

On OIL

A) OIL RESOURCES

OIL RESERVES

OIL RESOURCES - RESERVES

Countries With the Largest Proven Oil Reserves

COUNTRIES WITH OIL RESERVES

Countries with the Largest Proven

Oil Reserves

○ OPEC Countries ● Non-OPEC Countries



Key Takeaways

- With 303 billion barrels in proven oil reserves, Venezuela leads globally.
- Saudi Aramco pumps roughly 11 million barrels of oil per day, equal to about 10% of the global total, thanks to the country's vast oil reserves.
- In May, Iran's exports of crude oil totaled 1.8 million per day. Overall, a third of the world's oil is produced in the Gulf region.

The World's Proven Oil Reserve Giants

- ❑ Today, the world's top 10 countries hold 1.5 trillion barrels in proven oil reserves.
- ❑ While Venezuela tops the list, hyperinflation and U.S. sanctions on the Maduro regime are devastating its economy.
- ❑ Overall, nearly 14% of global oil production is sanctioned—primarily across OPEC+ nations.

The World's Proven Oil Reserve Giants			
Rank	Country	Proven Oil Reserves (Billion Barrels)	OPEC member
1	VE Venezuela	303	Yes
2	SA Saudi Arabia	267	Yes
3	IR Iran	209	Yes
4	CA Canada	163	No
5	IQ Iraq	145	Yes
6	AE UAE	113	Yes
7	KW Kuwait	102	Yes
8	RU Russia	80	OPEC+
9	US U.S.	74	No
10	LY Libya	48	Yes

The World's Proven Oil Reserve Giants

- ❑ Venezuela leads the world in proven oil reserves, spurred by a major oil discovery in the 1920s.
- ❑ In 2024, oil exports funded 58% of the government's budget, but production has sunk dramatically. Not only that, but the country is also facing one of the worst economic contractions in modern history. Since 2013, GDP per capita has collapsed by 68%.
- ❑ By contrast, Saudi Arabia pumped over 11 million barrels of crude oil per day in 2023, second only to America. With some of the lowest production costs globally, Saudi Arabia is estimated to break even at oil prices of \$35 per barrel.
- ❑ Ranking in third is Iran, with 209 billion barrels in oil reserves, followed by Canada at 163 billion.

Middle East Tensions

- While oil prices surged after Israel's attack on Iran, they dropped sharply following Iran's retaliatory strike on U.S. military bases.
- Importantly, oil prices calmed since it avoided disrupting energy flows. However, if Iran were to close the Strait of Hormuz—a chokepoint for a fifth of global oil traffic—prices could soar. Many oil executives view such a move as unlikely. Shutting down the Strait would eliminate one of Iran's most powerful bargaining chips—and once used, it can't be leveraged again.

B) SUPPLY OF OIL

B1) SUPPLY OF OIL

**The World's Biggest Oil Producers
in 2022**

OIL PRODUCTION by Country

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Oil Production

BY COUNTRY IN 2022

In Thousand barrels per day (B/D)

○ OPEC Countries ○ Non-OPEC Countries ○ OPEC + Countries

Global oil production grew by 3.8 million barrels per day (B/D) between 2021 and 2022, a **4.2% rise** led by supply increases from the **top 10 oil producing nations**.

Total Production
(Thousand B/D)
93,848

Other Europe
230

Europe's oil production **declined by 8.6% in 2022**, and only contributed 3.3% of global supply.

The **U.S.** is responsible for nearly **one-fifth of global oil production** and is also the world's **biggest oil consumer**, followed by China.

Other Middle East
210

Qatar
1,768

Syria
93

Kuwait
3,028

Oman
1,064

Iraq
4,520

Other Asia Pacific
177

Brunei
92

China
4,111

AUS
420

VNM
124

THA
331

MYS
567

IDN
644

Other CIS
43

Saudi Arabia
12,136

UAE
4,020

Iran
3,822

Russia
11,202

TKM
244

ECU
481

VEN
731

COL
754

Canada
5,576

Brazil
3,107

ARG
206

KAZ
1,769

AZE
685

Libya
1,088

CHD
124

SUDAN
62

Other Latin America
381

Mexico
1,944

AGO
1,190

EGY
613

Equatorial Guinea
119

Other Africa
283

Algeria
1,474

South Sudan
141

Oil Production by Region (Thousand B/D)

Middle East
30,742

North America
25,290

CIS
14,006

Asia Pacific
7,335

Africa
7,273

South America
6,362

Europe
3,131

*Includes crude oil, shale oil, oil sands, condensates that require further refining, and natural gas liquids. Excludes liquid fuels from other sources and oil shales/kerogen extracted in solid form.

Source: Energy Institute Statistical Review of World Energy, 2023.

The World's Biggest Oil Producers

- ❑ In 2022 oil prices peaked at more than \$100 per barrel, hitting an **eight-year high**, after a full year of turmoil in the energy markets in the wake of the Russian invasion of Ukraine.
- ❑ Oil companies doubled their profits and the economies of the biggest oil producers in the world got a major boost.
- ❑ But which countries are responsible for most of the world's oil supply?

Oil Production By Country, in 2022				
Rank	Country	2022 Production (Thousand B/D)	YoY Change	Share of World Supply
1	U.S.	17,770	+6.5%	18.9%
2	Saudi Arabia	12,136	+10.8%	12.9%
3	Russia	11,202	+1.8%	11.9%
4	Canada	5,576	+3.0%	5.9%
5	Iraq	4,520	+10.2%	4.8%
6	China	4,111	+2.9%	4.4%
7	UAE	4,020	+10.4%	4.3%
8	Iran	3,822	+4.6%	4.1%
9	Brazil	3,107	+3.9%	3.3%
10	Kuwait	3,028	+12.0%	3.2%

Oil Production By Country, in 2022

- ❑ Behind America's considerable lead in oil production, **Saudi Arabia** (ranked 2nd) produced 12 million B/D, accounting for about 13% of global supply.
- ❑ **Russia** came in third with 11 million B/D in 2022. Together, these top three oil producing behemoths, along with Canada (4th) and Iraq (5th), make up more than half of the entire world's oil supply.
- ❑ Meanwhile, the top 10 oil producers, including those ranked 6th to 10th—China, UAE, Iran, Brazil, and Kuwait—are responsible for more than 70% of the world's oil production.
- ❑ Notably, all top 10 oil giants **increased** their production between 2021–2022, and as a result, global output rose 4.2% year-on-year.

Major Oil Producing Regions in 2022			
Region	2022 Production (Thousand B/D)	YoY Change	Share of World Supply
Middle East	30,743	+9.2%	32.8%
North America	25,290	+5.3%	27.0%
CIS	14,006	+0.9%	14.9%
Africa	7,043	-3.5%	7.5%
Asia Pacific	7,273	-1.4%	7.8%
South & Central America	6,361	7.2%	6.8%
Europe	3,131	-8.6%	3.3%

Major Oil Producing Regions in 2022

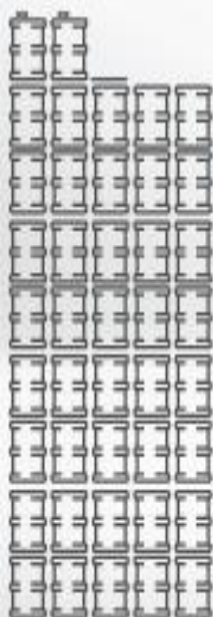
- ❑ The Middle East accounts for one-third of global oil production and North America makes up almost another one-third of production.
- ❑ The Commonwealth of Independent States—an organization of post-Soviet Union countries—is another major regional producer of oil, with a 15% share of world production.
- ❑ What's starkly apparent in the data however is Europe's declining share of oil production, now at 3% of the world's supply.
- ❑ In the last 20 years the EU's oil output has dropped by more than 50% due to a variety of factors, including stricter environmental regulations and a shift to natural gas.
- ❑ Another lens to look at regional production is through OPEC members, which control about 35% of the world's oil output and about 70% of the world's oil reserves.

OIL PRODUCTION BY OPEC

Oil Production by OPEC, OPEC+ or RoW (Thousand B/D)

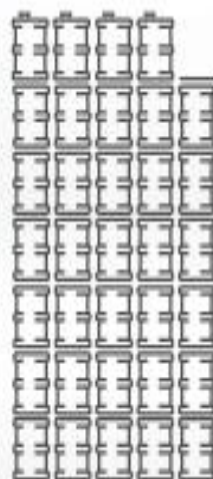
RoW

42,074



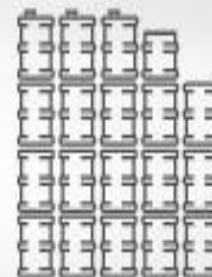
OPEC

34,038



OPEC+

17,736



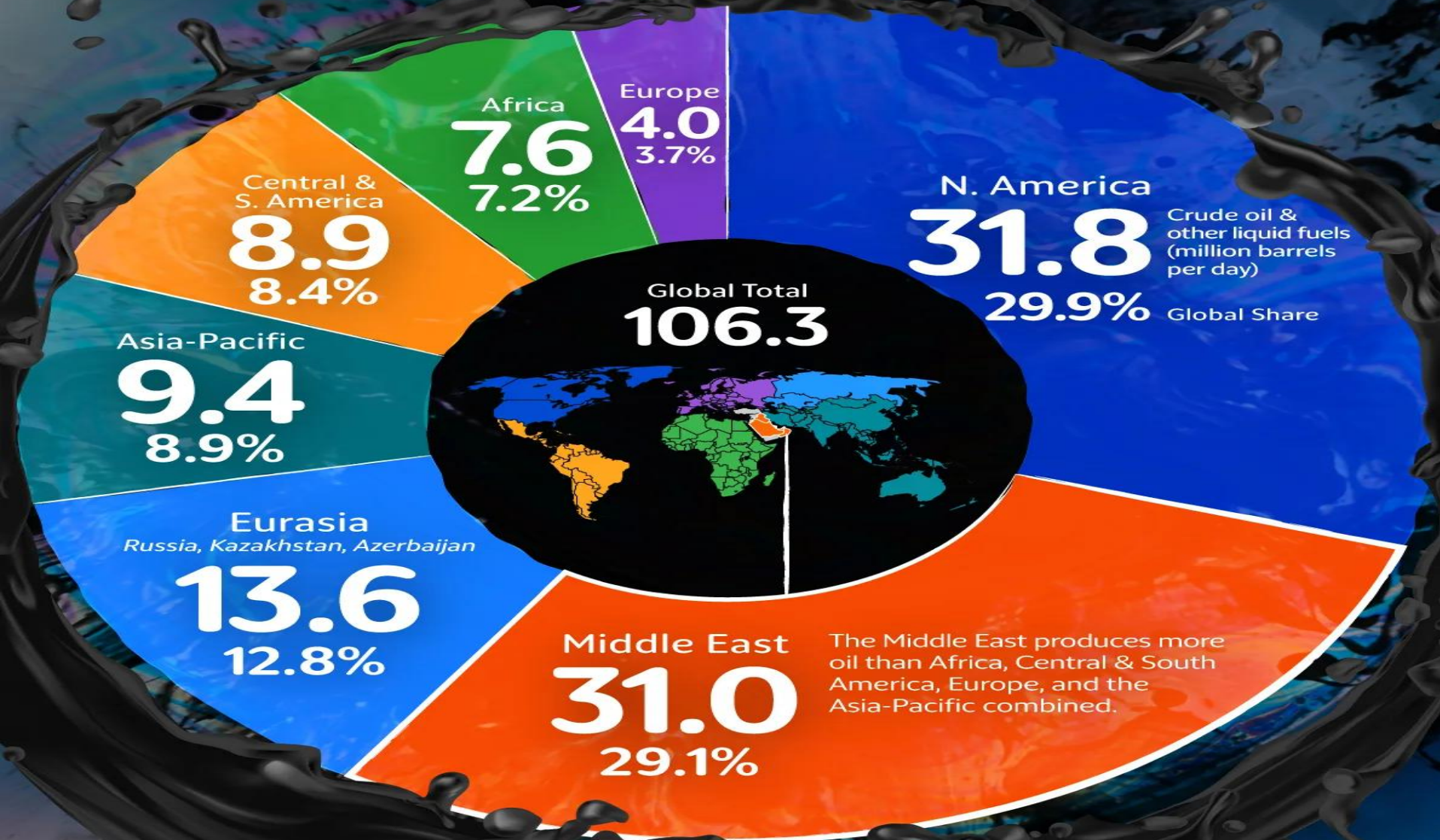
B2) SUPPLY OF OIL

**Where the World's Oil Comes From,
by Region
in 2025**

Where the World's Oil Comes From, by Region

GLOBAL OIL PRODUCTION

by Region 2025



Key Takeaways

- North America is the world's largest oil-producing region in 2025, generating over 31 million barrels per day, equal to nearly 30% of global supply.
- The Middle East produces over 29% of the world's oil, led by Saudi Arabia and Iran.
- Europe, excluding Russia, produces less than 4% of total oil production, the smallest share by region.

