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The war in the Gulf and the challenges facing EU energy policy

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Although the war in the Persian Gulf has now entered its third month, EU member states have so far mainly experienced the price related-effects of the deepening energy crisis. At the same time, the blockade of the Strait of Hormuz has served as a reminder that, despite the ongoing energy transition, the EU remains heavily dependent on imports of crude oil, petroleum products and gas, and continues to be vulnerable to disruptions in global supply chains. This is particularly evident in the aviation fuel market and the gas storage sector.

In response to these challenges, EU member states have so far been primarily implementing ad hoc national measures aimed at limiting price increases. However, this may not only boost demand for energy resources, but also – in the longer term – deepen inequalities and fragment the single market. Individual capitals are also beginning to propose ideas aimed at reducing its own systemic exposure to such crises. In order to improve coordination and ensure greater consistency in both the direction and long-term effects of the measures being taken, the European Commission proposed the AccelerateEU plan on 22 April. The plan emphasises the importance of accelerating electrification and decarbonisation processes as a structural response to the current crisis and similar crises in the future.

Although the EU's course in this field appears beyond dispute, the plan does not provide clear answers to questions that had already been gaining in urgency prior to the outbreak of the war in the Gulf. These concerns relate to the costs of specific measures, the security of supply and the competitiveness of EU industry, as well as how to reconcile responses to short-term challenges with the long-term objectives of EU energy policy. To strengthen the EU's resilience more realistically in an increasingly unstable world, it will be necessary to resolve the most controversial issues, such as the structure and future of the ETS, and to implement a range of pragmatic measures aimed, among other things, at diversification, increasing domestic production, enhancing system flexibility, improving energy efficiency and pursuing a more effective external energy policy.

The effects of the energy crisis on the EU

Since the beginning of March, a de facto blockade of the Strait of Hormuz has been in place, with Iran selectively allowing only a limited number of vessels to pass through, only some of which have been

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oil tankers.[1] The problem has been compounded by the US blockade of Iranian oil exports introduced at a later stage.[2] The situation in the gas sector is even more challenging. Since the outbreak of the conflict, only a single LNG cargo has departed from the Persian Gulf[3] and there are no alternative export routes for this commodity from the region.

The largest energy crisis in history has exacerbated numerous pre-existing structural energy problems within the EU, including those related to high prices.

The current supply shock exceeds every oil crisis of the second half of the twentieth century, as well as the most recent gas crisis of 2022–2023, in terms of the volume of energy resources and petroleum fuels affected. The simultaneous occurrence of oil, fuel and gas shocks increases the gravity of the challenges and, with each passing week, contributes further to the escalation of a global energy crisis with repercussions extending to other continents and industrial sectors. Asian countries, which prior to the war imported the majority of their energy resources from the Gulf region, have felt the effects of the crisis both most rapidly and most acutely. The EU is in a comparatively better position. In 2025, approximately 5% of EU crude oil imports, 10% of petroleum product imports and around 8% of LNG imports passed through the Strait of Hormuz.[4] At the same time, the price-related effects of the crisis have so far remained moderate. On 7 May, Brent crude traded at $98.7 per barrel (37% higher than before the war), while gas prices on the European TTF hub hovered around €42.5 per MWh, an increase of 33%.

After two months of the Hormuz blockade, Europe continues to experience the price effects of the supply shock. Consequently, the measures adopted by member states during this period have focused on limiting its negative consequences through VAT and excise duty cuts, the introduction of caps on fuel margins or fuel prices themselves, and support for selected sectors or vulnerable consumer groups. Italy has even called on the European Commission to grant member states the same degree of budgetary flexibility for mitigating rising energy costs as is currently permitted for defence spending.[5] Measures aimed at encouraging reductions in the consumption of energy resources and fuels or the replenishment of reserves – advocated by both the IEA and the European Commission – have so far been less common.[6] At the same time, efforts by individual states to reduce systemic dependence on oil and gas and to lessen vulnerability to similar supply shocks are becoming increasingly evident. France has announced a strategy aimed at reducing the share of hydrocarbons in final energy consumption from just under 60% at present to 30% by 2035, alongside a significant acceleration in the electrification of the economy. Meanwhile, the Belgian government has openly acknowledged that it lacks the capacity to finance large-scale support programmes,[7] and is planning to nationalise stakes in all domestic nuclear power plants and resume production at selected facilities.[8]

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1 The current daily throughput capacity of the strait amounts to between several per cent and 10% of its pre-war level.

