordination. Policy responses should therefore prioritize chokepoint security, resilience-oriented energy transition, and more inclusive mechanisms for emergency coordination.

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## ABSTRACT

Iran's position in the Gulf energy system makes the recent military confrontation involving the United States, Israel, and Iran highly consequential for global energy markets. This commentary examines the conflict's short-term disruptions and longer-term implications

Since February 28, 2026, the escalation of conflict involving the United States, Israel, and Iran has intensified geopolitical tensions in the Middle East and generated substantial spillover effects across global energy markets. As a strategic pivot connecting Gulf energy production, export routes, and the regional security architecture, Iran occupies a position that produces spillover effects whose implications extend well beyond the region itself. These effects not only disrupt the stability of oil and gas supply, but also pose systemic challenges to critical maritime chokepoints, shipping networks, insurance mechanisms, financial settlement systems, and the rules of global energy governance. In this sense, the crisis is not only a military confrontation, but also a revealing case through which to examine how security instability in the Middle East interacts with U.S. energy and regional strategy and may contribute to the restructuring of the global energy order. The

discussion proceeds in three steps: it first examines the strategic drivers of the conflict and its energy spillovers; it then analyzes the crisis's short-term market shocks and longer-term systemic implications; and finally, it outlines policy responses aimed at chokepoint resilience and more inclusive energy governance.

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The Middle East has once again descended into high-intensity military confrontation. The immediate trigger, however, was not a direct struggle over oil resources as such, but rather an escalation decision made by the United States and Israel under the combined pressures of Iran's nuclear advances, the threat posed by Iran-backed proxy forces, domestic political considerations, and alliance commitments. Data from the International Atomic Energy Agency indicate that Iran possesses over 400 kg of uranium at 60% purity; at the same time, underground fortifications at facilities such as Natanz and Fordow have reportedly acquired the capacity to withstand conventional strikes (IAEA, 2025). Meanwhile, Iran has continued to expand its strategic influence across the Middle East through allied and proxy forces in Lebanon, Syria, Iraq, and Yemen. From the Israeli

\* Corresponding author.

E-mail address: [wangjianliang@cup.edu.cn](mailto:wangjianliang@cup.edu.cn) (J.-L. Wang).

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perspective, failure to act promptly could allow Iran to acquire the technical capability to produce a nuclear weapon within a relatively short period, thereby posing a serious threat to Israeli national security (AJC, 2026). At the same time, the domestic political and judicial pressures facing the Israeli government have also been widely viewed as factors shaping its external policy posture.

On the U.S. side, preventing Iran from acquiring a nuclear weapons capability has long been embedded in the bipartisan policy consensus. The U.S. President reportedly stated on 74 occasions that Iran must not be allowed to possess nuclear weapons (The White House, 2026a). Following the resumption of U.S.–Iran nuclear negotiations in late 2025, four rounds of talks were held, but the gap between the two sides remained substantial: the United States insisted on the complete abandonment of uranium enrichment, while Iran demanded the full removal of sanctions. On 28 February, the United States and Israel concluded that further negotiations were no longer viable and ultimately turned to a military option.

The distinctive feature of this conflict lies in the pronounced spillover effects of its consequences, which are rooted in Iran's unique geopolitical position. Iran is located on the northern shore of the Strait of Hormuz, the principal maritime corridor for oil and gas exports from the Gulf. In 2024, the strait facilitated the passage of approximately 20 million barrels per day, accounting for around 20% of global petroleum liquids consumption (U.S. Energy Information Administration, 2025). Additionally, a significant portion of liquefied natural gas (LNG) also transits through this route (Khan et al., 2025). Given the limited substitutability of this corridor, any military escalation involving Iran is likely to extend far beyond the immediate scope of military operations, rapidly spilling over into heightened risks to global energy transportation, increased price volatility, and deteriorating supply expectations (Webster et al., 2026).