North America & Middle East

- The world produced roughly 106 million barrels of oil per day in 2025.
- Just two regions dominate global supply:
 - North America and
 - the Middle East
- Together produce nearly 60% of the world's oil, underscoring their outsized influence on energy markets.

North America Leads Global Oil Production		
Region	Crude Oil and Other Liquid Fuels (Million Barrels Per Day 2025)	Global Share
North America	31.8	29.9%
Middle East	31.0	29.1%
Eurasia (Russia, Kazakhstan, Azerbaijan)	13.6	12.8%
Asia-Pacific	9.4	8.9%
Central & South America	8.9	8.4%
Africa	7.6	7.2%
Europe	4.0	3.7%

North America Leads Global Oil Production

- ❑ North America is the world's largest oil-producing region, accounting for 29.9% of global output in 2025, averaging 31.8 million barrels per day.
- ❑ Much of this supply is driven by the U.S., where oil production reached record highs in 2025. Output has more than doubled over the past two decades, largely due to the expansion of shale drilling. Canada also hit record levels, producing 5.0 million barrels per day in December 2025.

The Middle East's Massive Oil Output

- ❑ The Middle East is the second-largest oil-producing region, generating 31 million barrels per day in 2025.
- ❑ Saudi Arabia remains the region's largest producer at 9.6 million barrels per day. However, the country saw its active oil rig count fall to a 20-year low in 2025, as energy investment increasingly shifts toward natural gas production. By 2030, natural gas production is set to expand 60%.
- ❑ Iran produced 3.1 million barrels per day in 2025, still below its peak of 4.0 million in 2007.
- ❑ Even so, the Middle East remains a dominant force in global oil markets. In 2025, it produced more crude oil than Africa, Europe, Central and South America, and Asia-Pacific combined.

Global Oil Trade and Strategic Stockpiles

- ❑ The Strait of Hormuz remains one of the world's most important oil chokepoints, handling roughly 20% of global petroleum trade.
- ❑ While only 7% of U.S. crude exports pass through the corridor, Asian economies depend heavily on these shipments, accounting for nearly 90% of flows through the strait. To protect against supply disruptions, many countries maintain strategic petroleum reserves.
- ❑ Members of the International Energy Agency, including European importers, Japan, and South Korea, must hold reserves equal to at least 90 days of net imports. Meanwhile, China has built some of the world's largest stockpiles.
- ❑ In short, the global oil market depends on a small number of regions—and a few critical trade routes—while strategic stockpiles help guard against supply shocks.

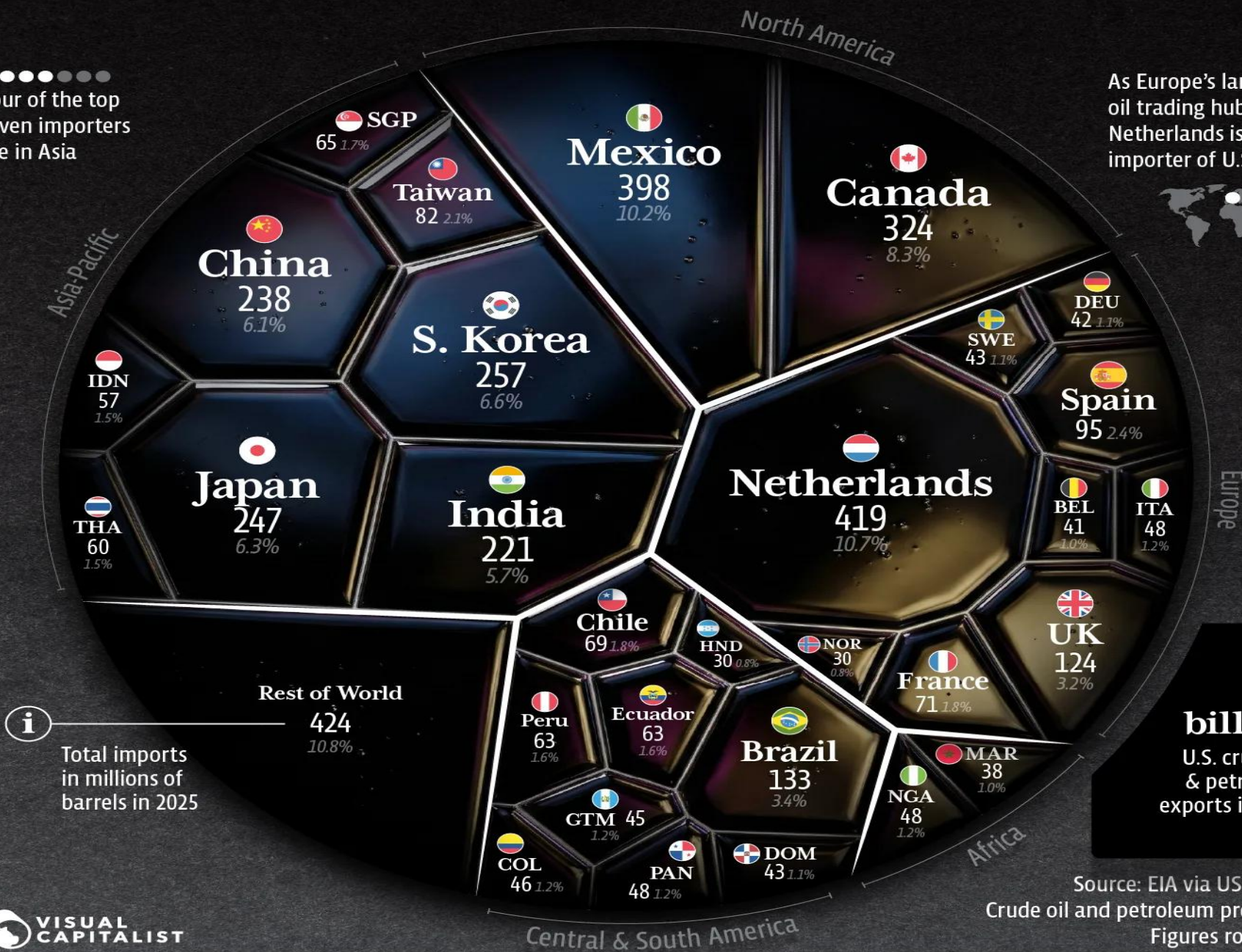
B3) SUPPLIER OF OIL: USA

**The Top Buyers of
U.S. Oil
in 2025**

The World's Biggest Buyers of U.S. Oil

●●●●●●●●
Four of the top seven importers are in Asia

As Europe's largest oil trading hub, the Netherlands is the top importer of U.S. oil



Key Takeaways

- The Netherlands imported 419 million barrels, making it the world's largest buyer of American crude, ahead of much larger economies like China, India, and Japan.
- Mexico fell to second place, importing 398 million barrels.
- China's imports of U.S. oil declined 34% in 2025, while India's rose 35%, highlighting diverging demand trends between the world's two most populous countries.

The World's Biggest Buyers of U.S. Oil				
Rank	Country	Region	Total Imports (Millions of Barrels 2025)	Share of Total
1	NL Netherlands	Europe	419	10.7%
2	MX Mexico	North America	398	10.2%
3	CA Canada	North America	324	8.3%
4	KR South Korea	Asia-Pacific	257	6.6%
5	JP Japan	Asia-Pacific	247	6.3%
6	CN China	Asia-Pacific	238	6.1%
7	IN India	Asia-Pacific	221	5.7%
8	BR Brazil	Central & South America	133	3.4%
9	GB United Kingdom	Europe	124	3.2%
10	ES Spain	Europe	95	2.4%
11	TW Taiwan	Asia-Pacific	82	2.1%
12	FR France	Europe	71	1.8%
13	CL Chile	Central & South America	69	1.8%
14	SG Singapore	Asia-Pacific	65	1.7%
15	EC Ecuador	Central & South America	63	1.6%

The World's Biggest Buyers of U.S. Oil				
Rank	Country	Region	Total Imports (Millions of Barrels 2025)	Share of Total
16	PE Peru	Central & South America	63	1.6%
17	TH Thailand	Asia-Pacific	60	1.5%
18	ID Indonesia	Asia-Pacific	57	1.5%
19	PA Panama	Central & South America	48	1.2%
20	IT Italy	Europe	48	1.2%
21	NG Nigeria	Africa	48	1.2%
22	co Colombia	Central & South America	46	1.2%
23	GT Guatemala	Central & South America	45	1.2%
24	do Dominican Republic	Central & South America	43	1.1%
25	SE Sweden	Europe	43	1.1%
26	DE Germany	Europe	42	1.1%
27	BE Belgium	Europe	41	1.0%
28	MA Morocco	Africa	38	1.0%
29	HN Honduras	Central & South America	30	0.8%
30	NO Norway	Europe	30	0.8%

Who buys US Oil?

- ❑ The Netherlands became the world's largest buyer of U.S. oil in 2025, importing more American crude than much larger economies such as China, India, and Japan.
- ❑ Nearly 4 billion barrels of U.S. oil were shipped abroad last year, underscoring the country's growing role as a global energy exporter.
- ❑ Much of the Netherlands' imported crude passes through the Port of Rotterdam, one of the world's largest energy hubs, where oil is refined or redistributed across Europe.

Who buys US Oil?

- ❑ The Netherlands led global imports with 419 million barrels, after purchases surged by roughly 31 million barrels in 2025.
- ❑ Since Russia's invasion of Ukraine in 2022, U.S. crude has played a growing role in replacing Russian energy across Europe. A large share flows through the Port of Rotterdam, where roughly 1.1 million barrels of oil pass through each day.
- ❑ Canada ranked third, importing 324 million barrels, a modest increase from the previous year. Despite its vast oil reserves, Canada lacks sufficient refining capacity and east-west pipeline infrastructure, leading it to rely heavily on crude imports from the United States.
- ❑ Meanwhile, China's imports of U.S. oil fell by 81 million barrels in 2025, pushing the country down to the sixth-largest buyer, from third place a year earlier. Amid escalating trade tensions, China increasingly turned to discounted sanctioned crude from Iran, Venezuela, and Russia.
- ❑ India, meanwhile, increased U.S. crude shipments in 2025. Overall, U.S. crude exports jumped by 57 million barrels, rising 35% over the year.

