



KAMARAJ IAS ACADEMY
Only IAS Academy by Grandson of "Perunthalaivar Kamarajar"

Strait of Hormuz Navigation Fees: International Maritime Law, Freedom of Navigation and India's Strategic Concerns

Published On: 02-07-2026

Recent Developments:

- Following the US–Iran framework agreement (15 June 2026), the Strait of Hormuz was reopened for global shipping and the US blockade on Iranian vessels was lifted.
- Iran discontinued wartime transit tolls but continues to impose navigation charges and environmental protection fees, triggering debate over their compatibility with the United Nations Convention on the Law of the Sea (UNCLOS), 1982.
- The controversy centres on whether such charges violate the "Right of Transit Passage" guaranteed under international maritime law for straits used for international navigation.

Why the Strait of Hormuz Matters:

Strategic Importance:

- The Strait of Hormuz is a narrow maritime chokepoint connecting the Persian Gulf with the Gulf of Oman and the Arabian Sea.
- It is the only maritime outlet for the oil-producing Gulf countries to access international markets.
- Nearly one-fourth of global seaborne oil trade and around 30% of global LNG trade pass through this corridor, making it one of the world's most critical energy lifelines.
- Any disruption immediately affects global energy prices, shipping insurance costs, supply chains and maritime security.

Geographical Features:

- The Strait lies between Iran and the Musandam Peninsula of Oman, with the United Arab Emirates also bordering its southern approaches.
- The Persian Gulf lies to its west, while the Gulf of Oman lies to its east.
- Its narrowest width is about 29 nautical miles (54 km), although internationally designated shipping lanes are much narrower.
- Major islands include Hormuz, Qishm and Hengam.
- The International Maritime Organization (IMO) adopted the Traffic Separation Scheme (TSS) in 1968, jointly proposed by Iran and Oman, to regulate safe two-way navigation and minimise collision risks.

UNCLOS Framework on International Straits:

Right of Transit Passage:

- Articles 37–44 of UNCLOS govern Straits Used for International Navigation.

Kamaraj IAS Academy

Plot A P.127, AF block, 6 th street, 11th Main Rd, Shanthy Colony, Anna Nagar, Chennai, Tamil Nadu 600040

Phone: 044 4353 9988 / 98403 94477 / Whatsapp : 09710729833

- **All ships and aircraft enjoy the Right of Transit Passage**, allowing **continuous, expeditious and uninterrupted navigation and overflight**.
- **Transit Passage cannot be suspended** even during political disputes.
- **Coastal States must not hamper or impede navigation** through such international straits.
- **The objective is to prevent strategic chokepoints from becoming instruments of political or economic coercion.**

Difference Between Transit Passage and Innocent Passage:

- **Transit Passage** applies only to **international straits**, providing wider navigational freedom and permitting uninterrupted passage.
- **Innocent Passage** applies within **territorial seas**, where transit is permitted only if it does not threaten the coastal state's peace, good order or security.
- **The legal rights available under Transit Passage are broader than those under Innocent Passage.**

International Legal Issues Raised by Iran's Navigation Fees:

Arguments Against Iran's Position:

- **Charging navigation or environmental fees** may effectively convert a legal right into a conditional privilege.
- **International law discourages coastal states** from generating revenue by restricting access to naturally occurring international straits.
- **The 1949 CorfChannel Judgment** of the **International Court of Justice (ICJ)** recognised unrestricted peacetime passage through international straits, provided coastal security is not threatened.
- **The legal principle of freedom of navigation predates UNCLOS**, strengthening the customary status of Transit Passage.

