Indonesia in Malacca Straits Wants to be Another Iran!

Indian Navy in Andamans Keeps a Watch!

The largest maritime waterway by volume in the world is Asia's Strait of Malacca, running between Malaysia and Indonesia and funneling the largest share of the maritime oil trade toward the Singapore Strait. At its narrowest point, the Malacca Strait is just three kilometers wide. Should it ever be closed to free passage, the very few alternatives all carry significant cost and geopolitical risk.

1. *Narrow maritime chokepoints are **vital for global energy trade**, with nearly **75% of global oil transported by sea**.*
2. *The two most critical chokepoints are the Strait of Hormuz and the Strait of Malacca.*

Strait of Malacca (Largest by Volume)

3. *The Strait of Malacca is the **world's busiest oil transit route**, carrying about **23.2 million barrels/day (~1/3 of global seaborne oil)**.*
4. *It connects the **Indian Ocean and Pacific Ocean**, serving as the **shortest route for Middle East oil to Asia**.*
5. *At its narrowest point (2.7 km), it is highly vulnerable to disruptions.*
6. *Around **70% of oil passing through is crude**, with the rest being petroleum products.*
7. *Recent tensions briefly raised the issue of **toll imposition**, but regional countries upheld **free passage norms**.*
8. ***Alternative routes**:*
    - *Sunda Strait*
    - *Lombok Strait*
      *→ These are **longer, costlier, and riskier** (piracy, geopolitics).*

Strait of Hormuz (Most Strategic)

9. *The Strait of Hormuz handles about **20.9 million barrels/day (~25% of global maritime oil trade)**.*
10. *It connects the **Persian Gulf to the Gulf of Oman** and has **no viable large-scale alternative**.*
11. *Around **89% of oil passing through Hormuz goes to Asia**, mainly:*
    - *China*

- *India*
- *Japan*
- *South Korea*

12. *Pipeline alternatives (Saudi Arabia, UAE, Iran) exist but are **limited and geopolitically vulnerable**.*

Global Implications

13. *Disruptions at chokepoints can lead to:*
    - ***Supply delays***
    - ***Higher freight & insurance costs***
    - ***Energy price spikes and inflation***
14. *The Energy Information Administration highlights that even temporary blockages can have **major global economic consequences**.*
15. *While Malacca has limited alternatives, **Hormuz remains irreplaceable**, making it the **most critical global energy chokepoint**.*

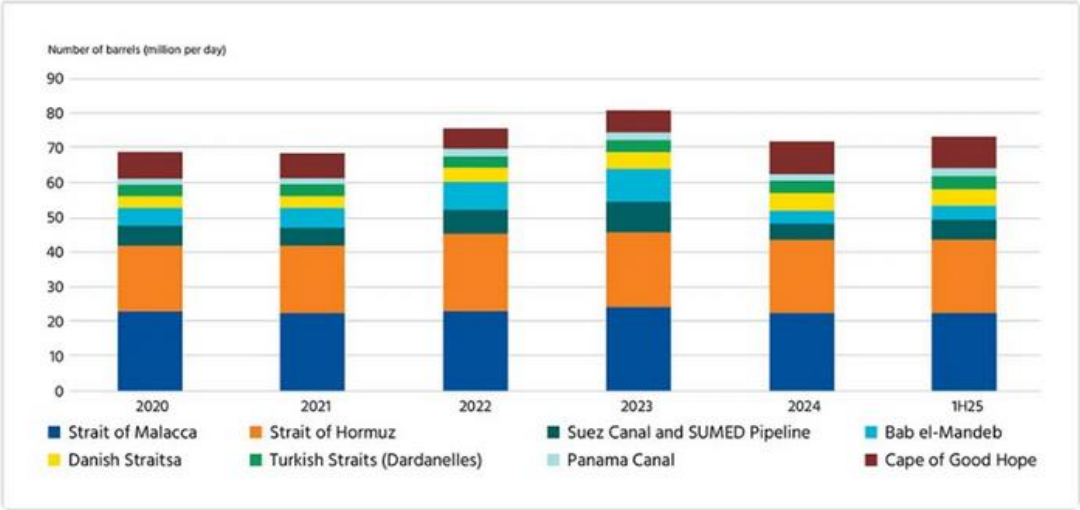
Overall Insight:
*Global energy security is highly dependent on a few narrow maritime routes—any disruption, especially in Hormuz or Malacca, can **trigger worldwide economic and energy shocks**, underscoring the strategic importance of these chokepoints.*

[ABS News Service/28.04.2026]

Narrow waterways along widely used global sea routes are critical to the global energy trade, in particular crude oil and liquified natural gas. Three-quarters of the global oil trade is seaborne.