2 H. Falakshahi, 'US blockade: Iran starts feeling the heat', Kpler, 27 April 2026, kpler.com.

3 M. Rashad, N. Adomaitis, 'ADNOC LNG tanker crosses Strait of Hormuz for first time since Iran war, ship tracking data shows', Reuters, 27 April 2026, reuters.com.

4 See B. Fattouh, A. Economou, 'Europe's Oil Vulnerability to the Strait of Hormuz Disruption', The Oxford Institute for Energy Studies, April 2026, oxfordenergy.org; 'Where does the EU's gas come from?', European Council, 13 April 2026, consilium.europa.eu.

5 G. Fonte, 'Italy calls for EU to treat energy spending like defence in bloc's budget rules', Reuters, 27 April 2026, reuters.com.

6 For a review of political actions conducted in response to the crisis in Europe and worldwide see '2026 Energy Crisis Policy Response Tracker', IEA, 29 April 2026, iea.org.

7 J. Villamor, 'Belgium Says It Has "No Money" Left for Another Energy Crisis', The European Conservative, 16 April 2026, europeanconservative.com.

8 G. Gotev, 'From phase-out to takeover: how Belgium is nationalising its nuclear power from ENGIE', EUalive, 30 April 2026, eualive.net.

The aviation fuel market is experiencing particularly acute pressures. Not only have prices more than doubled, but the risk of shortages – including in Europe – is becoming increasingly real. In 2025, approximately 50% of the aviation fuel imported by the EU originated in the Gulf states.[9] Due to declining domestic refining capacity and the phase-out of Russian oil, Europe's ability to produce middle distillates, namely diesel and aviation fuel, has diminished in recent years, thereby increasing dependence on imports from, among other regions, the Middle East. These problems are being compounded by an inadequate reserves structure.

> **AccelerateEU aims to accelerate decarbonisation and electrification processes and to increase their cohesion in order to minimise the risks linked to dependence on hydrocarbon imports.**

As a result of declining global supply and high prices, a number of European countries are facing the prospect of reduced aviation fuel availability in the coming weeks, which would affect transport operations at several airports across Europe, including in the United Kingdom, Italy, France and Germany. The consequences include airlines cancelling flights scheduled for the coming months – for example, Lufthansa has withdrawn 20,000 short-haul flights from its timetable until the end of October,[10] as well as the introduction of emergency measures and/or contingency planning in some EU member states, including Italy, where aviation fuel rationing has been introduced at four airports,[11] and the Netherlands, which activated the first phase of its energy emergency plan on 20 April.[12]

In the somewhat longer term, securing sufficient gas supplies ahead of winter will constitute a significant challenge for EU member states. Traditionally, the gas storage replenishment season begins in April. This year, however, the process has proved exceptionally difficult. In March, EU storage facilities contained record-low volumes of gas, partly as a result of a particularly harsh winter. Refilling them to the required level of 80–90% before the heating season will require higher import volumes than in previous years. At the same time, the blockade of the Strait of Hormuz and the unavailability of Qatari gas are making this increasingly difficult. In addition, higher gas prices on global markets – together with the prospect of their decline once the conflict comes to an end – are discouraging European importers from purchasing gas and injecting it into storage facilities now. Finally, difficulties in building up gas reserves for the winter may be exacerbated by the process, required under existing EU legislation, of phasing out imports of Russian gas, including LNG.