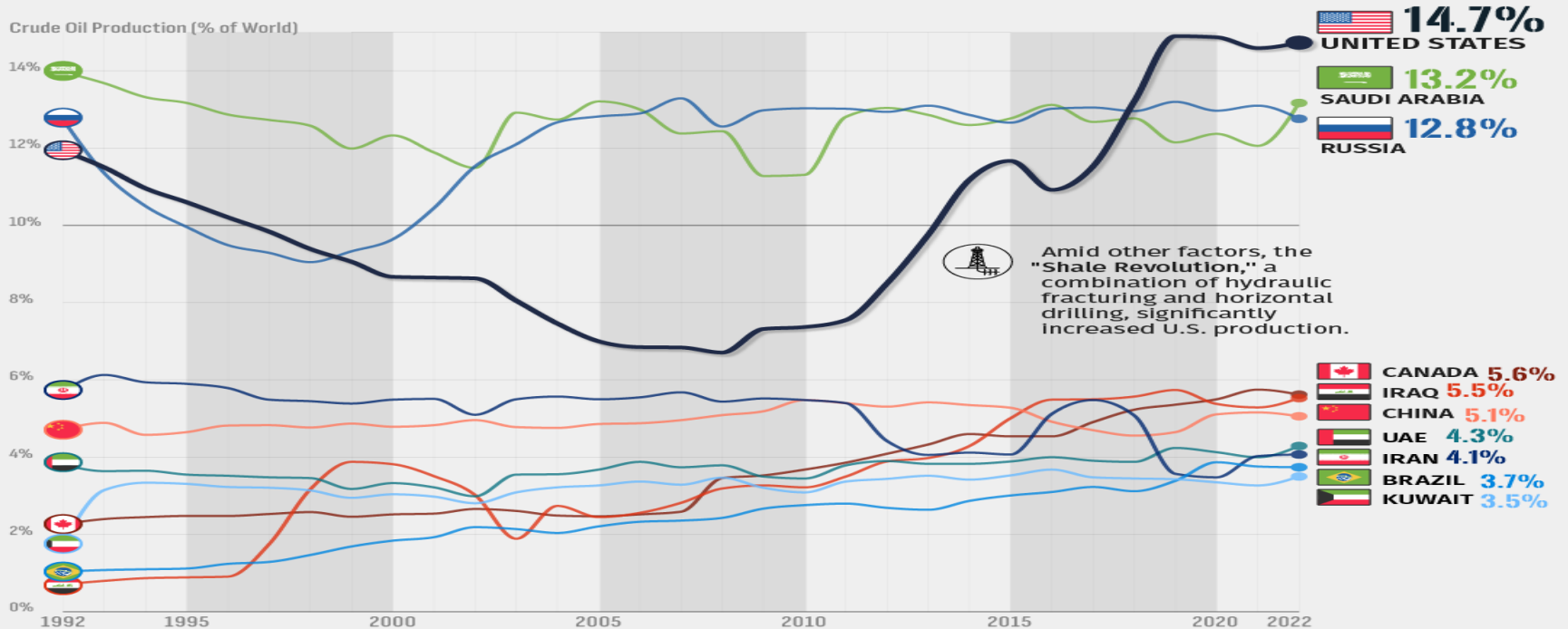
U.S. as Top Crude Oil Producer

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THE RISE OF THE U.S. AS THE TOP CRUDE OIL PRODUCER

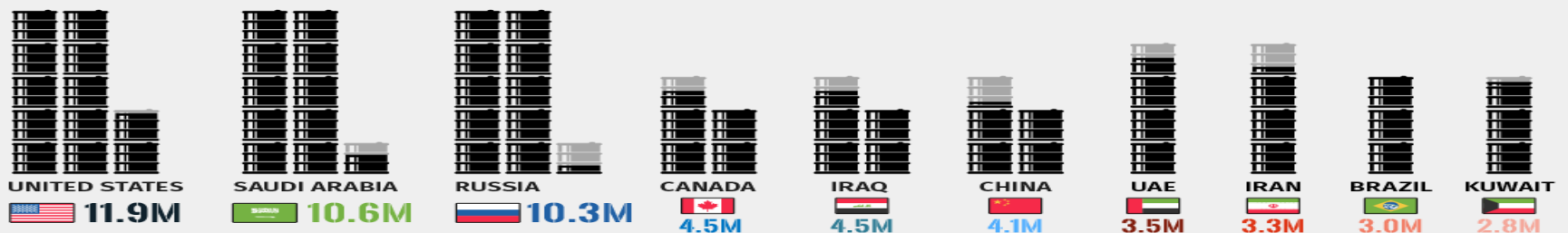
Over the last decade, the **United States** has established itself as the world's biggest producer of crude oil, leaving behind Saudi Arabia and Russia.

Crude Oil Production (% of World)



DAILY CRUDE OIL PRODUCTION 2022 (BARRELS/DAY)

= 1 MILLION BARRELS



Crude oil, including lease condensate, (barrels per day)

Source: U.S. Energy Information Administration (2023)

U.S. Takes Lead in 2018

- ❑ Over the last decade, the United States has established itself as the world's top producer of crude oil.

- ❑ Surpassing
 - *Saudi Arabia and*
 - *Russia.*

U.S. becomes a Top Crude Oil Producer

- ❑ Over the last three decades, the United States, Saudi Arabia, and Russia have alternated as the top crude producers, but always by small margins.
- ❑ During the 1990s, Saudi Arabia dominated crude production, taking advantage of its extensive oil reserves.
- ❑ The petroleum sector accounts for roughly 42% of the country's GDP, 87% of its budget revenues, and 90% of export earnings.
- ❑ However, during the 2000s, Russia surpassed Saudi Arabia in production during some years, following strategic investments in expanding its oil infrastructure.
- ❑ The majority of Russia's oil goes to OECD Europe (60%), with around 20% going to China.

U.S. as Top Crude Oil Producer			
Crude Oil Production	United States	Saudi Arabia	Russia
1992	11.93%	13.97%	12.74%
1993	11.50%	13.68%	11.35%
1994	10.96%	13.32%	10.50%
1995	10.60%	13.17%	9.96%
1996	10.21%	12.87%	9.49%
1997	9.84%	12.73%	9.29%
1998	9.39%	12.58%	9.05%
1999	9.06%	11.99%	9.33%
2000	8.67%	12.33%	9.64%
2001	8.65%	11.89%	10.45%

U.S. as Top Crude Oil Producer

- ❑ Over the 2010s, the U.S. witnessed an increase in domestic production, much of it attributable to hydraulic fracturing, or “fracking,” in the shale formations ranging from Texas to North Dakota. It became the world’s largest oil producer in 2018, outproducing Russia and Saudi Arabia.
- ❑ The U.S. accounted for 14.7% of crude oil production worldwide in 2022, compared to 13.1% for Saudi Arabia and 12.7% for Russia.
- ❑ Despite leading petroleum production, the U.S. still trails seven countries in remaining proven reserves underground, with 55,251 million barrels.
- ❑ Venezuela has the biggest reserves with 303,221 million barrels. Saudi Arabia, with 267,192 million barrels, occupies the second spot, while Russia is seventh with 80,000 million barrels.

B4) SUPPLIER OF OIL: IRAN

Iran's Oil Exports by Country

PERSIA'S OIL EXPORTS TO

1.4 million barrels
per day in 2023



In 2017, China only accounted for 25% of Iran's oil exports. China's share rose significantly after U.S. sanctions on Iran in late 2018.

 **China**
89%

of Iran's oil exports in 2023

Who Buys the Most Iranian Oil?

- ❑ As tensions escalate between Iran, Israel, and the U.S. amid fragile ceasefire negotiations, the Iranian oil market is facing heightened volatility.
- ❑ Certain Asian economies that rely heavily on Iranian crude and stable passage through the Strait of Hormuz now face some of the greatest exposure.
- ❑ This chart visualizes the breakdown of Iran's crude oil and condensate exports by destination in 2023.

China is the Top Buyer of Iranian Oil

Country	Share of Iran's Crude Oil Exports
CN China	89%
SY Syria	6%
AE United Arab Emirates	3%
VE Venezuela	2%

China is the Top Buyer of Iranian Oil

- ❑ In 2023, a staggering 89% of Iran's oil exports went to China, a sharp rise from just 25% in 2017.
- ❑ This surge followed renewed U.S. sanctions in 2018, which isolated Iran from most global oil buyers.
- ❑ Iran is among the world's largest oil producers, and in recent years, China has become its most critical customer both economically and geopolitically.
- ❑ As hostilities in the region intensify—marked by U.S. attacks on Iranian nuclear infrastructure and Iranian missile strikes on American bases in Qatar and Iraq—China's access to Iranian oil is increasingly at risk.

Chock Point: Strait of Hormuz

- ❑ This is because the Strait of Hormuz, a critical route for China's oil imports, could be disrupted by further conflict or Iranian retaliation.
- ❑ While Iran supplies only about 13% of China's total oil imports, the relationship is strategically important, offering China discounted crude and reinforcing its broader regional influence amid Western pressure.

