# UK and Wales face escalating energy risks as Iran backs Strait of Hormuz closure



The recent symbolic parliamentary vote in Iran supporting the closure of the Strait of Hormuz has triggered significant alarm across the UK and Wales, raising fears of a potential energy crisis and broader economic fallout. The Strait of Hormuz is a crucial maritime chokepoint through which approximately 20% of the world's oil and liquefied natural gas (LNG) transits. Any disruption to this passage could severely affect global energy markets and domestic supplies, particularly for the UK, which relies heavily on LNG imported via Milford Haven from Qatar, almost all of which passes through Hormuz.

The immediate market reaction to Iran’s move—and the backdrop of escalating tensions following recent U.S. airstrikes on Iranian nuclear facilities—has been sharp and dramatic. Brent crude oil prices surged by as much as $3 to $5 per barrel immediately after the announcement, with some analysts warning of potential spikes climbing to $130 per barrel if the disruption is prolonged. Oil markets worldwide are already responding to heightened geopolitical risk, with prices having risen around 10% since the initial escalation, and Brent crude settling near $79 per barrel. These increases have contributed to broader market unease, evident in a slight dip in Asian stock markets as investors brace for instability.

Shell’s CEO Wael Sawan captured the gravity of the situation by describing the Strait of Hormuz as “the artery through which the world’s energy flows,” highlighting the potential for severe impact on global trade if the strait were blocked. Major energy companies are reportedly undertaking contingency planning, exploring alternative supply routes and measures to mitigate disruptions.

For Wales, the stakes are notably high. The region’s reliance on LNG imports routed through Milford Haven places it at direct risk of supply delays and resulting price rises, which could exacerbate the already intense cost-of-living pressures facing households. Local gas prices could spike as operators seek more expensive LNG sources from markets such as the U.S. or West Africa. Furthermore, manufacturing sectors across Wales and the wider UK could face rising operational costs, potentially leading to reduced competitiveness, slower economic growth, and employment challenges. The timing is particularly sensitive given ongoing economic vulnerabilities.

In response to the unfolding situation, the UK government has announced it is urgently reviewing contingency plans. These include boosting gas reserves, securing alternative LNG import arrangements, and accelerating support packages targeted at consumers struggling with rising energy bills. A spokesperson from the Department for Energy Security emphasised that the UK is engaged with international partners to safeguard energy supplies and remains committed to reducing dependency on volatile overseas markets by diversifying energy sources.

Nevertheless, some analysts caution that Iran’s parliamentary vote may be more symbolic than an immediate actionable threat, pointing out that the legislature lacks the authority to enact a formal closure of the strait. Historical precedents suggest that while disruptions in the Strait of Hormuz typically provoke short-term spikes in oil prices, any physical blockage tends to be brief, with markets eventually stabilising. This nuance tempers, to some extent, the alarm but does not diminish the urgency of the current situation.

The Bank of England has also weighed in, choosing to hold interest rates steady at 4.25% amid the unpredictable global environment. Governor Andrew Bailey noted the significant role rising energy prices, driven by Middle Eastern conflict escalation, are playing in economic uncertainty.

Experts highlight this episode as a vivid reminder of the UK’s and Wales’ vulnerability to external geopolitical shocks. Dr Emily Richards, senior economist at Cardiff University, urged a strategic response focused on enhancing domestic energy infrastructure and investing more heavily in renewable energy sources. Strengthening energy resilience, she argued, is critical to insulating the economy from future shocks and ensuring long-term stability.

In sum, while immediate physical disruption to the Strait of Hormuz might not be guaranteed, the symbolic vote and the escalating military tensions around Iran’s nuclear facilities already have profound implications. With LNG supply chains under threat and global oil prices volatile, UK and Welsh energy security hangs in a delicate balance, underscoring the need for urgent, comprehensive measures to mitigate risk and protect consumers and businesses alike.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://herald.wales/national-news/uk-and-wales-brace-for-energy-crisis-as-iran-threatens-hormuz-blockade/), [[4]](https://www.axios.com/2025/06/22/iran-closure-strait-of-hormuz)
* Paragraph 2 – [[1]](https://herald.wales/national-news/uk-and-wales-brace-for-energy-crisis-as-iran-threatens-hormuz-blockade/), [[2]](https://www.reuters.com/markets/commodities/iran-oil-doomsday-hormuz-may-be-more-fear-than-reality-bousso-2025-06-22/), [[3]](https://apnews.com/article/2d05b0a9e52320e822b649b8e29d28aa), [[5]](https://www.ft.com/content/67430fac-2d47-4b3b-9928-920ec640638a), [[7]](https://www.reuters.com/business/energy/oil-open-higher-us-strikes-iran-boost-supply-risk-premium-2025-06-22/), [[6]](https://www.reuters.com/world/china/global-markets-wrapup-1-2025-06-22/)
* Paragraph 3 – [[1]](https://herald.wales/national-news/uk-and-wales-brace-for-energy-crisis-as-iran-threatens-hormuz-blockade/), [[3]](https://apnews.com/article/2d05b0a9e52320e822b649b8e29d28aa), [[4]](https://www.axios.com/2025/06/22/iran-closure-strait-of-hormuz)
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* Paragraph 5 – [[1]](https://herald.wales/national-news/uk-and-wales-brace-for-energy-crisis-as-iran-threatens-hormuz-blockade/)
* Paragraph 6 – [[1]](https://herald.wales/national-news/uk-and-wales-brace-for-energy-crisis-as-iran-threatens-hormuz-blockade/), [[4]](https://www.axios.com/2025/06/22/iran-closure-strait-of-hormuz)
* Paragraph 7 – [[1]](https://herald.wales/national-news/uk-and-wales-brace-for-energy-crisis-as-iran-threatens-hormuz-blockade/)
* Paragraph 8 – [[1]](https://herald.wales/national-news/uk-and-wales-brace-for-energy-crisis-as-iran-threatens-hormuz-blockade/)
* Paragraph 9 – [[1]](https://herald.wales/national-news/uk-and-wales-brace-for-energy-crisis-as-iran-threatens-hormuz-blockade/), [[2]](https://www.reuters.com/markets/commodities/iran-oil-doomsday-hormuz-may-be-more-fear-than-reality-bousso-2025-06-22/), [[4]](https://www.axios.com/2025/06/22/iran-closure-strait-of-hormuz)

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