The world's two most important strategic chokepoints by volume of oil transit are the Strait of Hormuz and the Malacca Strait, due to the huge demand for Middle East crude from Asia.

Figure 1. Volume of crude oil and petroleum liquids transported through world chokepoints



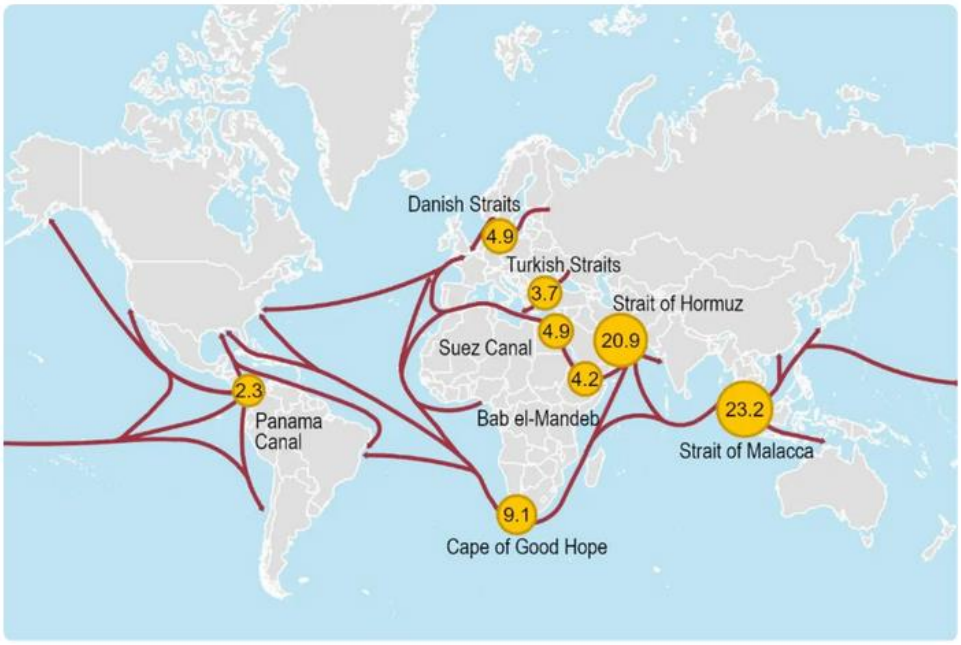
Source: US Energy Information Administration

The largest in the world is the Strait of Malacca which runs between the west coast of peninsular Malaysia and the east coast of the island of Sumatra in Indonesia, funneling into the Singapore Strait at the southern exit, based on Energy Information Administration data.

In the last two weeks, turmoil in the Hormuz blockade has brought briefly into the open an argument over whether tolls could or should be imposed on the Malacca Strait. The three governments involved appear to have smoothed over the prospect within days in favor of free passage, though not without Indonesia's finance minister first proposing and then withdrawing within hours the possibility of tolls.

The Malacca Strait is the single most important maritime chokepoint in Asia as it funnels the largest share of world’s seaborne oil. At its narrowest, the waterway is 2.7 kilometers (1.7 miles) wide, among the tightest in the world’s major maritime chokepoints.

Figure 2. Daily oil transit volumes in world's major maritime oil chokepoints (million barrels a day), 1H25



Source: US EIA analysis (March 2026)

Even a temporary blockage of oil transit at a major chokepoint can lead to substantial supply delays and amplify shipping and insurance costs, not to mention higher energy prices and inflationary shocks. Most chokepoints can be circumvented, but it adds significantly to freight time. Some chokepoints, notably the Strait of Hormuz, have no practical alternatives.

The Malacca Strait does – but the very few alternatives that do exist all carry significant additional cost and time.

The Strait of Malacca

The Malacca Strait, which links the Indian Ocean and the Pacific Ocean, is the shortest maritime route between Middle East oil production and consumers in East and Southeast Asia. An estimated 23.2 million barrels of oil flows through it daily, a third of total maritime oil flows.

Some 70% of the oil that traverses the strait is crude. The rest are mostly petroleum products.