C) DEMAND FOR OIL

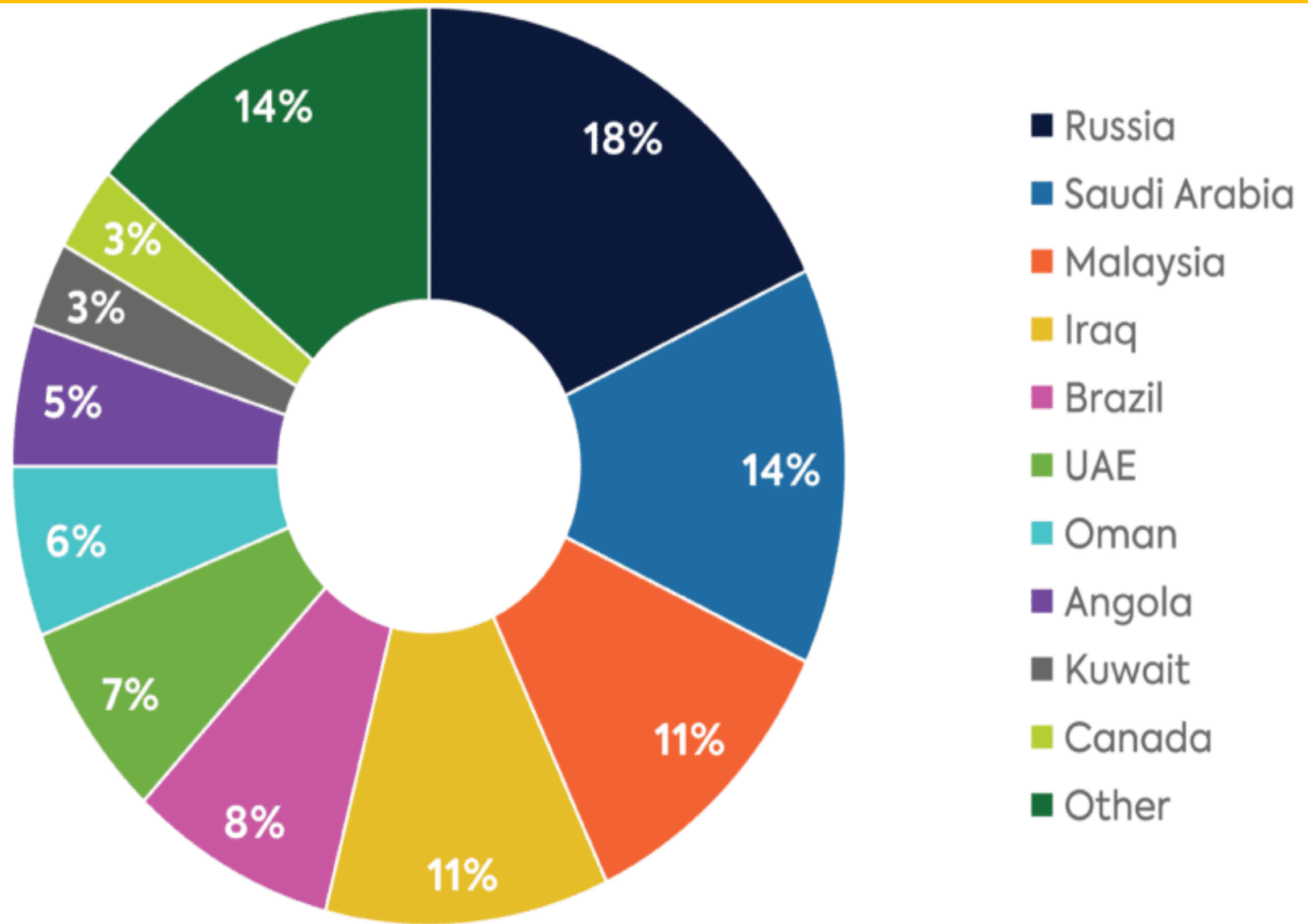
DEMAND FOR OIL

Where China Gets Its Oil

CHINA'S IMPORTS OF CRUDE OIL

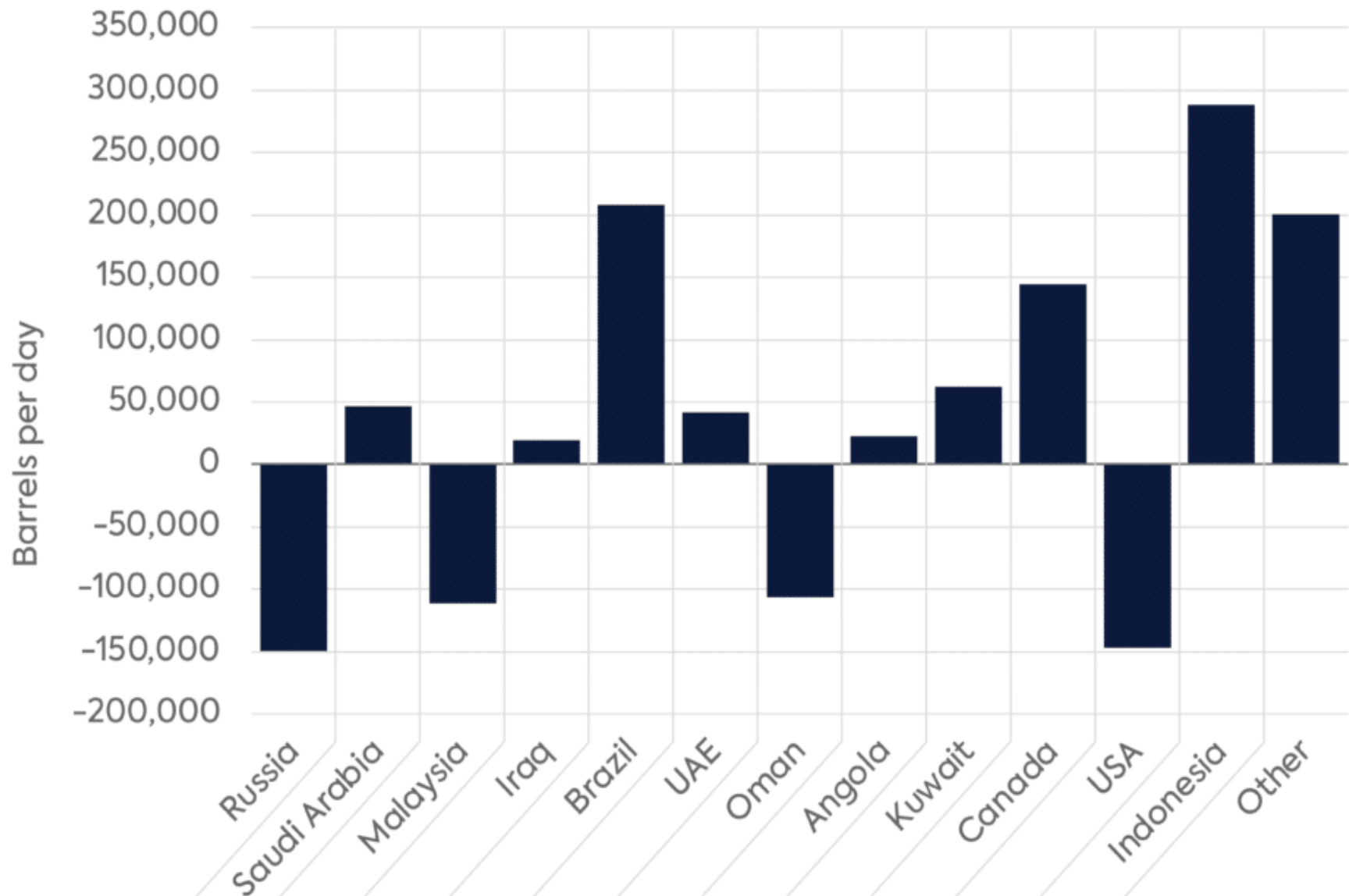
- China's crude oil imports hit a record-high 11.6 million barrels per day in 2025, as geopolitical tensions, low oil prices, and global oversupply spurred China to increase its oil stockpiles, a trend likely to continue in 2026.
- The large volume of oil China has in storage means it would likely be able to weather any multi-month disruption of its imports from Iran and Venezuela, which supplied about 15 percent of China's crude imports last year.
- Indonesia and Brazil accounted for almost all the increase in China's oil imports in 2025; Brazil's production growth and status as a low-risk supplier contributed to a 28 percent increase in its deliveries to China, while the rebranding of some Iranian crude as Indonesian probably explains the 98-fold increase in Indonesia's exports to China.

CHINA'S TOP CRUDE OIL SUPPLIERS IN 2025



Source: China's General Administration of Customs.

Changes in China's crude oil imports in 2025

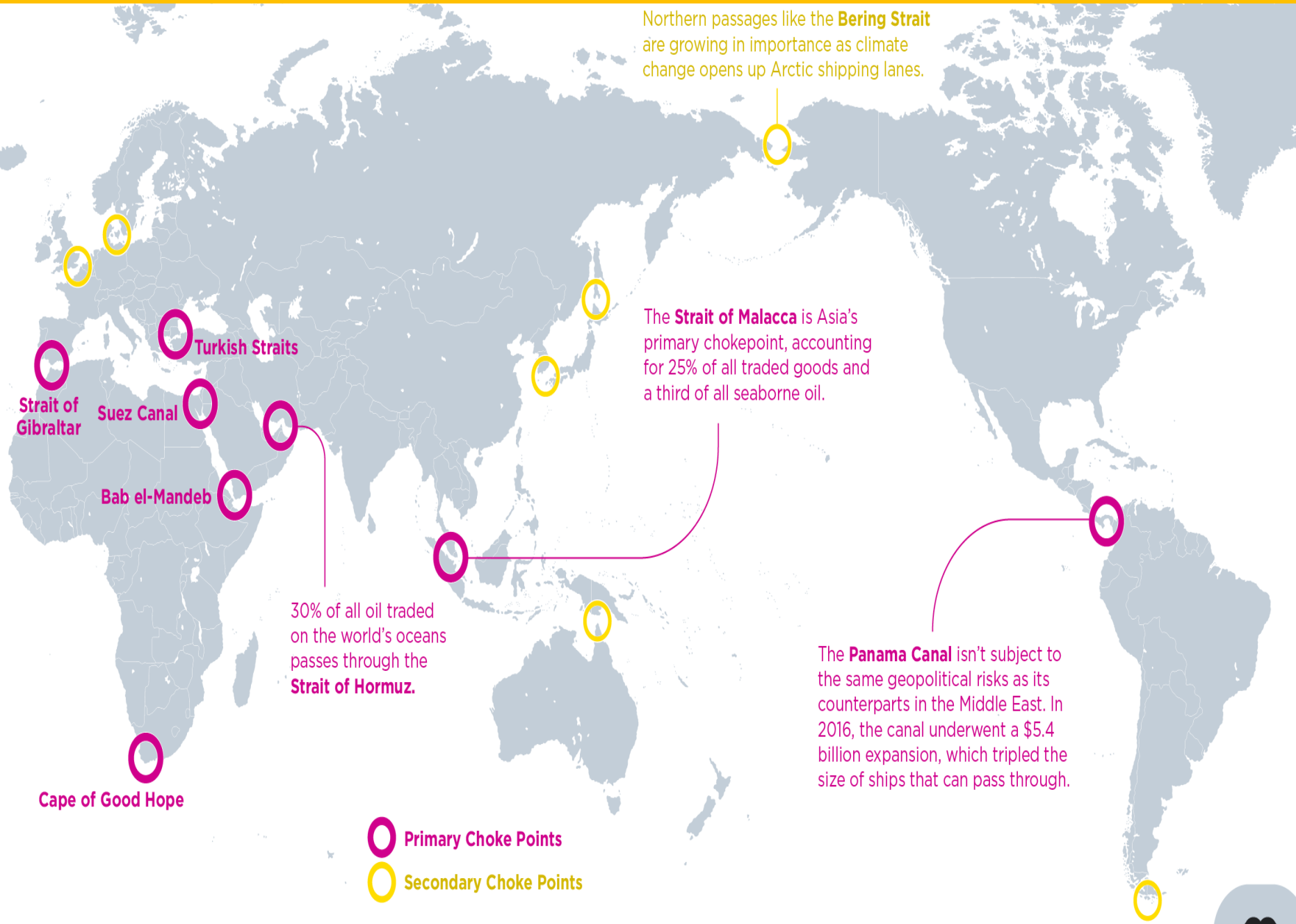


Source: China's General Administration of Customs.

D) TRANSPORTATION OF OIL

The MARITIME CHOKE POINTS

World's Key Maritime Choke Points



World's Key Maritime Choke Points

- ❑ Maritime transport is an essential part of international trade—approximately 80% of global merchandise is shipped via sea.
- ❑ Because of its importance, commercial shipping relies on strategic trade routes to move goods efficiently.
- ❑ These waterways are used by thousands of vessels a year—but it's not always smooth sailing.
- ❑ In fact, there are certain points along these routes that pose a risk to the whole system.
- ❑ The world's most vulnerable maritime bottlenecks—also known as choke points are 7 or 8.

What's a Choke Point?

- ❑ Choke points are strategic, narrow passages that connect two larger areas to one another. When it comes to maritime trade, these are typically straits or canals that see high volumes of traffic because of their optimal location.
- ❑ Despite their convenience, these vital points pose several risks:
 - **Structural risks:** As demonstrated in the recent [Suez Canal](#) blockage, ships can crash along the shore of a canal if the passage is too narrow, causing traffic jams that can last for days.
 - **Geopolitical risks:** Because of their high traffic, choke points are particularly vulnerable to blockades or deliberate disruptions during times of political unrest.
- ❑ The type and degree of risk varies, depending on location. Here's a look at some of the biggest threats, at eight of the world's major choke points.

RISKS TO GLOBAL TRADE – CHOKE POINTS

RISKS TO GLOBAL TRADE CHOKE POINTS



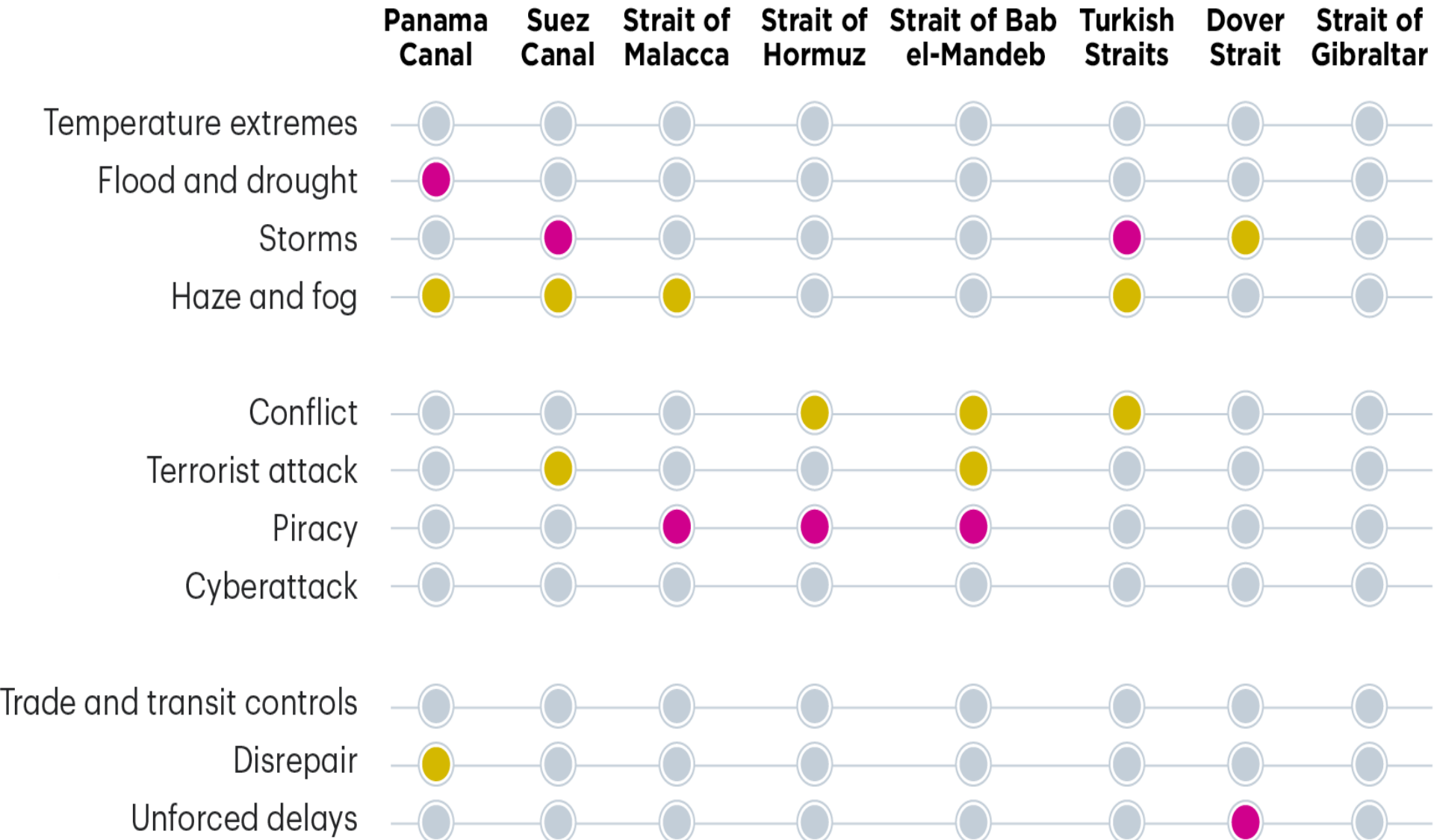
High Risk



Medium Risk



Low Risk



Important Maritime Choke Points

The Panama Canal

- The Panama Canal is a lock-type canal that provides a shortcut for ships traveling between the Pacific and Atlantic oceans.
- Ships sailing between the east and west coasts of the U.S. save over 8,000 nautical miles by using the canal—which roughly shortens their trip by 21 days.
- In 2019, 252 million long tons of goods were transported through the Panama Canal, which generated over \$2.6 billion in tolls.

