

Why a Tiny Strait Near Iran Could Make Your Indian Cousin's Dinner Cost More

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Note: the original article is provided as a separate file (attached to the email or downloadable from the website).

1. Explanation

A 21-mile-wide stretch of water between Iran and Oman is choking off cooking gas, fertiliser, and helium to 1.4 billion people – and the crisis hasn't even fully hit yet.

What's Going On?

The Strait of Hormuz – a narrow shipping lane between Iran and the Arabian Peninsula through which roughly 20% of the world's crude oil passes – has been blockaded amid the latest West Asia conflict. Gita Gopinath, former Deputy Managing Director of the IMF, says India is among the countries hardest hit.

She points to three pressure points: India imports most of its oil and gas, uses Middle Eastern ports as a hub for re-exporting goods, and relies on billions of dollars sent home each year by Indian workers in Gulf countries. All three are now wobbling at once.

How To Think About It

This isn't just a 'prices go up' story – it's a 'the shelves are empty' story. The right mental model isn't inflation; it's a supply pipeline being physically pinched.

- Think of a pharmacy that suddenly can't get a shipment of insulin because a hurricane shut down the only nearby distribution warehouse. Patients didn't get sicker, demand didn't change – the medicine literally can't reach the shelf. That's LPG cooking gas in India right now: the kitchens haven't grown hungrier, the cylinders just can't get there.
- Or think of how COVID-era port jams left PS5s out of stock for months. Even with money in hand, you couldn't buy one. Hormuz is doing that to fertiliser, helium, and sulfur – inputs that quietly underpin food, semiconductors, and medicine.

Key Things To Know

- About 20% of global crude oil ships through the Strait of Hormuz – there is no easy detour at that scale.
- India is already seeing LPG (cooking gas) shortages because tankers aren't leaving Middle Eastern ports, not just because prices rose.
- Fertiliser disruption is the sleeper threat: if it hits the sowing season, food inflation arrives months later – long after the headlines fade.
- Oil prices haven't spiked as hard as in 2022 because global demand is softer and many countries diversified energy sources after the Russia-Ukraine shock.
- The IMF still projects India to grow ~6.5% this year, partly because the US recently cut tariffs on Indian goods from 50% to 10% – a lucky offset.

Why It Matters

If you're a teen in India, this shows up as pricier rotis later this year and possibly a parent's relative in Dubai sending less money home. If you're anywhere else, it's a live demo of how interconnected supply chains are: a missile near Iran can make helium scarce for MRI machines in Ohio. Career-wise, this is

exactly why energy, logistics, and geopolitics analyst roles are exploding – and why governments worldwide are pouring money into solar, batteries, and domestic fertiliser plants.

The Bigger Picture

Every Hormuz scare since the 1980s has nudged the world a little further toward energy independence, and Gopinath calls India's solar build-out a genuine buffer this time. Watch three things: whether the blockade triggers a tanker accident that escalates the crisis, whether food inflation surfaces in late 2025 as fertiliser shortages bite, and whether more countries quietly stockpile 'boring' commodities like sulfur and helium the way they once stockpiled oil. Crises like this don't just raise prices – they redraw which industries and countries get built up next.

2. Key Terms Glossary

Strait of Hormuz

A narrow sea passage between Iran and Oman that connects the Persian Gulf to the open ocean. Roughly a fifth of the world's oil ships through it, making it one of the most strategically important waterways on Earth.

Blockade

The deliberate sealing-off of a port or shipping route, usually by military force, to prevent goods from moving in or out.

LPG (Liquefied Petroleum Gas)

Propane and butane stored as a liquid under pressure, used widely in India for cooking. Most of it is imported from Middle Eastern producers.

Remittances

Money that workers abroad send back to family in their home country. India is the world's largest receiver of remittances, and a big chunk comes from Gulf states.

Supply shock

A sudden disruption that cuts the available supply of a key good, pushing prices up and sometimes causing physical shortages – distinct from a demand-driven price rise.

Tariff

A tax a government places on imported goods. Lowering tariffs makes foreign buyers more willing to purchase, which is why the US cut from 50% to 10% helps Indian exporters.

Fertiliser

Chemical inputs (often nitrogen-, phosphorus-, or potassium-based) farmers add to soil to boost crop yields. Many are produced using natural gas, which links food prices to energy markets.

Sowing season

The window in the agricultural calendar when seeds are planted. Missing it – for example, due to fertiliser shortages – means lower harvests months later.

3. Reading Comprehension Quiz

Circle the best answer for each question.

Q1. The passage primarily argues that the West Asia crisis affects India in a way that:

- A) Mirrors the 2022 Russia-Ukraine shock almost exactly
- B) Causes physical shortages, not just higher prices
- C) Will be fully offset by lower US tariffs on exports
- D) Mainly threatens India's technology export sector

Q2. Which choice best states the central idea of the passage?

- A) India's renewable energy push has eliminated its exposure to oil shocks
- B) The IMF expects all emerging economies to grow at 6.5% this year
- C) India faces serious, multi-channel risks from the Hormuz blockade despite some buffers
- D) Middle Eastern conflicts rarely affect Asian economies in meaningful ways

Q3. According to the passage, oil prices have not spiked as sharply as in 2022 because:

- A) Global demand is weaker and energy sources have diversified
- B) The Strait of Hormuz carries less oil than it did in 2022
- C) Iran has agreed to keep exporting at full capacity
- D) The IMF intervened directly in global oil markets

Q4. As used in the passage, the word 'cushion' most nearly means:

- A) A soft pillow used for seating
- B) A factor that softens an economic blow
- C) A financial reserve held by a central bank
- D) A delay before an effect is felt

Q5. As used in the passage, the word 'masked' most nearly means:

- A) Disguised or temporarily hidden
- B) Worn over the face for protection
- C) Permanently eliminated
- D) Officially reported

Q6. Which statement about fertiliser shortages can most reasonably be inferred from the passage?