Legal Arguments Supporting Iran:

- **The Strait lies within the territorial seas of Iran and Oman**, rather than on the high seas.
- **Article 19 of UNCLOS** allows restrictions on **Innocent Passage** where national security, public order or environmental concerns are involved.
- **Iran signed but never ratified UNCLOS**, and maintains that the Transit Passage regime binds only treaty parties.
- **Iran invokes the "Persistent Objector Doctrine,"** under which a State that consistently objected to an emerging customary rule may not be bound by it.
- **Iran's 1993 Law of Marine Areas** authorises prior permission for certain foreign vessels and permits restrictions for security and environmental reasons.
- **The Doctrine of Comity of Nations** may encourage other States to voluntarily respect such domestic legal measures without accepting their universal legality.

High Seas, Territorial Waters and Ship Interception:

Freedom of Navigation on the High Seas:

- **The High Seas** lie beyond national jurisdiction where ships enjoy almost complete freedom of navigation.
- **Interception is permitted only under limited exceptions**, including:
- **Hot pursuit** of vessels involved in crimes.
- **Authorisation by the United Nations Security Council (UNSC).**
- **Ships without nationality (stateless vessels).**
- **Consent of the ship's flag State.**

Navigation Within Territorial Waters:

- **Foreign ships retain the Right of Innocent Passage** through territorial seas.
- **Passage must remain peaceful** and should not threaten the coastal State's security or public order.

Can Hormuz be Compared with the Suez or Panama Canals?

Why the Analogy is Legally Weak:

- **The Suez Canal and Panama Canal are artificial waterways** constructed, maintained and governed through separate international treaty regimes.
- **The Strait of Hormuz is a natural international strait** governed primarily by UNCLOS and customary international law.
- **Consequently, canal transit fees cannot automatically justify navigation charges in Hormuz.**

Strategic and Geopolitical Significance:

Economic Weaponisation of Maritime Chokepoints:

- **Iran has demonstrated that control over strategic sea lanes can generate significant geopolitical leverage even without prolonged military confrontation.**
- **Maritime uncertainty raises freight costs, insurance premiums and global energy prices.**
- **The Strait increasingly serves as an instrument of economic statecraft alongside conventional military deterrence.**

Implications for India:

- **India imports a significant share of its crude oil and LNG through the Strait of Hormuz.**
- **Disruptions threaten India's energy security, inflation management and external trade.**
- **India consistently supports the principles of Freedom of Navigation, unimpeded maritime commerce and peaceful resolution of disputes under international law.**
- **The episode highlights the importance of diversified energy sources, strategic petroleum reserves and secure Sea Lines of Communication (SLOCs).**

Key International Law Concepts:

Important Terms:

- **Freedom of Navigation** refers to the principle that ships may move freely through international waters and designated international straits.
- **Transit Passage** guarantees uninterrupted navigation and overflight through international straits.
- **Innocent Passage** permits peaceful transit through territorial seas without threatening the coastal State.
- **Persistent Objector Doctrine** allows a State that consistently opposed an emerging customary international rule to claim exemption from that rule.
- **Comity of Nations** refers to voluntary mutual respect among States for each other's laws and legal systems without creating binding legal obligations.

Value Addition for UPSC:

Important Articles of UNCLOS:

- **Article 19:** Conditions governing **Innocent Passage**.
- **Articles 37–44:** **Transit Passage** through international straits.
- **Article 38:** Defines the scope of **Transit Passage**.

Kamaraj IAS Academy

Plot A P.127, AF block, 6 th street, 11th Main Rd, Shanthy Colony, Anna Nagar, Chennai, Tamil Nadu 600040
Phone: **044 4353 9988 / 98403 94477 / Whatsapp : 09710729833**

- **Article 39:** Duties of ships and aircraft during Transit Passage.
- **Article 44:** Coastal States shall **not hamper or suspend Transit Passage**.

Important Cases & Organisations:

- **CorfChannel Case (ICJ, 1949):** Established unrestricted peacetime passage through international straits used for international navigation.
- **International Maritime Organization (IMO):** UN specialised agency responsible for maritime safety, navigation standards and adoption of the **Traffic Separation Scheme (TSS)**.
- **Sea Lines of Communication (SLOCs):** Strategic maritime routes essential for global trade, energy transport and naval operations