



Rules-based order a strategic necessity

2 MONTHS AGO

[Phar Kim Beng](#)

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The stress on urea supply for Australia has an impact on food security in East Asia, underscoring the risk to food security across Asean and East Asia.

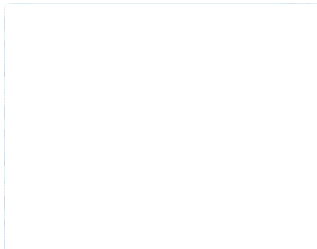


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As the standoff between the US and Iran continues unabated, the stress on international trade is becoming increasingly acute. Not least the supply of urea needed by Australia.

Australia's fertilizer shock is not merely an Australian problem. It is a warning to East Asia.



The closure and disruption of the Strait of Hormuz has shown that food security, energy security and maritime security are no longer separate domains. They are one integrated crisis.

Urea is not oil. Yet without urea, wheat, grains, vegetables and livestock feed are all affected. Australia is especially exposed: NDSU's Agriculture Trade Monitor found that the Gulf region accounted for 43% of global urea exports in 2024. Now, the Hormuz disruption has placed fertilizer trade under severe stress.

Australia's vulnerability is acute because a large share of its urea imports normally passes through Hormuz.

The Edge reported that around 60% of Australia's urea supply typically transits the strait, even after the April 8 ceasefire left the route constrained.

This is why East Asia cannot celebrate Australia's pain. Australia is a major food supplier to East Asia.

Its wheat, beef, dairy and grains are part of the food security structure of Malaysia, Indonesia, China, Japan, South Korea and Southeast Asia more broadly.

If Australian farmers plant less, fertilize less, or harvest less, Asia will eventually pay more.

This is the hidden logic of interdependence.

A fertilizer crisis in Australia can become a food inflation crisis in East Asia.

A maritime crisis in Hormuz can become a subsidy crisis in Malaysia. Subsidy for RON95/97 and diesel has spiked from RM700 million to RM7 billion in April 2026 alone. 🇲🇾 Asia Tenggara & Kepulauan Pasifik)

A war in West Asia can become a household-cost crisis all across Southeast Asia. There is no strategic gain in another century's agricultural distress.

Indeed, Australia has already had to move quickly. Indonesia has agreed to supply 250,000 tonnes of urea to Australian farmers for the 2025–2026 season, a deal supported by both governments to stabilize food production and regional food security.

This is the correct spirit. East Asia and Australia must not compete destructively for scarce fertilizer. They must coordinate.

Be that as it may, Malaysia in all likelihood does not have sufficient supply to meet Australia's demand for urea indefinitely despite good relationship between Kuala Lumpur and Canberra.

Come what may, cooperation is key. That was the message that foreign minister Penny Wong of Australia was trying to convey to her Chinese counterpart Wang Yi last week.

Australia will support Chinese chairmanship of the Asia Pacific Economic Cooperation (Apec) this year.

A rules-based order matters precisely because markets alone cannot guarantee fairness in moments of panic.

When chokepoints are blocked, prices spike. When prices spike, rich buyers can outbid poorer ones.

When poorer farmers lose access to fertilizer, food production collapses later. By Australia's estimates, as much as 30% to 40% of food supply will be affected if not enough fertilizers are found between June and September 2026.

Thus the rules-based order cannot be treated as diplomatic posturing merely. It must mean protected shipping lanes, restraint in the use of force, predictable trade, transparent stockpiles, emergency coordination and refusal to weaponize food, fertilizer or energy.

The Strait of Hormuz crisis proves that unilateral war can never remain an isolated event, not unlike the war in Ukraine.

The war in West Asia spreads through freight, insurance of ships, semi-conductor boards, port handling fees, insurance, fertilizers, crops, supermarkets and the simplest of kitchens.

Australia's pain will not be East Asia's gain in any which way; least of all the 11 member states of Asean.

As things are, the turbulence in West Asia that is affecting Australian agriculture badly, will be East Asia's warning.

And unless the world restores a credible rules-based order, the next crisis will not merely raise the price of energy. It will raise the price of bread and many more things in the supply chain of an urban society.

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