The Suez Canal

- The Suez Canal is an Egyptian waterway that connects Europe to Asia.
- Without this route, ships would need to sail around Africa, which would add approximately seven days to their trips.
- In 2019, nearly 19,000 vessels, and 1 billion tons of cargo, traveled through the Suez Canal.
- In an effort to mitigate risk, the Egyptian government embarked on a major expansion project for the canal back in 2015.
- But, given the recent blockade caused by a Taiwanese container ship, it's clear that the waterway is still vulnerable to obstruction.

The Strait of Hormuz

- ❑ Controlled by Iran, the Strait of Hormuz links the Persian Gulf to the Gulf of Oman, ultimately draining into the Arabian Sea.
- ❑ It's a primary vein for the world's oil supply, transporting approximately 21 million barrels per day.
- ❑ Historically, it's also been a site of regional conflict. For instance, tankers and commercial ships were attacked in that area during the Iran-Iraq war in the 1980s.

The Bab el-Mandeb Strait

- ❑ The Bab el-Mandeb Strait is another primary waterway for the world's oil and natural gas.
- ❑ Nestled between Africa and the Middle East, the critical route connects the Mediterranean Sea (via the Suez Canal) to the Indian Ocean.
- ❑ Like the Strait of Malacca, it's well known as a high-risk area for pirate attacks.
- ❑ In May 2020, a UK chemical tanker was attacked off the coast of Yemen—the ninth pirate attack in the area that year.
- ❑ Due to the strategic nature of the region, there is a strong military presence in nearby Djibouti, including China's first ever foreign military base.

The Strait of Malacca

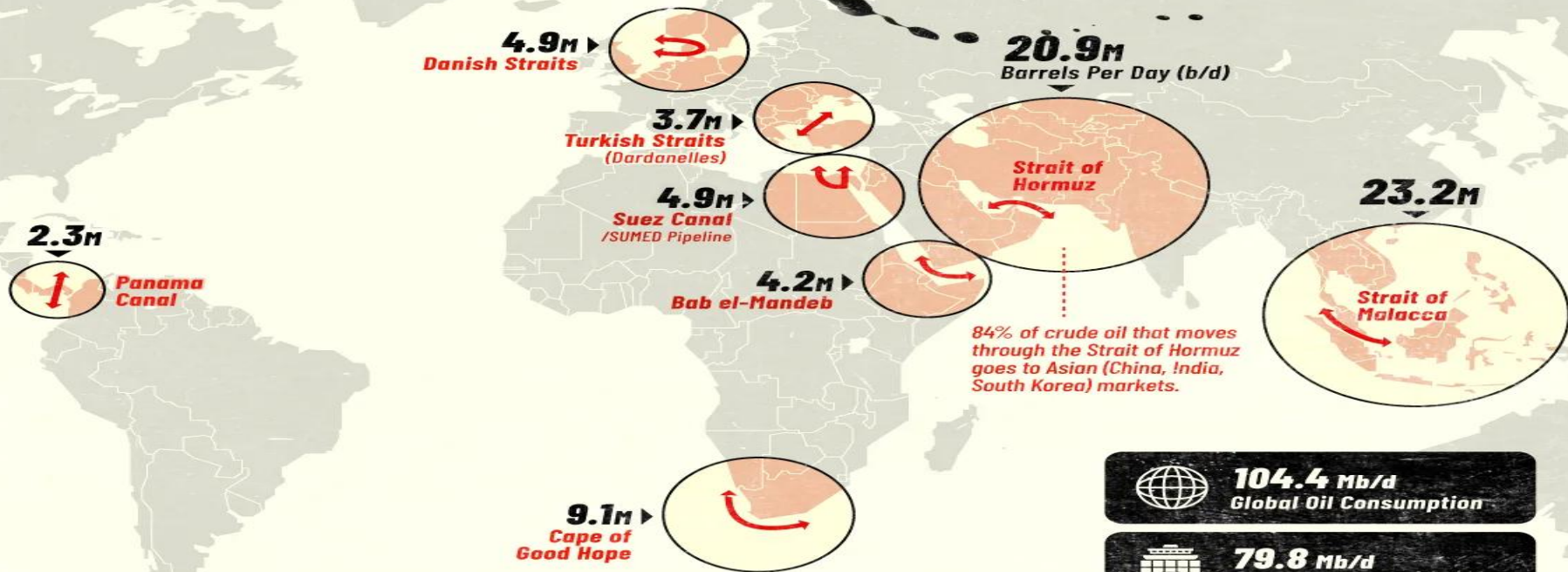
- ❑ At its smallest point, the Strait of Malacca is approximately 1.5 nautical miles, making it one of the world's narrowest choke points.
- ❑ Despite its size, it's one of Asia's most critical waterways, since it provides a critical connection between China, India, and Southeast Asia.
- ❑ This choke point creates a risky situation for the 130,000 or so ships that visit the Port of Singapore each year.
- ❑ The area is also known to have problems with piracy—in 2019, there were 30 piracy incidents, according to private information group ReCAAP ISC.

The World's Oil Chokepoints

The World's Oil Chokepoints

OIL SUPPLY CHOKEPOINTS

Chokepoints are narrow channels along widely used sea routes that are critical to global energy security.



104.4 Mb/d
Global Oil Consumption



79.8 Mb/d
Global Maritime Oil Trade

Share of Global Maritime Oil Trade

These chokepoints see 91.7% of global maritime oil trade pass through them.

Strait of Hormuz
26.2%

Suez Canal / SUMED Pipeline
6.1%

Bab el-Mandeb
5.3%

Panama Canal
2.9%

29.1%
Strait of Malacca

11.4%
Cape of Good Hope

6.1%
Danish Straits

4.6%
Turkish Straits (Dardanelles)

8.3%
Other

The World's Oil Chokepoints

- ❑ Oil markets rely on a handful of narrow maritime passages to keep supply flowing.
- ❑ These oil supply chokepoints are **critical arteries of the global energy system**, moving tens of millions of barrels per day.

The World's Oil Chokepoints		
Location	2025 H1 volume (mb/d)	% of World Maritime Oil Trade
Strait of Malacca	23.2	29.1%
Strait of Hormuz	20.9	26.2%
Cape of Good Hope	9.1	11.4%
Danish Straits	4.9	6.1%
Suez Canal & SUMED Pipeline	4.9	6.1%
Bab el-Mandeb	4.2	5.3%
Turkish Straits (Dardanelles)	3.7	4.6%
Panama Canal	2.3	2.9%

The Strait of Malacca: The Busiest Oil Corridor

- **The Strait of Malacca, between Malaysia and Indonesia, is the world's busiest oil chokepoint.**
- **Roughly 23.2 million barrels per day flowed through this narrow channel in the first half of 2025, accounting for about 29.1% of global maritime oil trade.**
- **The Strait of Malacca connects the Indian Ocean to the South China Sea, making it a crucial route for oil shipments to China, Japan, and South Korea.**
- **Its narrow width and heavy traffic make it vulnerable to congestion and geopolitical tension.**

The Strait of Hormuz: A Critical Energy Artery

- ❑ The Strait of Hormuz, located between Oman and Iran, handled about 20.9 million barrels per day in the first half of 2025—roughly one-fifth of global oil consumption.
- ❑ It connects the Persian Gulf with the Gulf of Oman and the Arabian Sea and is deep and wide enough to accommodate the world's largest crude oil tankers.
- ❑ Approximately 84% of crude oil moved through Hormuz is destined for Asian markets, including China, India, Japan, and South Korea.
- ❑ Because so much Gulf production depends on this route, any disruption can send shockwaves through global oil prices.

Other Key Chokepoints Across the Globe

- ❑ Beyond **Malacca and Hormuz**, several other passages play important roles in global oil flows.
- ❑ The **Suez Canal** and SUMED Pipeline transported about 4.9 million barrels per day, linking the Red Sea to the Mediterranean.
- ❑ Nearby, the **Bab el-Mandeb** carried roughly 4.2 million barrels per day, connecting the Red Sea to the Gulf of Aden.
- ❑ In Europe, **the Danish Straits and Turkish Straits** serve as key gateways for Russian and Caspian oil exports, moving about 4.9 million and 3.7 million barrels per day, respectively.
- ❑ Meanwhile, the **Panama Canal** handled roughly 2.3 million barrels per day, while longer alternative routes such as the **Cape of Good Hope** carried about 9.1 million barrels per day as tankers traveled between the Atlantic and Indian

Key Takeaways

- **The Strait of Malacca**, between Malaysia and Indonesia, is the world's busiest oil chokepoint, carrying about 29.1% of global maritime oil trade.
- About one-fifth of global oil consumption flows through the **Strait of Hormuz**.
- Roughly 84% of crude oil moving through the Strait of Hormuz is destined for Asian markets.

D1) The Strait of Hormuz

**Global Energy Flows
at Risk in**

The Strait of Hormuz

WHAT PASSES THROUGH THE Strait of Hormuz



Iran

Persian Gulf

Saudi Arabia

UAE

Oman

20%

of global oil
consumption

27%

of global
seaborne oil trade

20%

of global
LNG trade

An average of 100 cargo-carrying vessels traverse the Strait daily in normal conditions, with 60-70% being oil tankers and gas carriers.

7%

of U.S. crude
& condensate
imports

89%

of Hormuz crude
& condensate
sent to Asia

83%

of Hormuz LNG
sent to Asia

Asia is the region most affected by a closure of the Strait. China receives the largest share of Hormuz crude oil and condensate at 37.7%.

