Blue Water Strategy Update 5

Iran–Hormuz Maritime Crisis
Operational Situation and Impact of the US Marines' Deployment
Status: 29 March 2026 (14pm CET)

Executive Summary

US military capabilities and deployments in the Middle East are continually expanding. The arrival of additional US Marine forces and expeditionary capabilities in the Gulf, as reported in recent days, should not be seen as a routine deployment, but as a clear signal to Iran. It reflects a shift from deterrence- and escort-based maritime security to a new situational positioning in which credible options for direct intervention are being established. Amphibious readiness, rapid insertion forces, and forward-positioned naval assets will now provide Washington, and to be clear, potentially regional partners such as the UAE, with the optionality of operational flexibility to act across multiple nodes of Iran's maritime pressure architecture.

Two targets dominate current strategic thinking and the media: the islands of Abu Musa and the Greater and Lesser Tunbs, which have been occupied by Iran and contested by the UAE, and Iran's critical export infrastructure at Kharg Island. The former (Abu Musa and Greater/Lesser Tunbs) offers potential positional leverage over the Strait of Hormuz; the latter (Kharg) strikes at the core of Iran's oil export capacity. The fact that both options are now within credible reach should be seen as a fundamental alteration of the escalation ladder. Washington now signals that it is no longer only preparing to defend flows but is also positioning to reshape the battlefield if required. The outcome is unclear yet, but the impact could be severe.

Strategic Reality: Control Does Not Equal Control

At first glance, the seizure or neutralization of Abu Musa and the Tunbs by a US-UAE coalition is seen as a move to offer a pathway to restoring maritime security in and around Hormuz. The islands could provide forward positions for surveillance, radar coverage, and potential denial capabilities. In a conventional naval framework, which will be on the mind of the US and allies, they can be seen as an option to support escort operations and enhance situational awareness across shipping lanes.

However, this is where the illusion begins. The control, or military occupation, of these islands does not automatically translate to control of the Strait of Hormuz. Iran's real strength, as has been shown already in the last weeks, is not anchored on these islands, but on its mainland-based asymmetric capabilities: long-range missiles, drones, fast-attack craft, naval mines, and proxy networks. Even if the US (and allies) will be able to take the islands rapidly, US forces will remain highly exposed, logistically fragile, and within constant reach of Iranian strike systems.

While the capture of these islands will not be a major effort, holding these positions will require sustained force protection under continuous threat. This means any real actions against these islands could turn them from strategic assets into potential liabilities. More importantly, their occupation would not, within days or weeks, restore confidence among commercial shipping operators, insurers, or energy traders.

Escalation Dynamics: From Tactical Move to Strategic Expansion

Warnings are clear: any move against these islands, especially Kharg Island, will be seen and interpreted by Tehran, especially the hard-core IRGC parties, as a direct challenge to its sovereignty and regime credibility. Iran's expected response will not be limited to a localized reaction (islands/Kharg) but will surely expand the battlespace horizontally and asymmetrically.

Key response vectors to be expected include:

- Intensified missile and drone strikes on Gulf energy infrastructure and shipping corridors
- Use of naval mines and possible swarm tactics (drones, UAVs) to increase unpredictability and insurance risk
- Strict and extensive enforcement of selective or informal "controlled passage" regimes in Hormuz
- Full-scale activation of proxy fronts, notably in the Red Sea, but also within the Iraq and potentially Saudi-Bahrain arena, which will amplify overall pressure. The Ba El Mandeb option is already being prepared.

Crucially, companies, investors, and commodity traders will need to realize again that Iran does not need to win a conventional engagement over islands or infrastructure. Tehran and its assets only need to sustain disruption and uncertainty. Escalation itself will be a strategic tool.

Market Impact: Access Over Volume

The implications of these possible developments and scenarios for global oil and gas markets are profound. Hormuz remains the transit point for roughly 20–25% of global seaborne oil and a significant share of LNG flows, particularly from Qatar. At present, Saudi Arabia and the UAE still possess limited bypass capacity via pipelines to the Red Sea and Fujairah. However, all available options at present are insufficient to offset a prolonged disruption.

A US move, whether targeting the islands or Kharg, will likely trigger a two-phase market reaction:

Phase 1: Immediate Risk Spike

- Oil prices surge as markets price in escalation rather than stabilization
- LNG markets are tightening sharply. Asia and Europe to compete for flexible cargoes
- War risk premiums and freight rates rise significantly

- Commercial shipping avoids Hormuz. This is the case at all times as it will be regardless of military presence

Phase 2: Structural Repricing

- Energy markets shift from price-driven to access-driven dynamics
- Long-term contracts and strategic reserves regain prominence, also in the future
- Investment flows accelerate toward alternative export routes, storage hubs, and regional diversification. Especially after the end of the Iran crisis, estimated to start at the end of 2026

Markets will not respond to territorial gains or tactical victories. All will only respond to perceived risk. This, as we should take in current conditions, is expected to increase before it decreases.

Foresight: Three Strategic Trajectories (2026–2028)

1. **Symbolic Control, Persistent Disruption**
   The islands are seized or neutralized. Iran, however, sustains pressure through asymmetric means. Hormuz remains intermittently disrupted. Result will be elevated insurance costs and rerouting becoming standard.
2. **Escalation Cascade Across Chokepoints**
   Military action expands beyond Hormuz. Red Sea disruptions expected to intensify. Dual chokepoint instability creates a systemic shock to global energy and trade flows. Gulf exports and Suez Canal revenues were heavily impacted—Destabilization of the Egyptian economy.
3. **Managed De-escalation with Structural Shift**
   After an initial escalation phase, diplomatic stabilization emerges. Markets, however, will not react as is currently expected, as the perceived vulnerability of Hormuz accelerates long-term shifts toward diversification, storage expansion, and regional energy systems.

BWS Conclusion

The deployment of US Marines has changed the strategic equation. It does not guarantee action, but it makes actions more credible. Abu Musa, the Tunbs, and Kharg Island are now part of an expanded menu of options. Yet none of these offers a decisive solution.

The core reality remains: control of terrain is not the same as control of risk. Tehran still retains the ability to disrupt, threaten, and escalate across multiple domains, which makes Hormuz a contested and unreliable corridor.

For industry and policymakers, the message is unequivocal. The global energy system is no longer operating under assumptions of continuity but has entered a phase of access, security, and resilience, the main defining factors.

About Blue Water Strategy (BWS)

Blue Water Strategy is a strategic advisory firm specializing in the global maritime, energy, and critical infrastructure ecosystem. We support governments, financial institutions, port authorities, shipowners, energy companies, and investors in navigating an increasingly volatile environment shaped by geopolitics, energy transition, regulatory complexity, and security risk.

Our core expertise includes:

- Maritime security and geopolitical risk analysis (chokepoints, conflict zones, naval dynamics)
- Energy markets and infrastructure (oil, gas, LNG, hydrogen, ammonia, bunkering)
- Ports, logistics, and global trade flows (ARA, Middle East, Red Sea, Asia corridors)
- Strategic foresight and scenario planning (board-level decision support)
- Investment advisory and risk assessment (including sovereign wealth fund strategies)
- Regulatory and compliance intelligence (EU ETS, FuelEU Maritime, CBAM and global frameworks)
- Cybersecurity and critical infrastructure resilience (ports, offshore, energy systems)

At Blue Water Strategy, we translate complex geopolitical and market developments into actionable intelligence, enabling our clients to move from reactive positioning to strategic advantage.

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We welcome discussions with stakeholders seeking deeper insight into maritime risk, energy market disruption, and strategic positioning in a rapidly changing global landscape.