

Straits of Power: The World's Narrowest Waters Hold Global Economy Hostage



**“In today’s interconnected world,
the smallest chokepoints cast the biggest shadows.”**

Imagine your morning coffee, a weekend delivery, or your electricity bill — all hanging by a thread. Or more precisely, by a few narrow waterways that most people couldn’t even locate on a map.

Welcome to the hidden world of global trade chokepoints, where geography becomes destiny and one maritime traffic jam can trigger economic chaos across continents.

The Strait of Hormuz: Where Global Markets Hold Their Breath

Picture someone squeezing a garden hose while trying to water plants. That is what happens when tensions flare in the Strait of Hormuz. Just 34 kilometers wide at its narrowest, this stretch between Iran and Oman may seem minor, but it carries nearly one-fifth of the world’s oil and one-quarter of global LNG shipments every single day.

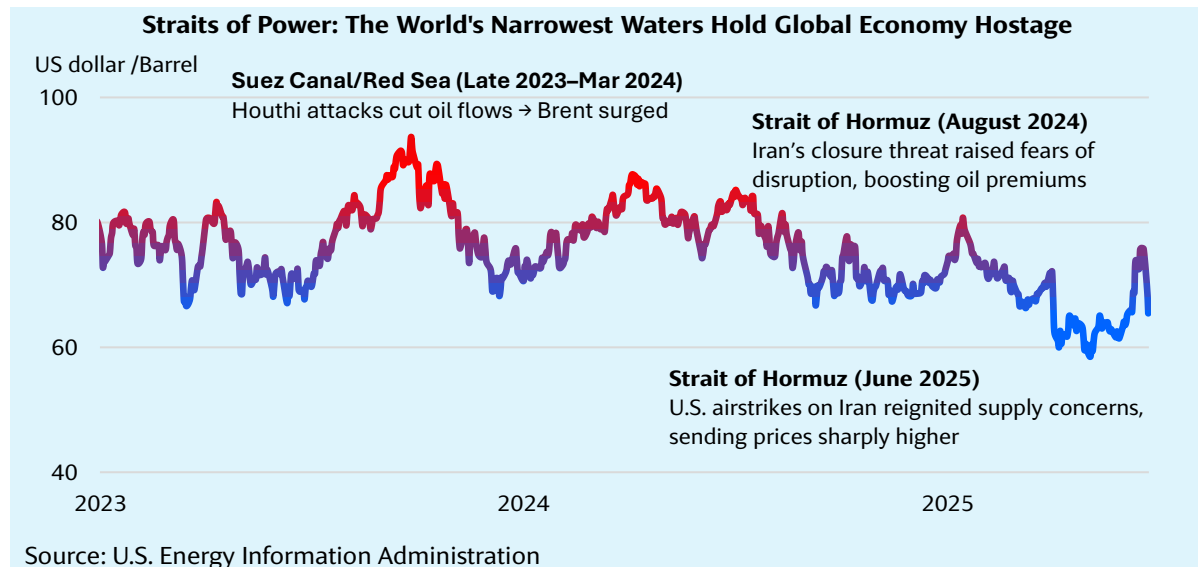
When regional conflict brews, markets do not just react — they panic. In early 2024, crude oil prices surged past \$85 per barrel as fears of supply disruptions escalated. A full closure of Hormuz, according to the World Bank and the IEA, could

shrink global GDP by 1 to 2 percent and send inflation soaring. That is not just a statistic. It hits your gas tank, your grocery bill, and your monthly expenses all at once.

The Strait of Hormuz is like a single drop in still water. One disruption sends shockwaves across the globe.

The Global Chokepoint Network: Where Size Doesn't Matter

Hormuz gets headlines, but it is only one part of a fragile network. The global economy relies on a web of narrow maritime corridors — each small in size but massive in consequence. Disrupt one, and the ripple effects go global.



Strait of Malacca: Threading between Malaysia and Indonesia, this vital passage handles about a quarter of global trade and over 15 million barrels of oil daily. At its tightest point, it is just 2.73 kilometers wide — barely a morning walk. Yet more than \$3.4 trillion in goods pass through annually. When pirate attacks or political tensions rise, it is like placing a speed bump on the busiest shipping lane on Earth.

Suez Canal: A man-made marvel, but no less strategic. The 190-kilometer canal moves 12 percent of world trade and 8 percent of LNG. Remember the Ever Given in 2021? That was not just internet gold — it was a \$9.6 billion-per-day traffic jam. A six-day blockage cost global trade over \$54 billion, freezing supply chains from car factories to toilet paper aisles.

Panama Canal: It accounts for 6 percent of global trade but punches far above its weight. Once an engineering icon, it now bows to climate shifts. Drought has slashed daily ship traffic from 38 to just 24, cutting the canal's capacity by more than a third. The result? Asian electronics and Latin American coffee stuck in a queue. A century-old shortcut, now crawling in slow motion.

Bab-el-Mandeb: Just 28 kilometers wide, this "Gate of Tears" between Yemen and Djibouti moves over 6 percent of global oil and key grain shipments. With conflict never far, this chokepoint has the power to turn tension into turbulence fast.

The Domino Effect

Here is where it gets expensive.

When one major strait hiccups, the global economy does not just slow — it reshuffles. Ships reroute 16,000 kilometers around the Cape of Good Hope instead of passing through Suez. Insurance premiums skyrocket. Fuel costs rise. Container rates surge as demand overwhelms supply.

It is like forcing every ant in the rainforest to carry their crumbs through a single crack in a fallen log. Technically doable, but the traffic jam stretches for kilometers, and everyone gets cranky about the detour.

The ripple effects are ruthless. A blocked strait in the Middle East means higher fuel prices. Shipping delays in Southeast Asia mean delayed smartphone launches across global markets. A drought in Panama means pricier fruit in supermarkets around the world.

Thailand's Land Bridge Gambit

While the world watches familiar chokepoints, Thailand is quietly crafting a bold alternative. The \$28 billion Land Bridge project aims to connect the Gulf of Thailand to the Andaman Sea through deep-sea ports, rail, and highways. It could cut 2 to 4 days from east–west shipping routes and reduce logistics costs by up to 15 percent.

Think of it as building a mountain tunnel to bypass a clogged valley — a strategic and forward-looking

move. But for now, it remains more blueprint than breakthrough, with progress moving at the pace of bureaucracy.

If Thailand succeeds, it could reshape the logistics map of Southeast Asia.

The Bottom Line: Thin Lines, Enormous Stakes

For all its technological progress, the modern global economy still hinges on a handful of narrow maritime pathways. These chokepoints are both a backbone and a vulnerability — enabling global trade while holding it hostage.

So the next time you hear about “tensions” in a far-off strait, do not tune out. That narrow body of water might be thousands of kilometers away, but its effects could show up in your life — in higher fuel costs, delayed packages, or pricier groceries.

In today’s interconnected world, the smallest chokepoints cast the biggest shadows. And when they squeeze shut, we all feel the pressure.

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