

## GLOBAL CHOKEPOINTS AND SWEDEN'S ECONOMIC SECURITY: WHY THE GULF CRISIS MATTERS FOR SWEDEN

by  
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Few countries are more exposed to disruptions in [global trade](#) than Sweden. When instability strikes the world's key maritime chokepoints, the consequences travel quickly through energy markets and supply chains that sustain export-driven economies. The escalating war involving the United States, Israel, and Iran has already triggered such a shock: Iranian forces have reportedly laid naval mines and effectively shut down shipping through the Strait of Hormuz, [a waterway](#) through which about one-fifth of the world's oil normally passes. For Sweden and the wider European economy, a crisis unfolding thousands of kilometres away is already sending economic and security tremors northward.

### A Global Chokepoint with Local Consequences

The Strait of Hormuz is one of the most strategically important waterways in the global economy. Roughly [one-fifth of the world's traded oil](#) normally passes through this narrow channel linking the Gulf to international markets. When Iran threatens to close the strait or deploy mines, energy markets react immediately. Shipping insurers raise risk premiums, tanker traffic slows and oil prices spike.

The current conflict has heightened these risks considerably. Iranian threats to disrupt shipping coincide with attacks on energy infrastructure. The U.S. and Israel have also targeted the Iranian energy export hub of [Kharg Island](#). At the same time, calls from the United States for allied naval escorts to safeguard commercial shipping underscore how precarious the situation has become.

For Sweden, the effects are indirect but tangible. Sweden imports relatively limited volumes of crude oil directly from the Middle East compared with some Asian economies, but it remains deeply integrated into

the European energy system. When global oil prices surge, as they often do during Gulf crises, the impact quickly spreads across Europe's fuel markets. [Higher oil prices](#) translate into increased transportation costs, rising electricity prices and broader inflationary pressures. Swedish households experience this through higher fuel costs and energy bills, while businesses face increased logistics expenses. For a highly export-oriented economy, these pressures can accumulate quickly.

### Sweden's Gulf Ties: Trade and Industry at Stake

The crisis also highlights how deeply Sweden's economy is connected to the Gulf region. The United Arab Emirates has become [Sweden's third-largest trading partner](#) in the Middle East, with more than 250 Swedish companies operating in the country. Swedish exports to the UAE reached roughly \$1.4 billion in recent years, ranging from trucks and pharmaceuticals to industrial equipment.

Many globally recognized [Swedish firms](#), including Ericsson, Volvo and IKEA, maintain operations in the UAE and across the Gulf. As security risks increase and missile and drone attacks threaten infrastructure, companies are being forced to activate contingency plans and reassess the safety of personnel and supply chains.

The conflict is already affecting Swedish businesses on the ground. Firms with a presence in the United Arab Emirates and elsewhere in the region are reassessing [operational risks](#) as missile and drone attacks continue. Some Swedish companies, including the defense firm Saab, have reportedly begun repatriating personnel or allowing UAE-based employees to work remotely until the security situation stabilizes.

### Logistics Shockwaves Reach Sweden

The economic impact is not limited to companies in the Gulf. Disruptions in the Strait of Hormuz are forcing many shipping routes to divert around the [Cape of Good Hope](#), dramatically increasing travel times and freight costs. For export-oriented regions in Sweden, this poses a serious challenge.

In northern Sweden, business leaders have warned that up to a quarter of regional exports could be affected by shipping delays and higher transport costs. [Industries in Norrbotten](#), already grappling with long distances to global markets and rising energy prices, face additional pressure as logistics chains become slower and more expensive.

The [transport sector](#) is also under strain. Airlines have been forced to reroute flights around restricted Middle Eastern airspace, while war-risk surcharges have increased shipping costs across global supply chains. For a country whose prosperity depends heavily on efficient trade flows, such disruptions are far from trivial.

### Security Concerns Beyond Economics

At the same time, the conflict has reverberated within Sweden's own [domestic landscape](#). Sweden is home to a sizeable Iranian diaspora community, many of whom have strong views on the current conflict and the future of Iran. In recent weeks, demonstrations have taken place both in support of and in opposition to the Iranian government, reflecting the deep political divisions within the expatriate community.