This also means that, in managing crises in the Middle East, the United States has generally found it difficult to disentangle security concerns from energy considerations. For decades, Washington has treated the security of Gulf energy supplies, freedom of navigation through the Strait of Hormuz, and the uninterrupted operation of critical maritime shipping lanes as core national interests. As a result, when regional crises escalate, the U.S. response and its crisis-management logic tend to become intertwined with its broader strategic approach to energy security and influence (Vakhshouri, 2026). Historical experience illustrates this pattern. The U.S. military intervention in Syria was initially framed in terms of counterterrorism and the preservation of regional security. Yet in northeastern Syria, the oil fields became a strategic concern in their own right: in 2019, the United States maintained a military presence near those fields in order to prevent them, and the revenues they generated, from falling into the hands of ISIS (Humud, 2022).

A similar dynamic can be observed more recently. In January 2026, the United States reportedly initiated a military operation against Venezuela, and subsequently signaled that major U.S. oil companies would take the lead in managing Venezuela's oil resources, which account for roughly 17 percent of global reserves (The White House, 2026b; U.S. Energy Information Administration, 2024). At present, U.S. military planning also appears to be directed toward control over critical energy infrastructure. According to U.S. media reports, the U.S. administration has focused on Kharg Island—Iran's key oil export terminal in the northern Persian Gulf—and even reportedly considered scenarios involving the deployment of ground forces to secure it (Ravid and Caputo, 2026). Thus, even when energy resources are not the immediate object of military action, the logic of crisis management and the spillover effects it generates may nonetheless, in effect, reinforce U.S. influence over global energy security, market expectations, and the shaping of relevant rules.

The short-term impact of the Iran crisis on the global energy market is not primarily reflected in an aggregate supply disruption; rather, it is more directly seen in reduced supply accessibility driven by heightened transit risk in the Strait of Hormuz. Following the U.S.–Israeli strikes on Iran on 28 February, Iran announced the closure of the Strait of Hormuz on 2 March (Reuters, 2026a), and vessel-arrival monitoring data for the strait fell sharply thereafter (IMF, 2026). A prolonged closure would not only adversely affect Iran's own energy exports and economic activity, but would also impose significant costs on Gulf oil producers, major Asian energy importers, and U.S. energy and regional interests (U.S. Energy Information Administration, 2025). For this reason, given the practical constraints involved, a prolonged and comprehensive closure of the Strait of Hormuz appears relatively unlikely. A more plausible scenario is one of partial disruption and recurring vola-

energy prices and uncertainty. By 12 March, Brent crude had climbed to US\$100.46 per barrel (ICE, 2026), an increase of about 39 percent from its level on 27 February. LNG spot prices also rose markedly, with the Asian JKM benchmark reaching US\$15.068/MMBtu on 2 March, up 40.86 percent from its 27 February level (S&P Global, 2026). Meanwhile, the CBOE Crude Oil Volatility Index (OVX) rose to 120.22 on 12 March, its highest level since April 2020, indicating that short-term market sentiment remained highly sensitive and that both risk premia and uncertainty premia had increased substantially (Cboe Global Markets, 2026).

Unlike the short-term effects, which are primarily reflected in transport disruptions, rising costs, and heightened price volatility, the longer-term impact of the Iran crisis may be more consequential, particularly insofar as it pushes the global energy system further toward securitization, stratification, and alliance-based coordination.

The crisis has exposed the vulnerability of global energy supply chains to disruption at critical maritime chokepoints. This may further encourage major energy-importing countries to shift from an “efficiency-first” approach toward a “security-first” approach in their choice of supply sources, transport routes, and reserve-system design. This trend is consistent with the European Union’s recent emphasis on “de-risking”, reducing strategic dependencies, and strengthening economic security and supply-chain resilience. It also aligns with China’s continued pursuit of a new energy security strategy, including efforts to improve its production–supply–storage–distribution system and enhance strategic reserve capacity. In this sense, the crisis may further reinforce energy policy adjustments oriented toward security and resilience, prompting major importing countries to assign greater priority to continuity of supply, controllability of transport routes, and reliability of contract performance rather than cost efficiency alone.

The crisis may also further embed energy trade within compliance frameworks related to sanctions enforcement, insur-

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