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# MARITIME CRISIS IN THE STRAIT OF HORMUZ AND ITS IMPACT ON INDIA

BY
CMDE AJAY AGARWAL, PHD (RETD)

ORGANISED BY CENJOWS
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### Overview

Key participants: Commodore (speaker) — retired naval officer and maritime expert; moderator (CENJOWS); and questioners, including Suruchi Bhardwaj and Prof. Narayan Kumar. The session covers operational, legal, commercial, humanitarian, and strategic responses to threats in and around the Strait of Hormuz and how India is managing energy security amid the crisis.

Main topics and outcomes: The Commodore explains the strait's geography and traffic concentration and situates Iran's asymmetric posture (IRGC-N tactics) within legal constraints like UNCLOS and transit passage norms. He outlines U.S. and coalition naval measures, commercial impacts (insurance spikes and shadow fleets), and humanitarian consequences (crew casualties and stranded ships). India’s layered response includes convoy scotting, LRIT tracking, advisories, seafarer protections, and a sovereign insurance facility to underwrite Indian-flag and Indian-interest shipments.

Decisions and commitments: India commits to maintaining convoy protection and standoff naval presence to avoid escalation, expanding use of alternate routes and eastern Omani ports to bypass the Strait when possible, and using sovereign insurance (approx. $1.5 billion pool with $100 million immediate capacity) to keep trade moving (as stated by the Commodore). India also continues acquisition and swap strategies through ONGC Videsh and refinery upgrades to process diverse crude types.

Concerns and implications: The Commodore flags legal ambiguity from Iran’s domestic claims versus customary transit-passage norms, the unpredictability of IRGC-N actions, and the high economic costs of rerouting and insurance that favour shadow solutions. He cautions that overseas oil investments carry political and price risks and underscores the need for longer-term resilience via refinery flexibility, renewable-energy targets, and strategic fuel reserves.

For a newcomer: the session explains why the Strait of Hormuz matters, how law shapes permissible actions, how Iran’s asymmetric campaign and international naval responses interact, and what practical steps India is taking — operational escorts, alternate routing, diversification of supplies, refinery upgrades, and financial backstops — to sustain energy security while avoiding escalation.

## Detailed Summary

### Geostrategic importance

The speaker outlines the Strait of Hormuz's critical role in global trade and India's energy security, describing heavy daily traffic and narrow navigable channels that concentrate risk. He highlights how the geography (Musandam Peninsula, islands, shallow waters) degrades sensor performance and complicates naval operations, increasing the strategic value of control and influence in the area. Current disruptions matter because a large share of Asian oil and many exports/imports transit this chokepoint, so interruptions have immediate economic and security effects.

- The presenter (Commodore) states the Strait of Hormuz handles roughly 15 million barrels per day and serves major exporters like Saudi Arabia and the UAE and importers like China and India.
- The presenter explains that the Musandam Peninsula and archipelago create radar clutter and narrow channels that reduce detection ranges and complicate naval manoeuvring.
- Presenter notes roughly 100–150 ships transit the narrowest sections daily, concentrating vulnerability and elevating the strait's geostrategic significance.

### Applicable maritime law

The speaker reviews UNCLOS, transit passage, and innocent passage concepts to clarify legal rights and constraints in international straits. He explains Iran has signed but not ratified UNCLOS and asserts innocent passage/territorial claims, while most international practice treats the strait as a transit passage that cannot be lawfully blocked. This legal framing matters for assessing claims, interdiction, and the legality of actions like blockades or prior authorisation demands.

- The presenter states Iran signed but never ratified UNCLOS and relies on the domestic Marine Areas Act to claim wider control and require prior authorisation for passage.
- The presenter asserts transit passage under customary international law permits unimpeded movement of ships and aircraft and overrides unilateral coastal restrictions, a position the U.S. and most maritime states uphold.
- The presenter highlights the legal distinction that transit passage allows submerged submarine transit and aircraft operations, while innocent passage requires surface transit and restricts military activity.

**Law of armed conflict and neutrality**

The talk connects maritime-law regimes to the laws of armed conflict, emphasising necessity, proportionality, and protection of neutral shipping. The speaker outlines neutral rights and obligations, contraband concepts, and limitations on blockades so that belligerents must avoid harming neutral commerce and civilian seafarers. These legal frameworks constrain use-of-force options and shape how states and navies respond to hostile acts in multi-state shipping lanes.

- The presenter emphasises the law of use of force demands necessity and proportionality when operating near neutrals to avoid war crimes.
- Presenter explains neutral merchant ships retain rights but may be subject to visit, board, search and seizure under strict conditions and should not be arbitrarily captured or destroyed.
- Presenter notes blockades must not deny access to neutral ports and that declaring or enforcing a blockade overlapping transit passages can be legally problematic.

**Maritime security dynamics and Iranian posture**

The speaker describes the Iranian operational picture as fragmented between the regular navy and IRGC-N, with the IRGC-N conducting most coercive asymmetric operations (small fast boats, swarm tactics, drones, mining, and GPS spoofing). Iran alternates diplomatic restraint and IRGC action, creating an unpredictable security environment that complicates de-escalation and raises commercial risk. Iran also

promulgates blacklisted or ‘danger’ corridors and alleges authority to charge for safe passage.