Security concerns have also entered the discussion. Swedish and European security services have long warned that Iranian intelligence networks and [suspected IRGC-linked sleeper cells](#) operate across parts of Europe, including in Scandinavian countries. In times of heightened geopolitical tension, authorities remain alert to the possibility that such networks could be used for surveillance, intimidation of dissidents, or influence operations directed from Tehran.

### What Sweden Can Contribute

Beyond energy and domestic security concerns, the crisis raises broader questions about maritime stability. The Strait of Hormuz and the Baltic Sea may lie thousands of kilometers apart, but they are connected through the arteries of global commerce. The security of sea lanes, whether in the Gulf, the Mediterranean or Northern Europe, remains a fundamental pillar of the international economic

order. One area where Sweden possesses particularly [strong capabilities is mine countermeasures](#) and shallow-water operations. Rather than engaging in traditional naval escorts, Sweden could contribute specialized expertise in detecting and clearing naval mines, a critical task if the Strait of Hormuz becomes contaminated with explosives. Such technical assistance would focus on safeguarding maritime commerce while avoiding escalation.

Perhaps Sweden's most distinctive contribution, however, lies in [crisis diplomacy](#) rather than military power. In the present circumstances, with Iran having mined and effectively blocked the Strait of Hormuz and the United States urging partners to help reopen it, Sweden is unlikely to act as a grand mediator between Washington and Tehran. But it could still take limited, practical initiatives aimed at preventing the maritime crisis from spiralling further.

One option would be for Stockholm, working through the EU and in close coordination with Washington, to push for a narrowly [defined emergency contact mechanism](#) focused specifically on the Strait of Hormuz, rather than the wider war. The purpose would be to establish indirect lines of communication on issues such as mine-clearance windows, notification procedures for civilian shipping, and the avoidance of miscalculation between Iranian forces and any multinational maritime presence.

Sweden could also advocate for a [temporary humanitarian-commercial maritime](#) arrangement under UN or EU auspices, similar in logic to past corridor arrangements in other war zones. Such an arrangement would not resolve the conflict, but it could aim to secure limited passage for clearly identified civilian tankers, LNG carriers, and essential commercial shipping, potentially with third-party monitoring or inspection mechanisms acceptable to both sides. Even if Tehran rejected a broader Western naval plan, it might be more willing to engage indirectly on a narrowly framed mechanism designed to avoid environmental catastrophe, market panic, and accidental escalation.

A further Swedish initiative could be to support an [EU-backed proposal for sequencing](#): first, emergency deconfliction talks on shipping safety; second, technical coordination on mine-mapping and mine-clearance; and only after that, discussion of wider naval protection missions. This matters because several European governments remain wary of being drawn into a U.S.-led military escalation, even as they recognize the need to reopen the waterway. Sweden could therefore help shape a position that is neither passive nor overtly escalatory: support freedom of navigation, back technical measures to remove mines, and encourage Washington to pair any maritime security effort with a clearly defined diplomatic off-ramp for Iran.

In practical terms, Sweden's leverage would come less from direct influence over Tehran than from its ability to work with European partners, the UN, and possibly intermediary states to narrow the crisis from a regional war into a [manageable maritime-security problem](#). That is not a dramatic solution. But in the Strait of Hormuz today, even limited deconfliction and partial restoration of safe passage would be a meaningful diplomatic achievement.

While Sweden cannot determine the outcome of the conflict, such diplomatic initiatives could help create

channels of communication and lower the risk that incidents in the Strait of Hormuz escalate into a broader regional confrontation.

#### **A Distant Crisis with Immediate Implications**

Ultimately, the crisis surrounding the Strait of Hormuz is a reminder that global economic stability rests on fragile foundations. A single chokepoint thousands of kilometers away can influence fuel prices in Stockholm, shipping costs in Gothenburg and supply chains across Europe.

For Sweden, the lesson is clear: safeguarding international trade routes and supporting diplomatic solutions to geopolitical crises are not abstract foreign policy goals. They are essential to protecting the prosperity and security of an open, globally connected economy.

What happens in the Gulf does not stay in the Gulf. In today's interconnected world, the stability of distant sea lanes is inseparable from the economic wellbeing of countries like Sweden.

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