Key Takeaways

- **About**
 - **20% of global oil consumption and**
 - **20% of LNG trade****passes through the Strait of Hormuz.**
- **Nearly**
 - **90% of crude and condensate exports through the strait are shipped to Asian markets.**

The Strait of Hormuz

- ❑ Roughly one-fifth of the world's oil consumption and LNG trade passes through the Strait of Hormuz, making it one of the most critical energy corridors on the planet.**
- ❑ The narrow waterway between Iran and Oman connects the Persian Gulf to global markets, serving as a vital route for oil and gas exports from major producers including Saudi Arabia, Iraq, the UAE, and Qatar.**
- ❑ Tensions involving Iran have periodically raised concerns about disruptions to traffic through the strait, which could affect global energy markets.**

How Much Oil Moves Through the Strait of Hormuz?	
Metric	Value
Cargo vessels passing daily	~100
Global oil consumption via Hormuz	20%
Global seaborne oil trade via Hormuz	27%
Global LNG trade via Hormuz	20%
Crude & condensate sent to Asia	89%
LNG sent to Asia	83%
U.S. crude imports via Hormuz	7%
U.S. petroleum consumption via Hormuz	2%

The Strait of Hormuz

- ❑ Roughly 100 cargo-carrying vessels pass through the strait on an average day in 2026.**
- ❑ Around 60–70% of these vessels are oil tankers and gas carriers, reflecting the region's dominant role in global energy exports.**
- ❑ In fact, about 20% of global oil consumption moves through the Strait of Hormuz.**
- ❑ In terms of maritime trade, the passage accounts for roughly 27% of all seaborne oil shipments worldwide.**

LNG Trade Also Relies on the Strait

- ❑ The Strait of Hormuz is not only critical for oil. Around 20% of global liquefied natural gas (LNG) trade also travels through this corridor.**
- ❑ Major LNG exporters such as Qatar rely heavily on the strait to ship natural gas to global markets.**
- ❑ As demand for LNG rises—especially in Asia and Europe—this shipping route becomes even more important for energy security.**

Asia Is the Most Exposed Region

- ❑ Asia is the region most dependent on energy flows through the Strait of Hormuz.**
- ❑ The region's heavy reliance reflects its large energy demand and limited domestic oil and gas resources.**
- ❑ About 89% of crude oil and condensate passing through the strait is shipped to Asian markets.**
- ❑ Similarly, roughly 83% of LNG exports traveling through the corridor are destined for Asia.**
- ❑ Major importers include China, India, Japan, and South Korea.**
- ❑ By contrast, the United States is far less reliant on the route.**
- ❑ Only about 7% of U.S. crude imports come through the strait, and roughly 2% of U.S. petroleum liquids consumption depends on these flows.**

**Oil Trade
Through
the Strait of Hormuz
by Country**

The Strait of Hormuz: Oil Trade

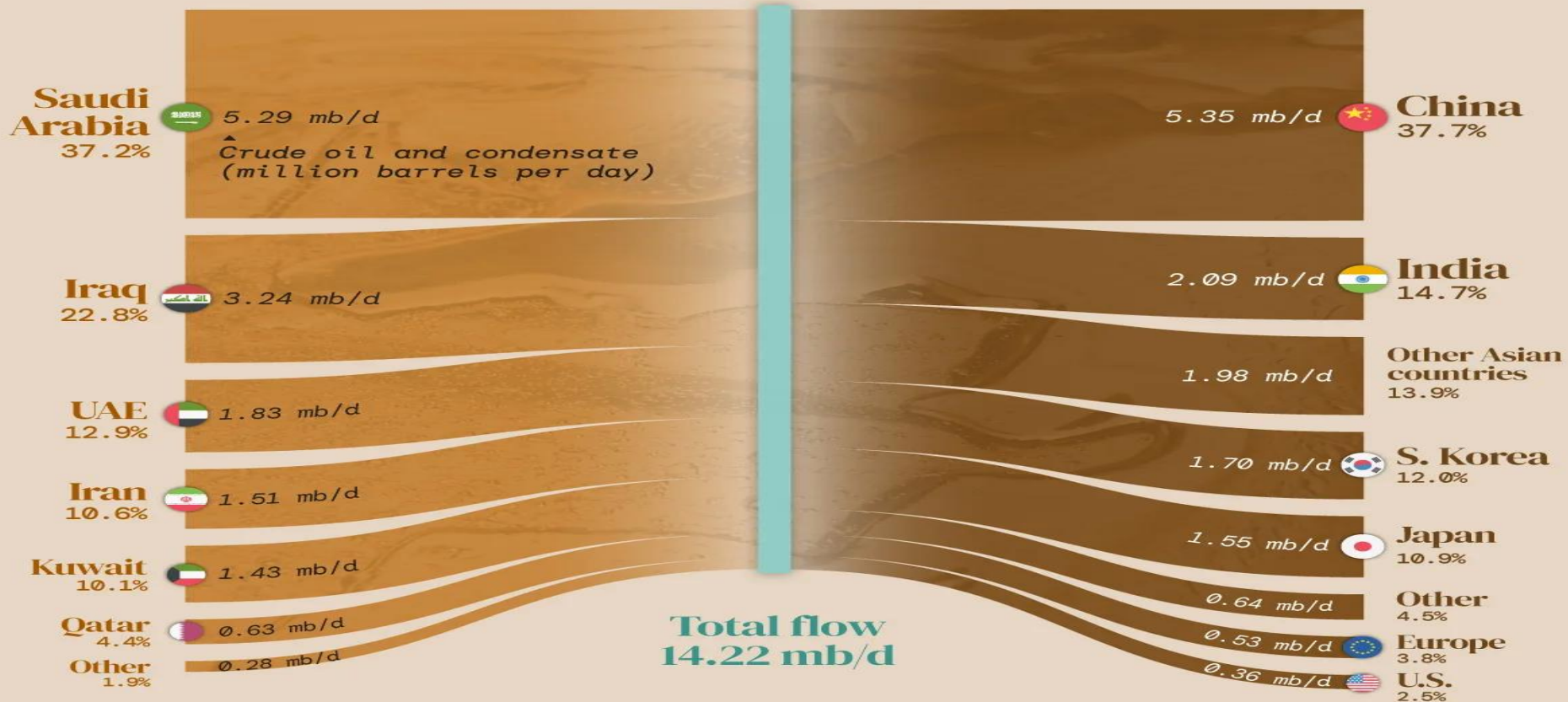
The Strait of Hormuz's Oil Flow by Country



Around 25% of the world's maritime oil trade passes through the Strait of Hormuz



ORIGIN → STRAIT OF HORMUZ → DESTINATION



Only Saudi Arabia and the UAE can reliably bypass the Strait through the Petrolina and Hashan-Fujairah pipelines.

Asia is the region most affected by a closure of the Strait, making up 89% of the oil and condensate flows by destination.

Oil Trade Through the Strait of Hormuz by Country

- ❑ The Strait of Hormuz is one of the world's most critical energy chokepoints, with both exporters and importers of crude oil heavily reliant on flows through the Strait.**
- ❑ Oil flows through the Strait of Hormuz are heavily concentrated among a few Gulf producers.**
- ❑ Saudi Arabia accounts for the largest share of crude and condensate exports transiting the strait, at 37.2% of the total.**

Oil Trade Through the Strait of Hormuz by Country

- ❑ **Iraq follows with 22.8%, while the United Arab Emirates contributes 12.9%. Iran (10.6%) and Kuwait (10.1%) round out the top five exporters.**
- ❑ **Together, these five countries account for 93.6% of all crude and condensate volumes moving through the strait.**
- ❑ **This concentration underscores how closely global oil markets are tied to production in the Persian Gulf.**
- ❑ **With recent military conflict in the Middle East and Iran's announcement that it would attack any ship passing through the Strait, more than 20% of global oil flows are now at risk.**

Which Countries Export Oil Through the Strait of Hormuz?	
Country	Share of the Strait of Hormuz's Oil and Condensate Exports
SA Saudi Arabia	37.2%
IQ Iraq	22.8%
AE United Arab Emirates	12.9%
IR Iran	10.6%
KW Kuwait	10.1%
QA Qatar	4.4%
Other	1.9%

The Countries Reliant on Oil From the Strait of Hormuz	
Country	Share of Oil and Condensate Imports From the Strait of Hormuz
CN China	37.7%
IN India	14.7%
Other Asia	13.9%
KR South Korea	12.0%
JP Japan	10.9%
EU Europe	3.8%
us United States	2.5%
Other	4.5%

The Countries Reliant on Oil From the Strait of Hormuz

- ❑ On the demand side, Asia is overwhelmingly reliant on oil shipments through the Strait of Hormuz.
- ❑ Asian countries collectively receive 89.2% of the crude oil and condensate that transit the waterway.
- ❑ China alone accounts for 37.7% of total flows—more than any other country by a wide margin.
- ❑ India is the second-largest destination at 14.7%, followed by South Korea at 12.0% and Japan at 10.9%.
- ❑ Other Asian countries make up 13.9% of crude oil and condensate flows that pass through the Strait.

The Countries Reliant on Oil From the Strait of Hormuz

- ❑ In contrast, the United States receives just 2.5% of these flows, reflecting its increased domestic production and diversified import sources.
- ❑ Any closure or disruption of the Strait of Hormuz would disproportionately impact Asian economies, particularly China and India, which together receive over half of all volumes passing through the strait.

D2) Suez Canal:

- ❑ Critical Waterway Comes to a Halt**
- ❑ The one that CYPRUS controls**

The SUEZ Canal

SUEZ CANAL BY THE NUMBERS

12%
of global trade

30%
of global container
ship traffic each day

An average of
52
ships pass through
the canal each day.



Three main types of cargo
flow through the canal:



Dry bulk



Containers



Oil

← Cairo 140km (87 mi)

PORT
TEWFIK

LENGTH: 193km (120 mi) OPENED: 1869 LOCATION: EGYPT

The Suez Canal, located in Egypt, is one of the world's most important waterways. It provides the shortest sea link between Asia and Europe.

EVER GIVEN

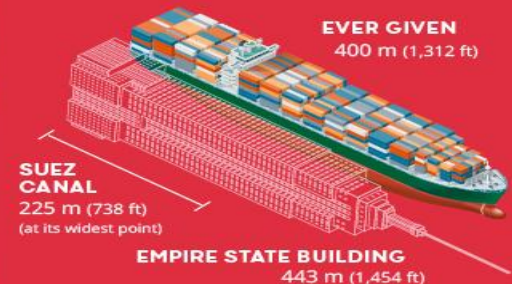
FLAG: PANAMA BUILT: 2018
DESTINATION: NETHERLANDS



On March 23, 2021, a container ship named Ever Given became lodged in the Suez Canal. Each day the canal is closed disrupts an estimated **\$9 billion** worth of goods trade.

Ever Given's container capacity

20,000



This portion of the route,
which was expanded in
2015, has parallel canals.

This southern section
of the route is still a
single canal.



The SUEZ Canal

- ❑ The Suez Canal is one of the world's most important waterways, connecting Asia and Europe.
- ❑ Constructed in 1869, the Suez Canal is an Egyptian sea-level waterway that provides a vital shipping route between Europe and Asia.
- ❑ Without this route, ships would need to sail around Africa, adding an entire week to their trips.
- ❑ The connecting link between two important regional economies, the canal facilitates a significant amount of trade.
- ❑ The Suez Canal Authority (SCA) reported that **19,000 vessels**—averaging to 52 a day—had sailed through its waters in 2020.
- ❑ On March 23, 2021, the ***Ever Given*** container ship ran aground, blocking transit in both directions.

A Critical Waterway Comes to a Halt

- ❑ On March 23, 2021, a massive ship named ***Ever Given*** became lodged in the Suez Canal, completely blocking traffic in both directions.
- ❑ According to the Suez Canal Authority, the 1,312 foot long (400 m) container ship ran aground during a sandstorm that caused low visibility, impacting the ship's navigation.
- ❑ The vessel is owned by Taiwanese shipping firm, Evergreen Marine.
- ❑ With over 200 vessels halted on either side of the canal, authorities are scrambling to dislodge the container ship and resume normal operations.
- ❑ This has proven to be a difficult task so far, and experts are warning that the process could take weeks.

TRAFFIC through SUEZ		
Year	Number of Vessels	Amount of Cargo (Tons)
2011	17,800	692M
2012	17,224	740M
2013	16,596	754M
2014	17,148	822M
2015	17,483	823M
2016	16,833	819M
2017	17,550	909M
2018	18,174	983M
2019	18,880	1,031M
2020	18,829	1,170M

Implications of a Blockage

- ❑ The blockage of such an important shipping route is bound to have consequences.
- ❑ According to Lloyd's List, each day the Suez Canal is closed disrupts over **\$9 billion** worth of goods trade.
- ❑ European officials have also voiced concern about longer-term impacts, particularly after the blockage is cleared.
- ❑ A sudden influx of ships could cause massive congestion at European ports and further disrupt supply chains.