- The presenter explains Iran split responsibilities, so the IRGC-N controls the Strait while the regular navy operates elsewhere, contributing to dual command frictions.
- The presenter describes IRGC-N tactics: swarm fast-boat approaches, small-arms harassment, cruise missiles, drone usage, alleged mining and GPS spoofing, and extortion-like 'safe passage' charges.
- Presenter reports IRGC-linked advisories designate hazardous lanes, and some states and operators have paid suspected transit fees estimated at $2–5 million for certain passages.

**US and coalition responses**

The speaker outlines U.S. naval measures: freedom-of-navigation operations, board-and-search (VBSS), mine-countermeasure efforts, targeted strikes against vessels identified as threats, and a partial naval blockade concept. The U.S. seeks coalition participation for convoying and scotting, but reports limited multinational buy-in, complicating burden-sharing and legal positioning. These responses aim to preserve unimpeded transit while deterring attacks.

- The presenter notes the U.S. conducts freedom-of-navigation transits and has struck vessels it identifies as blockade runners or direct threats.
- The presenter says the U.S. requested multinational scotting/escort contributions, but major actors (the EU, China, India, and NATO members) largely declined to join a coalition escort force.
- Presenter details U.S. mine-countermeasure operations and incidents where high-end systems have been compromised or captured in the area.

**Commercial impacts and shadow fleet phenomenon**

The speaker addresses commercial consequences: sharp declines and later partial recovery in traffic, dramatic rises in war-risk insurance premiums and HRA designations, and a growing shadow fleet of un(der)insured or reflagged vessels. Higher logistics and insurance costs, plus creative ship-to-ship shuttling, sustain

exports at elevated expense and risk while encouraging informal or opaque maritime solutions.

- The presenter explains traffic fell sharply in late February–March and only partially recovered, with 59 India-linked merchant ships recorded transiting under escort at one point.
- The presenter reports war-risk insurance premiums rising dramatically (10–30x) and HRA designations forcing carriers into higher premiums and some into shadow-flag operations.
- The presenter describes a ship-to-ship shuttle/relay system using smaller vessels to preserve oil exports despite risk, increasing costs but maintaining flows for some exporters.

**Indian maritime response and measures**

The speaker summarises India's layered response: enhanced monitoring and advisories, naval convoy scotting, LRIT-based tracking and coordination through DG Shipping, crew protections/consent measures, and a newly created sovereign insurance pool. India balances escorting Indian-flag or Indian-interest vessels while avoiding direct entry into the most contested waters to limit escalation and is diversifying supply routes and suppliers. These measures aim to keep energy flows open while managing costs and escalation risks.

- The presenter outlines Indian measures: enhanced monitoring, safety advisories, naval escort (convoy scotting), LRIT tracking, and seafarer repatriation missions.
- The presenter notes India has escorted 59 Indian-linked ships and maintains a standoff maritime presence rather than operating deep inside the Strait to avoid entanglement.
- The presenter reports a new Indian sovereign insurance facility (approx. $1.5 billion risk pool and a $100 million immediate payout capability) to underwrite Indian-flag or Indian-controlled vessels and cargoes.

- The presenter (Commodore) states India is pursuing alternate physical routes by using eastern Omani ports and overland corridors to bypass the Strait when feasible.
- The presenter (Commodore) notes India has been importing oil via longer routes around the Cape of Good Hope since 2023 and has increased engagements and investments in West Africa and Russia to diversify supply.

**Humanitarian and economic consequences**

The speaker highlights human tolls (crew casualties and missing seafarers), broader economic costs (daily losses for India and global trade), and ripple effects such as stranded ships causing biodiversity issues from biofouling. These outcomes underscore the crisis' cross-cutting impacts on energy security, remittances, crew welfare, and port economies in South Asia and the Gulf.

- The presenter reports about 81 attacks attributed to the conflict and 22 seafarer fatalities (including nine Indians) and at least one Indian crew member missing.
- The presenter estimates daily economic losses of roughly $3.5 billion for India and about $12 billion globally in certain phases, exclusive of capital reconstruction costs.
- The presenter warns prolonged ship stranding increases biofouling and invasive-species transfer risks that can damage local maritime ecosystems and port industries.

**Energy diversification and refining capability**

The speaker considers longer-term options to reduce India's dependence on contested chokepoints, including diversification of supply sources, direct investment or concession arrangements abroad, fuel swaps, and expansion of refining capability to handle varied crude types. He cautions that overseas investments carry political and cost risks and that domestic refinery upgrades and renewable energy targets are central to resilience.

- The presenter (Commodore) says India is actively diversifying its crude basket and has investments in West Africa and Russia to reduce reliance on West Asia.

- The presenter explains India has procured oil routed around the Cape of Good Hope since 2023 as a deliberate diversification step.
- Presenter notes ONGC Videsh and other Indian entities pursue acquisitions and swap arrangements, but the presenter cautions investments abroad carry regime and price risks that can make them financially untenable.
- The presenter states Indian refinery upgrades (e.g., Jamnagar) now allow processing of heavier, sour crudes and that India refines about 15 per cent of its crude for export.
- The presenter mentions renewable-energy and ethanol initiatives as government priorities to lower fossil-fuel dependency over time.