The lack of prospects for a swift end to the war and/or the reopening of the Strait of Hormuz, the seemingly inevitable problems affecting the aviation fuel market – and potentially other fuel markets as well – and the evident challenges associated with filling EU gas storage facilities ahead of winter, demonstrate that fragmented measures undertaken independently and largely on an ad hoc basis by various European actors and states may prove insufficient and, at times, even counterproductive. Consequently, the European Commission prepared and, on 22 April, published the AccelerateEU plan aimed at improving the coordination and effectiveness of EU measures.

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[9] The EU imports approximately 40% of the aviation fuel it consumes. See 'AccelerateEU – Energy Union. Affordable and Secure Energy through Accelerated Action', European Commission, COM(2026) 370 final, 22 April 2026, consilium.europa.eu.

[10] 'Lufthansa Group optimises flight offering in summer across all six hubs', Lufthansa Group, 21 April 2026, newsroom.lufthansagroup.com.

[11] G. Barbati, 'Jet fuel crisis: Rationing triggered at four airports in Italy', Euronews, 6 April 2026, euronews.com.

[12] B. Meijer, 'Netherlands to activate first phase of energy crisis plan, ANP reports', Reuters, 18 April 2026, reuters.com.

The EU's response to the crisis

AccelerateEU does not represent a revolution. Apart from proposals concerning the management of a potential emergency situation on the fuel market, the document largely confirms the existing direction of EU energy policy and points to the need to intensify efforts and accelerate the implementation of instruments that have already been developed. According to the European Commission, accelerating the transition to clean energy sources is intended to provide a structural response to challenges linked to hydrocarbon imports and to ensure not only the achievement of climate objectives, but – to an even greater extent – security of supply and affordable energy prices. At the same time, the Commission assumes that the plan is not final in nature, but will evolve alongside changes in the crisis situation and the emergence of specific challenges or needs. It serves as a set of recommendations and includes at least three categories of proposed measures.

> **Although the EU plan does define the direction for action alongside specific solutions, it does not specify how this can be pursued in a cost-effective, efficient and secure manner in the short term and during the ongoing transition.**

The first category primarily addresses immediate challenges. The European Commission has proposed a range of urgent measures aimed at minimising the scale of potential problems linked above all to rising prices and uncertainty on the fuel and gas markets. The proposed response involves coordinating actions and using the strength of the single market to refill gas storage facilities, optimise domestic production and supplement fuel supplies. This is to be achieved, among other means, through the use of the EU energy platform to aggregate demand and secure the necessary alternative supplies, but also through greater involvement of EU institutions in the fuel market than previously. This would include monitoring, data collection and needs assessments relating to refinery capacities within the EU; the proposed establishment of a Fuel Observatory; civil-military cooperation in the fuel sector; and revisions and amendments to relevant legislative acts concerning the aviation sector, including provisions governing oil stocks.

At the same time, it was emphasised that efforts to mitigate the effects of the crisis and high prices should support systemic changes aimed at minimising demand for fossil fuels. Temporary support measures should therefore be targeted, time-limited and linked to long-term solutions. The European Commission proposes a significant acceleration of the EU's energy transition and easier access to support instruments that had already been identified, including under the Citizens Energy Package unveiled in March. A substantial portion of the support would be conditional on measures promoting the electrification and/or decarbonisation of households (particularly heating), transport (including individual, maritime and aviation transport), and energy savings. In addition, the importance of addressing energy and/or transport poverty was underlined.

Finally, accelerating electrification and decarbonisation will require appropriate infrastructure – physical, financial and regulatory in nature. Here too, the foundations lie in earlier initiatives, including the grid package, measures aimed at reducing transmission tariffs and electricity taxation, and efforts to accelerate the deployment of new clean energy capacity. According to the Commission, this should be supported, among other means, through better use of existing EU funds and through changes to the ETS system, including measures enabling more effective use of ETS revenues for decarbonisation and electrification.

Strategic dilemmas

The plan proposed by the European Commission appears formally self-evident: another crisis clearly confirms the need to move away from fossil fuels, which are predominantly imported. It also appears to offer a politically safe course of action. By operating within previously developed policy frameworks and the established paradigm of thinking about energy policy, the plan is likely intended to ensure – through measures based on compromises already reached within the EU – the institutional stability and internal cohesion that are crucial in times of crisis.