- A) Their effects on food prices appear immediately
- B) They primarily harm European agriculture
- C) Their full impact may not show up for several months
- D) They can be solved by importing more crude oil

Q7. The passage suggests that India's solar energy expansion:

- A) Has already replaced all fossil fuel imports
- B) Provides partial protection against energy supply shocks
- C) Is the main reason oil prices have stayed low globally
- D) Will eliminate the need for fertiliser imports

Q8. The author's tone throughout the passage is best described as:

- A) Alarmed and openly partisan
- B) Measured and cautiously concerned
- C) Dismissive of the crisis's severity
- D) Celebratory about India's prospects

Q9. Which of the following can most reasonably be inferred about how this crisis differs from the 2022 Russia-Ukraine shock?

- A) It affects a wider range of goods and countries
- B) It has caused larger oil price spikes than 2022
- C) It is limited to European natural gas markets
- D) It poses no risk to Indian agriculture

Q10. Which choice provides the best evidence for the answer to the previous question?

- A) 'India is already seeing LPG cooking gas shortages because ships are simply not moving fuel'
- B) 'The IMF currently expects India's economy to grow at around 6.5% this year'
- C) 'The Strait of Hormuz blockade affects a far broader range of goods and a much wider set of countries'
- D) 'The blockade remains in place, accidents could still escalate the crisis further'

My Score: _____ / 10

4. Answer Key with Explanations

Q1. The passage primarily argues that the West Asia crisis affects India in a way that:

Answer: B

Gopinath repeatedly distinguishes this crisis from past oil shocks by emphasising actual supply unavailability – LPG, fertiliser, helium – not merely price rises. A is wrong (Trap A: opposite direction – she explicitly contrasts the two crises). SAT Tip: When a question asks for the 'primary' argument, find the claim the author returns to multiple times across paragraphs, not a single supporting detail.

Q2. Which choice best states the central idea of the passage?

Answer: C

The passage lays out three exposure channels (oil, supply-chain hub, remittances) plus delayed food risk, while noting cushions like solar capacity and lower US tariffs – a balance of risk and partial protection. A overstates the buffer (Trap C: real-world plausible but unsupported). SAT Tip: Central-idea answers usually capture both the main claim AND its key qualifier – beware options that are too absolute in either direction.

Q3. According to the passage, oil prices have not spiked as sharply as in 2022 because:

Answer: A

Gopinath explicitly cites softer post-pandemic demand and diversification toward renewables since 2022 as the reasons. B contradicts the passage (Trap A: wrong direction – Hormuz still carries ~20%). SAT Tip: For 'according to the passage' questions, the answer must be stated, not just implied – eliminate any option that requires outside knowledge to verify.

Q4. As used in the passage, the word 'cushion' most nearly means:

Answer: B

In context – 'providing some cushion' against the price shock – the word means something that absorbs or reduces impact. A is the everyday meaning (Trap B: passage uses common vocabulary in a specialised sense). SAT Tip: On vocab-in-context, substitute each option into the sentence – only the passage-specific meaning will preserve the original sense.

Q5. As used in the passage, the word 'masked' most nearly means:

Answer: A

The passage says long-term contracts have 'masked' price effects so far – meaning concealed them temporarily, since food inflation 'arrives with a lag.' C is wrong (Trap A: opposite – the effect isn't gone, just delayed). SAT Tip: If the surrounding sentence implies something is delayed or hidden rather than removed, choose the option that preserves that temporariness.

Q6. Which statement about fertiliser shortages can most reasonably be inferred from the passage?

Answer: C

Gopinath says fertiliser disruption affects sowing, and food inflation 'arrives with a lag' – implying a delayed visible impact. A reverses this (Trap A: opposite direction). SAT Tip: Inference questions reward reading carefully for time-related words like 'lag,' 'eventually,' or 'months down the line' – these signal what the author expects later, not now.

Q7. The passage suggests that India's solar energy expansion:

Answer: B

Gopinath calls the solar build-out a 'genuine buffer' – meaningful but not total – and uses it to argue for accelerating, not declaring victory on, energy independence. A overstates this (Trap C: appealing real-world claim but unsupported). SAT Tip: Watch for options that turn a 'partial' or 'growing' claim in the passage into an absolute one – those are almost always traps.

Q8. The author's tone throughout the passage is best described as:

Answer: B

The author cites real risks but also notes cushions, lags, and silver linings – the language is balanced ('careful not to offer false comfort,' 'genuine buffer'). A overstates urgency (Trap B: uses passage themes but wrong intensity). SAT Tip: For tone questions, look at the author's adjectives and qualifiers, not the topic – a serious topic can still be discussed in a calm, measured voice.

Q9. Which of the following can most reasonably be inferred about how this crisis differs from the 2022 Russia-Ukraine shock?

Answer: A

Gopinath explicitly contrasts the two: 2022 mainly hit European gas, while Hormuz disrupts oil, gas, fertiliser, helium, and sulfur across many more countries. B contradicts the passage (Trap A: opposite – prices have spiked less). SAT Tip: When two events are compared in a passage, map out their differences explicitly before choosing – the right answer often restates one specific contrast the author drew.

Q10. Which choice provides the best evidence for the answer to the previous question?

Answer: C

This line directly states the breadth difference between the two crises – exactly what Q9 asked about. A is true but speaks to severity in India alone, not the comparison (Trap B: passage vocabulary, wrong combination). SAT Tip: On evidence-pairing questions, find the line that supports your previous answer word-for-word before reading the options – don't pick the most dramatic quote, pick the most relevant one.