E) How CHINA

tries to control

Maritime Choke Points

China's Mission: Easy access to sea routes



China's Land & Sea Expansion (6A-A+E)



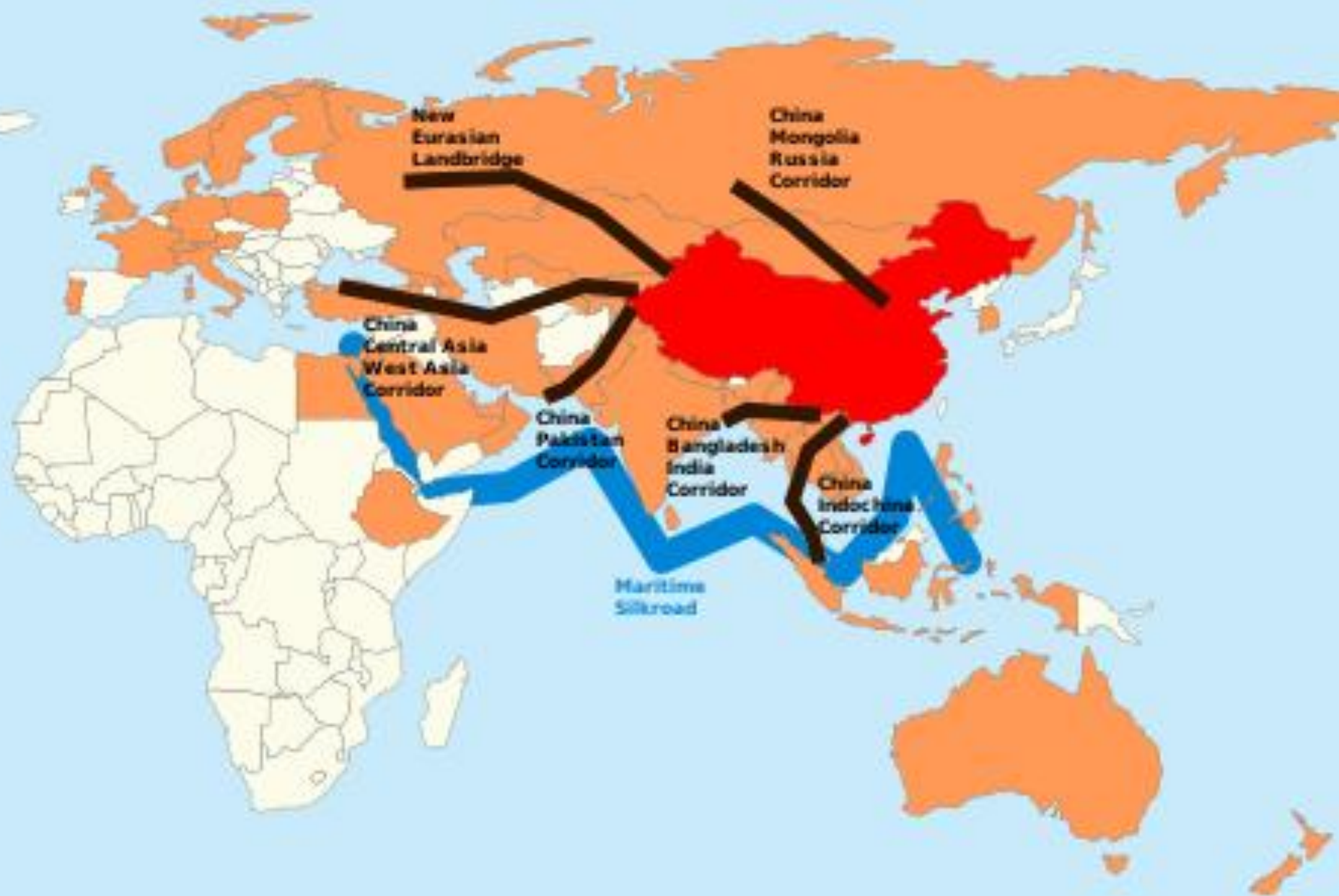
Sea Routes to 5A+E

To cap it all

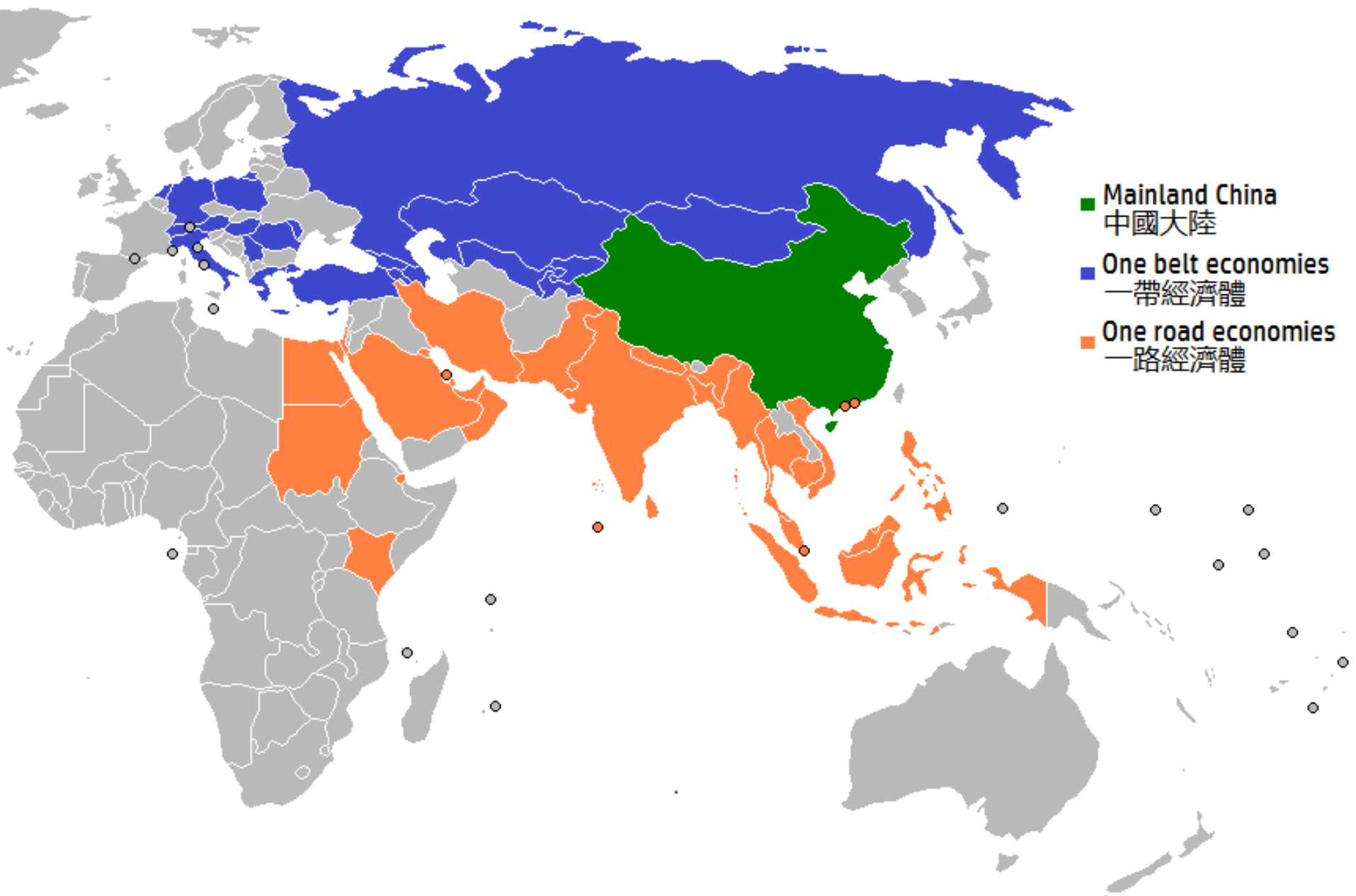
Planned areas of infrastructure building



