HESS CENTER FOR NEW FRONTIERS

TRENDLINES

Overview: Trendlines *synthesizes research from across CSIS programs to identify the structural trends and new forces shaping the global economy and geopolitical landscape. Each edition distills research from across the center into key signals for policymakers, industry leaders and strategic decisionmakers.*

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Recent disruptions in the Middle East have renewed attention to the world's most visible trade access routes. However, the deeper story is not about any single crisis. It is that the global economy runs through a growing set of chokepoints: physical, financial, and regulatory. These chokepoints are where pressure is concentrated, and resilience is increasingly tested. From fertilizer flows to the financial and regulatory systems that influence whether trade happens at all, these types of bottlenecks are becoming structural features of global commerce. For business and policymakers alike, the question is no longer whether chokepoints shape markets but what supply chain vulnerabilities they reveal and how exposure to them will define advantage.

The Data:

3%

Decline in U.S. corn and wheat plantings in 2026, with further implications for the 2027 planting cycle

3X

Fertilizer prices are three times more sensitive to market shocks than crude oil prices since 2008

20-30%

Of global fertilizer exports transiting the Strait of Hormuz

5-10X

Typical surge in war-risk insurance premiums during maritime escalations

80%

Of global trade in goods moves by sea

February 2026

>150

vs.

March 2026

<20

Average daily # of vessels passing through the Strait of Hormuz

The Trends:

1 PHYSICAL CHOKEPOINTS

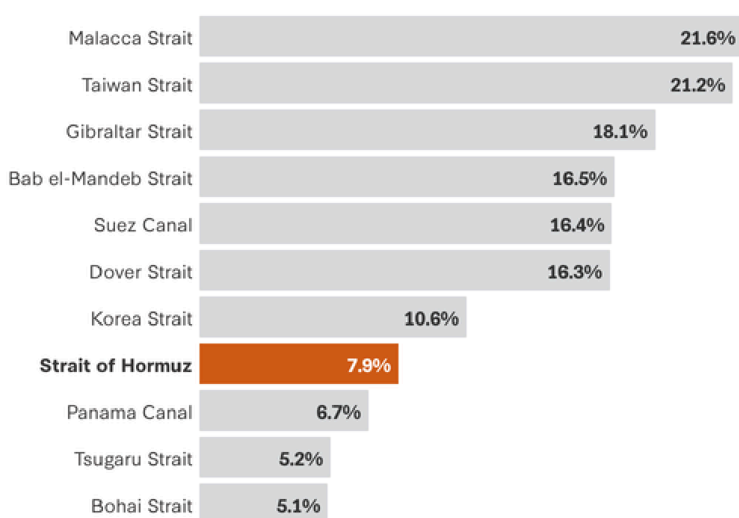
2 FINANCIAL CHOKEPOINTS

3 REGULATORY CHOKEPOINTS

Trend 1: Physical Chokepoints

The Strait of Hormuz Is Just One of Several Critical Chokepoints

Share of global maritime trade transiting key chokepoints



Source: Jasper Verschuur, Johannes Lumma, and Jim W. Hall. • Chart: Fabio Murgia/CSIS

Global trade is concentrated through a small number of physical chokepoints that underpin the movement of critical inputs for goods.

“***The effective blockade of the Strait of Hormuz, a chokepoint …, has exposed severe vulnerabilities across energy, petrochemicals, semiconductors, and the broader macroeconomy.***”

— Dr. Victor Cha, et al., CSIS

The Trendline: CSIS analysis describes how more than 80 percent of global trade in staple crops and oilseeds relies on a small number of maritime trade routes worldwide. In addition to managing 27 percent of global oil and 20 percent of global liquified natural gas (LNG) the Strait of Hormuz handles 20–30 percent of global fertilizer exports. Crops that require nitrogen fertilizers comprise 40 percent of global caloric intake. Physical maritime corridors like these continue to function as critical points of passage for global trade.

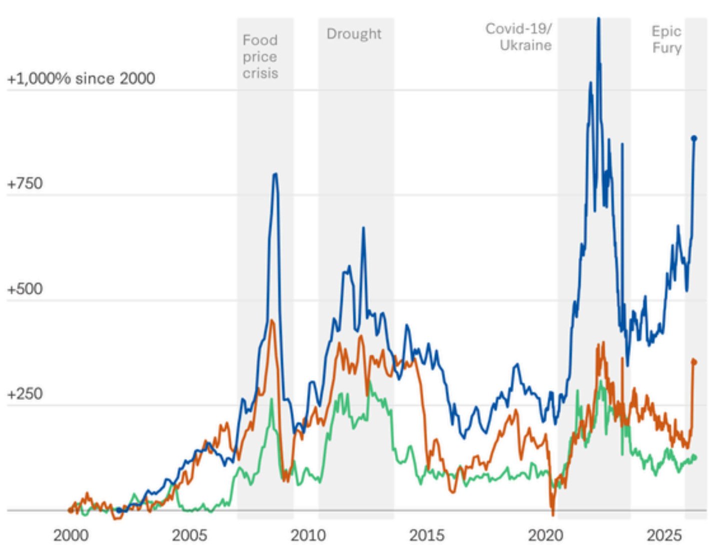
Vessel traffic through the Strait of Hormuz fell from more than 153 transits per day on average in the weeks leading up to the 2026 conflict roughly down to 13 per day at the time of writing this article, underscoring how quickly access can collapse and how limited rerouting capacity remains. In recent years, disruptions along the Suez Canal–Red Sea corridor have reduced traffic by up to 46 percent and also increased transit times by 30–50 percent.

