



Legal Implications for Supply Chain Contracts in Thailand regarding the Hormuz Blockage Situation

The closure of the Strait of Hormuz since 28 February 2026 has created significant disruption to global energy and shipping markets, with immediate legal implications for businesses operating in Thailand. As a highly import-dependent economy, particularly in energy and raw materials, Thailand faces both commercial and contractual pressures across key sectors such as manufacturing, petrochemicals, and logistics. This geopolitical event has shifted from a macroeconomic concern to a legal risk issue, requiring businesses to reassess contractual obligations, particularly where performance has been delayed or rendered more difficult.

Under Thai law, force majeure is governed by the Civil and Commercial Code (CCC), requiring a party to demonstrate that the event was unforeseeable, beyond its control, and directly caused the failure to perform. While the Hormuz blockade may qualify as a force majeure event—particularly war, hostilities, or blockades—its application is not automatic. Thai courts interpret such claims narrowly, and indirect consequences such as increased costs, delays due to rerouting, or supply shortages may not suffice unless clearly covered by contractual language. In addition, strict compliance with notice requirements and evidence of mitigation efforts remain critical to preserving a valid legal defence.

Beyond force majeure, the disruption has exposed businesses to heightened risks in shipping, insurance, and logistics. Vessel rerouting, increased freight costs, and war-risk premiums have significantly altered the risk allocation landscape under commercial contracts and Incoterms. Many standard marine insurance policies exclude war-related risks, placing uninsured exposure on parties who have not secured appropriate extensions. In disputes, particularly those involving delivery delays or demurrage, Thai courts will closely examine whether the affected party has taken reasonable steps to mitigate the impact and maintain performance where possible.

From a legal and regulatory perspective, the Hormuz crisis underscores the importance of proactive risk management within Thailand's commercial framework. Businesses should urgently review contracts, issue force majeure notices where applicable, assess insurance coverage, and document all mitigation efforts and communications with counterparties. More

broadly, this situation highlights the need for Thai businesses to strengthen contractual resilience and align with international best practices in risk allocation and supply chain governance. As global trade disruptions become increasingly frequent, Thailand's legal system will play a critical role in balancing contractual certainty with commercial realities in times of crisis.

Should you have any question, please do not hesitate to contact us via info@bgloballaw.com