The alternative routes to the Malacca Strait are the Sunda Strait and the Lombok Strait, both in the Indonesian archipelago. Getting to them, in the event that the Malacca Strait is closed, means traversing open waters down the Indian Ocean and consequently exposure to geopolitics, piracy, and other vectors of vulnerability.

Figure 3. Alternatives to the Strait of Malacca

Source: US EIA (March 2026)

An oil pipeline through Myanmar could also transport Middle Eastern crude to southwest China, according to the EIA. But the volume it carries is small and highly exposed geopolitically.

All alternatives to the Malacca Strait, which has for decades guaranteed free passage under international law and shared regional interests, add significant time and a high degree of geopolitical and other risk exposure.

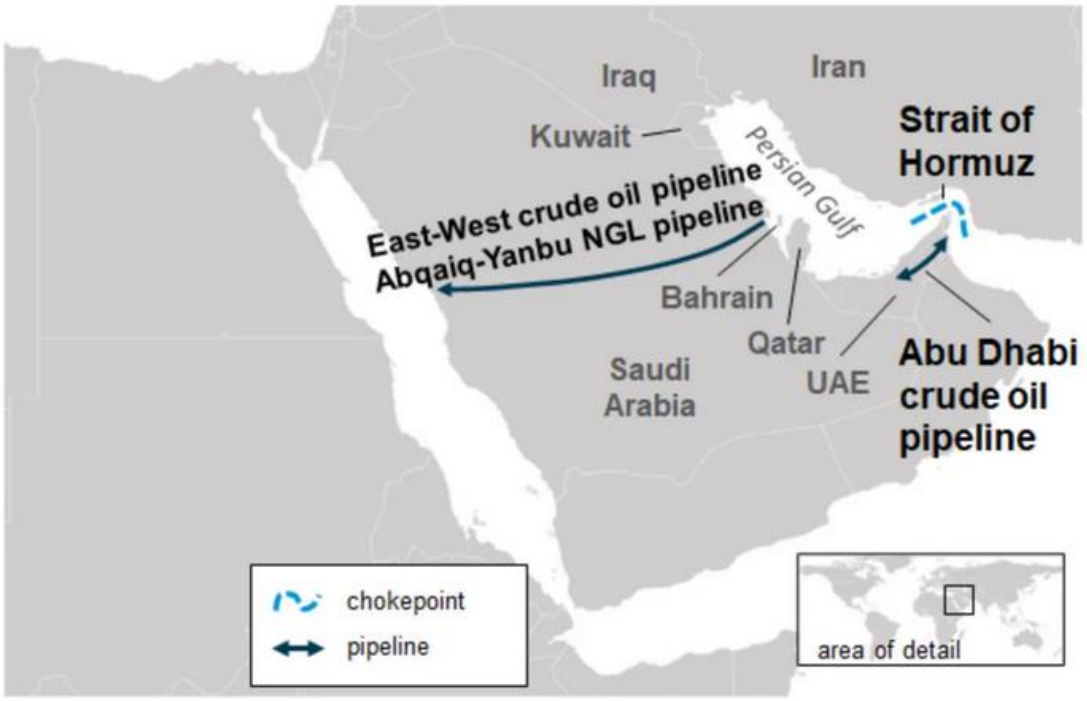
The United States is a big user of the Malacca Strait. In the first half last year, US suppliers shipped 800,000 barrels a day of crude oil and condensates through the Malacca Strait to East Asia. The US gets 200,000 barrels a day from the Middle East via the Malacca Strait.

Strait of Hormuz

The Strait of Hormuz connects the Persian Gulf with the Gulf of Oman. It has no real alternative in the sense that any other alternative maritime route can move only a significantly smaller portion of oil compared to the volumes that transit Hormuz.

Pipelines in Saudi Arabia, the United Arab Emirates, and Iran could provide overland alternatives, but these are significantly exposed to geopolitical risk.

Figure 4. The Strait of Hormuz



Source: US EIA (March 2026)
Note: NGL means natural gas liquids.

In the first half of 2025, Hormuz handled 20.9 million barrels a day, a quarter of the total global maritime oil trade. The EIA estimates that 89% of crude and condensate that moved through the Strait of Hormuz went to Asia in the first half of 2025. China, India, Japan, and South Korea were the top destinations, accounting for a combined 74% of all crude oil and condensate flowing through Hormuz in the period.

In comparison, the US imported only about 0.4 million barrels a day of crude and condensate via Hormuz from Persian Gulf countries during that period, the lowest level in 40 years as US domestic production has increased.