New analyses, including Chokepoint: How the War with Iran Threatens Global Food Security, The Russia-Ukraine War and Global Food Security: Impacts Four Years Later, The Impact of The Iran War on South Korea: By the Numbers and The State of Maritime Supply-Chain Threats, show how a small number of producers, inputs, and routes underpin global food systems, creating system-wide exposure when disrupted. Through discussions such as In the Shadows of the Iran War: The Horn of Africa | Into Africa, experts describe how rerouting flows would not only be a logistical shift but a geopolitical one, elevating Somaliland's strategic position, reshaping trade flows across Somalia, Ethiopia, and Sudan, and even redirecting commodity routes such as gold exports away from Gulf hubs toward alternatives like Egypt. Notably, in No One, Not Even Beijing, Is Getting Through the Strait of Hormuz, CSIS experts describe how mid- to large-sized economies lack viable alternatives when these routes are constrained, with limited bypass capacity and significant barriers to rerouting flows.

Trend 2: Financial Chokepoints

Crisis Pushes Up Agricultural Commodity Prices

Price change of **fertilizer**, **oil**, and **maize** since 2000



Source: Joseph Glauber/CSIS Global Food and Water Security Program • Chart: Fabio Murgia/CSIS

Maritime supply chain shocks, like those brought on by conflict, reverberate across connected markets and create new financial bottlenecks or shift existing ones up value chains.

"***No region is completely insulated, and the effects of any sustained disruption could reverberate globally through higher input costs, lower crop yields, and, ultimately, higher food prices.***"

—**Caitlin Welsh,et al., CSIS**

The Trendline: Key financial chokepoints can affect energy, transport, and food markets worldwide. CSIS analysis demonstrates how fertilizer prices are three times more sensitive to global market shocks than crude oil prices. For industrial markets, capital remains a source of future risks and opportunities. For example, the recently announced Project Vault, a $10 billion financing initiative by the Export-Import Bank of the United States (EXIM), with partners across 14 countries. CSIS expert analysis describes the initiative as the largest in its history and essential to future global critical mineral supply chains. Price shock vulnerabilities and capital constraints are increasingly shaping trade relations and will be key to future market dynamics.

Financial implications are further explored at CSIS through analysis like Project Vault: A Minerals Security Backstop or How to interpret War time Oil prices and discussions amongst experts including What Are the Hidden Costs of the War with Iran? | State of Play, How War with Iran Is Impacting Global Energy Infrastructure | All About Base, and How the Iran War Affects the Global Food Chain | The High Top. In these discussions, CSIS experts outline where disruptions in one region could reverberate across global supply chains for years to come.

Trend 3: Regulatory Chokepoints

Photo: Vincent Mundy/Bloomberg/Getty Images

The ability to move through chokepoints is shaped not only by geography but also by the regulatory systems that enable trade.

"***Examining how maritime insurers and affected governments have adapted or failed to adapt to these conflicts' disruptions to trade can inform public and private sector approaches to maritime insurance, vital to ensuring access to... economic development.***"

— William Alan Reinsch, et al., CSIS

The Trendline: CSIS analysis highlights how war-risk insurance premiums increase by 5–10 times in high-risk corridors, with rates raising the cost of moving goods even where routes remain physically open. War-risk insurance rates have risen from roughly 0.6 percent in 2023 to around 2 percent from 2024 to 2025, sharply increasing the cost of transit through routes like the Red Sea. Reflecting how financial tools can be used as powerful regulatory constraints by leveraging the 'no insurance, no entry' mandate across industries, a binding factor in economic development.

These constraints show that access heavily depends on whether goods can be insured and cleared through regulatory systems. CSIS research, such as From Farm to Ship to Fork, The Manifest Modernization Act, and Unlocking Development Capital Through Insurance| The Futures Summit, highlights how financial and regulatory mechanisms are becoming central to whether trade can occur in practice.

The Trajectory

Global trade depends on critical chokepoints, both physical and systemic. Their existence is not new; how organizations manage their exposure to them is more important. Disruptions not only obstruct the physical movement of goods but also create new financial and regulatory bottlenecks along value chains, exposing supply chain vulnerabilities.

In this environment, competitive advantage shifts from efficiency to positioning. Firms and governments adjust by diversifying supply, reviewing existing trade relationships, and building buffers where dependence is hardest to unwind.

These three trends highlight how the global trading system is moving beyond temporary disruption toward a more permanent geopolitical decoupling of supply-chains and contraction of merchandise flows. If energy prices remain elevated the World Trade Organization projects global merchandise trade growth to slow down across a range of 2026 scenarios, from 4.6 percent in 2025 to as low as 1.4 percent. These projections expose the increasing vulnerability of international trade to geopolitical disruptions for the remainder of the year and likely beyond, and highlight the need for greater supply chain resilience.

Chokepoints, therefore, represent more than physical constraints. They reveal where pressure builds and where leverage sits. By investing ahead of the curve and securing access when it matters most, anticipating disruption offers opportunities to strengthen resilience and capture a strategic edge.

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