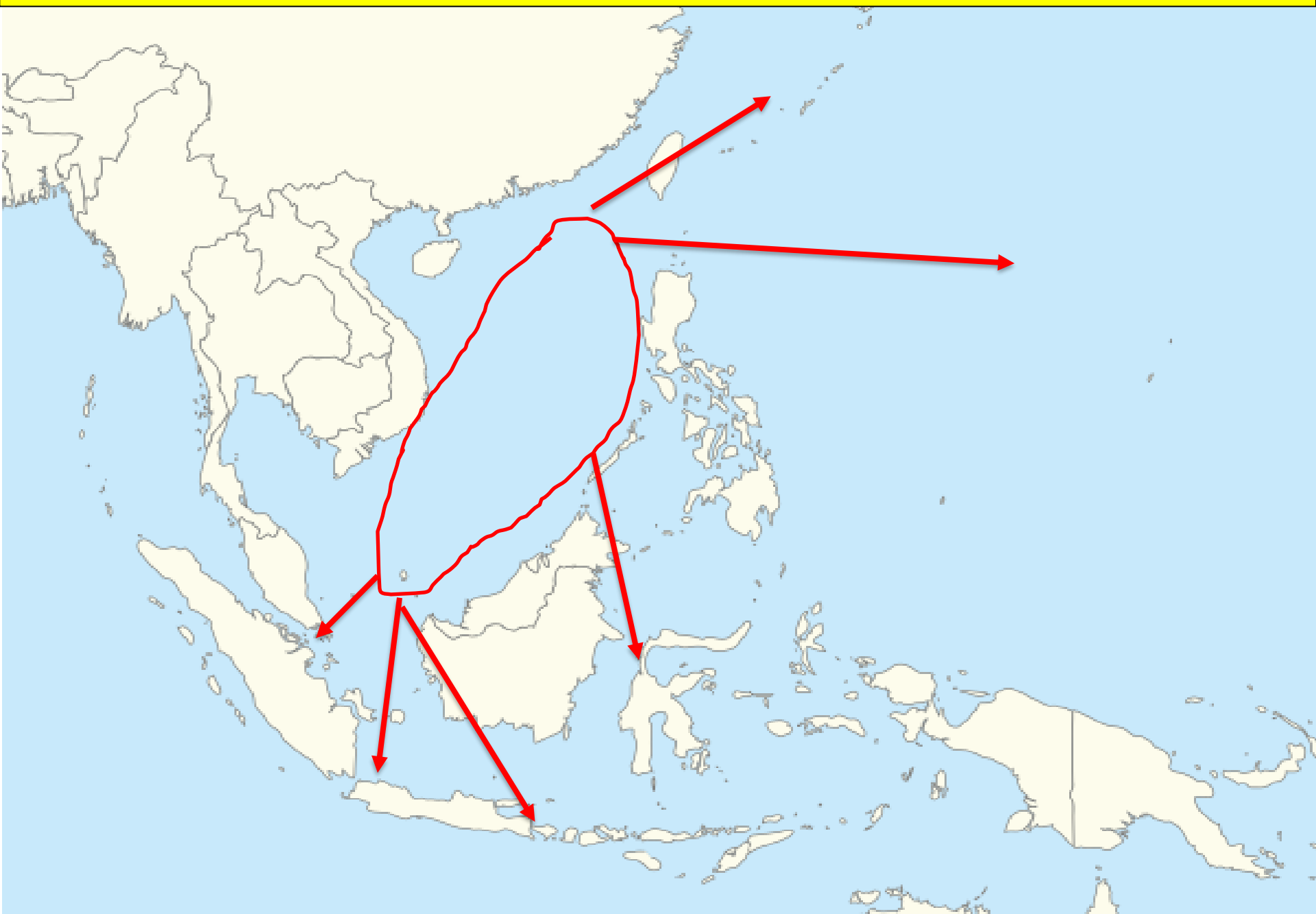
Sea Routes



Land Collaborators



CHINA's Indian Ocean Policy



Indonesia – Lombok & Sunda Straits



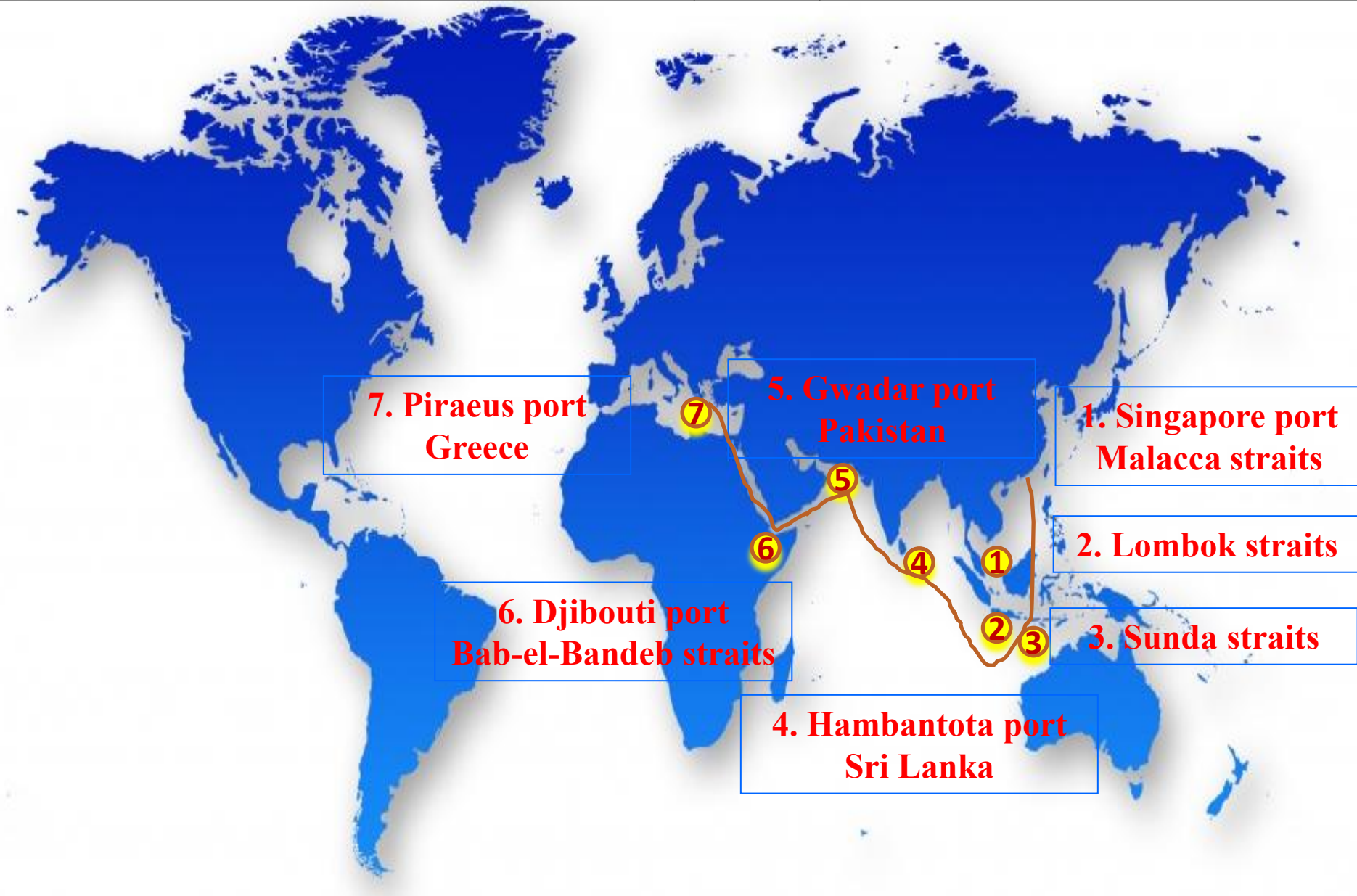
Bab el Mandeb straits





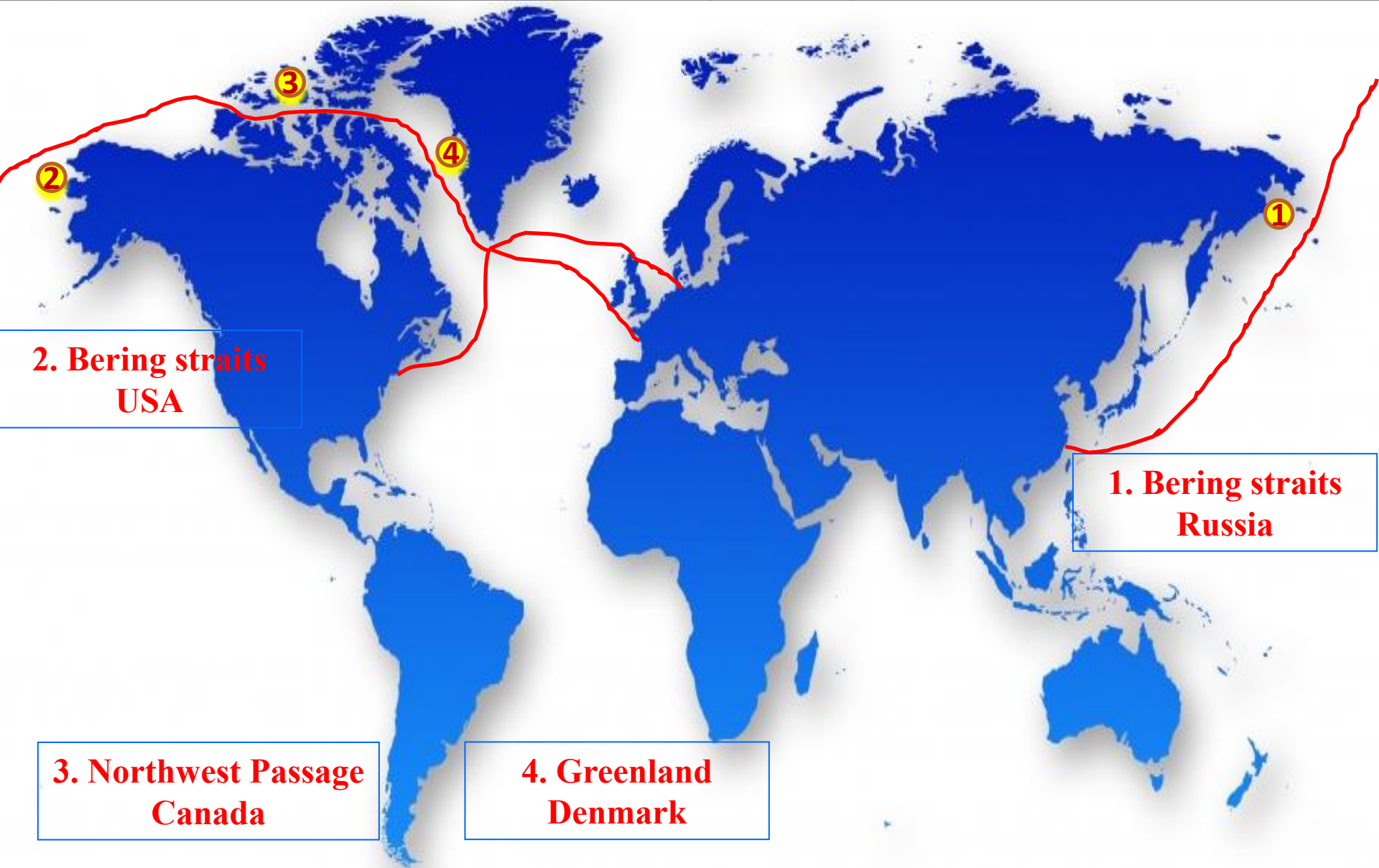


China's Sea (road) route



Pacific-Indian ocean sea route to Europe

China's Sea (Road) route



Arctic ocean sea route to Europe

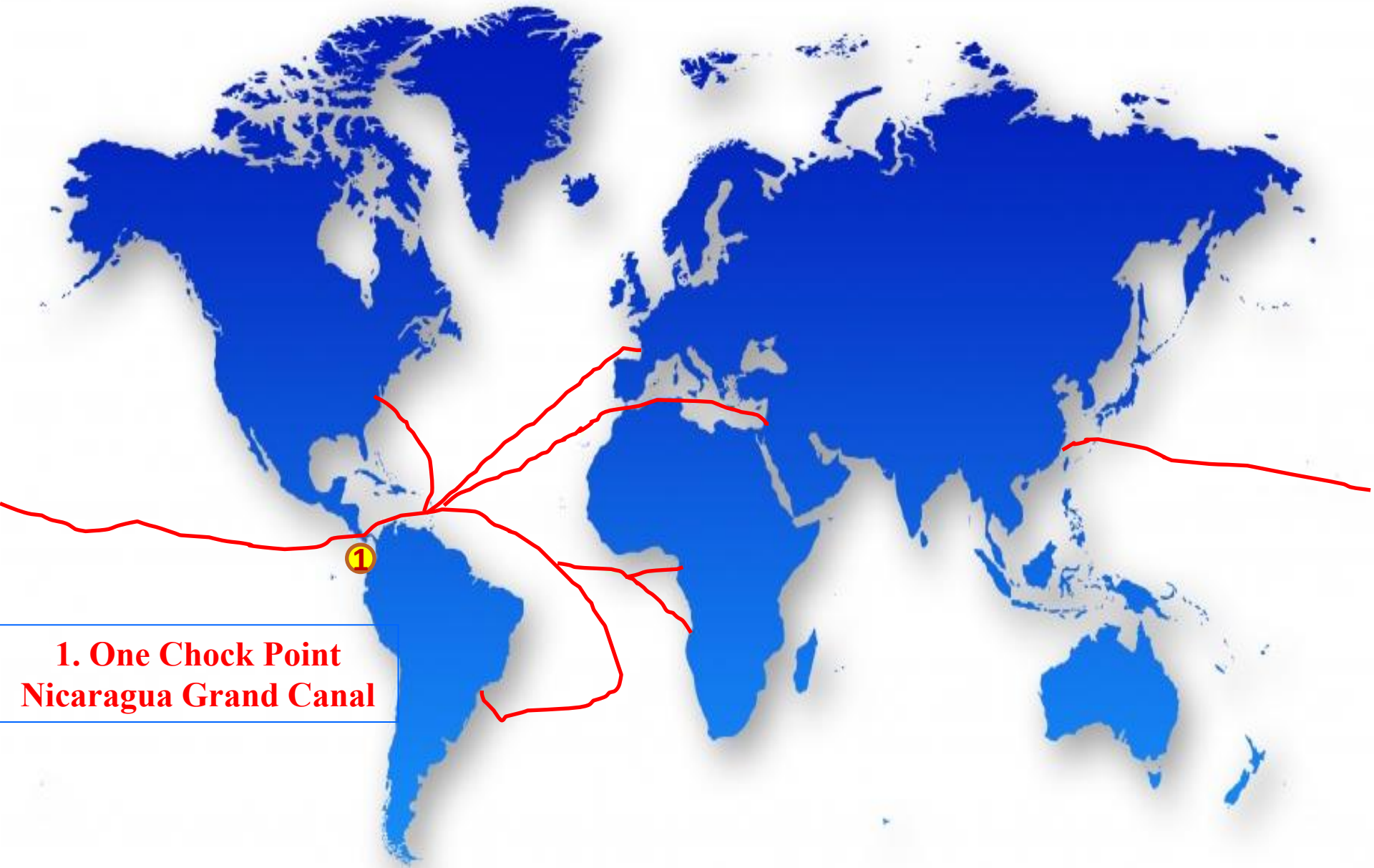


Stena HYUNDAI
GLOVIS

ARCTIC SHIPPING - NORTHERN SEA ROUTE 2013



China's Sea (Road) route



1. One Chock Point
Nicaragua Grand Canal

Pacific to Atlantic ocean via **Nicaragua Canal**

Nicaragua Canal vs Panama Canal



CHINA Choke Point in MESO-AMERICA

- ❑ China tries to avoid the Panama Canal (which is controlled by the USA).
- ❑ China builds a **new canal in Nicaragua**.
- ❑ Because of their high risk, alternatives for some of these key routes have been proposed in the past—for instance, in 2013 Nicaraguan Congress approved a \$40 billion dollar **project proposal** to build a canal that was meant to rival the Panama Canal.
- ❑ As of today, it has yet to materialize.

Thank You

Sources

- 1) Copyright © 2021-2026 Visual Capitalist, All rights reserved.
- 2) Wikipedia
- 3) References at Slides