However, the question arises as to whether AccelerateEU constitutes a sufficient response to what is regarded as the largest crisis in history in terms of the scale of the supply shock, one primarily linked to the deepening of a number of pre-existing structural energy problems within the European Union. This is all the more significant given that, even before the outbreak of the war in the Gulf, the EU's model of energy transition had been increasingly challenged both externally, by the United States and China, and internally, including through controversies surrounding the ETS. Therefore, it remains unclear whether, under crisis conditions, the synergy envisaged by the European Commission between measures aimed at mitigating short-term challenges and the EU's long-term strategic objectives can be achieved, or whether current developments will instead contribute to a revision of the energy strategies of both individual member states and the EU as a whole.

> **Europe continues primarily to experience the price effects of the crisis in the oil, fuel and gas markets, and EU member states are responding by implementing ad hoc solutions aimed at limiting the prices paid by consumers.**

While indicating the solution and course of action preferred by the European Commission – namely moving away from fossil fuels and accelerating decarbonisation – AccelerateEU does not clearly explain how this can be achieved in the short term, during an ongoing transition in which two systems coexist: one based on traditional energy sources and the other on clean energy. Nor does it specify how this can be achieved in a cost-effective, efficient and secure manner while taking into account the challenges and controversies that had already become apparent beforehand. This applies in particular to high and volatile energy prices, an issue that the current crisis has the potential to significantly exacerbate, together with the disagreements surrounding both the issue itself and the proposed means of addressing it.

One manifestation of the problems intensifying under current conditions is the debate on the EU Methane Regulation, a topic which is not directly addressed in the AccelerateEU plan. On the one hand, its provisions are being challenged by, among others, the United States, while European importers fear that the regulation will, at the very least, raise costs and may even restrict access to additional volumes of gas or fuels from non-Russian and non-Middle Eastern sources that are strategically important today.[13] On the other hand, in the context of the gas market crisis, it is important to note that reducing methane emissions in the broadly defined energy sector could markedly increase the global availability of natural gas in the coming years.[14]

Similar dilemmas also concern the investments necessary to ensure short-term energy security, including investments in the EU's domestic production, the distribution of their costs and their impact on prices, as well as efforts to enhance the competitiveness, resilience and autonomy of the EU economy,

[13] See S. Findlay, L. Pitel, I. Johnston, 'Germany's Uniper warns EU methane rules will hit Europe's energy supplies', Financial Times, 25 March 2026, ft.com.

[14] According to the IEA, this could amount to 15 bcm in the short term and up to 200 bcm annually in the long term. See 'Tackling methane emissions would strengthen energy security amid crisis', IEA, 4 May 2026, iea.org.

including the clean technology and digital sectors. They also raise questions as to whether and how it will be possible, alongside clean technologies, to increase – even temporarily – the production in Europe of energy sources and technologies that are not so clean but remain necessary, such as fossil fuels, critical raw materials, petroleum products and petrochemicals. Discussions on these issues are ongoing, as reflected in media reports concerning a change in the EU's position on Norwegian oil and gas exploration in the Arctic,[15] and in considerations regarding options for increasing production within the EU, including on the North Sea shelf. However, these issues are not reflected in AccelerateEU.

> **Pragmatic measures are necessary to boost diversification, to increase domestic production, system flexibility and energy efficiency, and to pursue a more effective external energy policy.**

Finally, it remains unclear how the Commission's recommendations will be implemented in practice. In the short term, there are no clear prospects for a rapid change in, or convergence of, the approaches adopted by most member states, each of which is currently implementing its own short-term solutions tailored to national needs and capabilities. In most cases, these measures do not encourage behavioural changes conducive to reducing energy or fuel consumption and, in some instances, even generate so-called 'fuel tourism', which may deepen the crisis in individual markets. Moreover, the prolonged use of such measures carries the risk of fragmenting the single market and exacerbating inequalities and controversies, as the scale of support depends to a considerable extent on the financial capacity of individual states. Finally, financing direct support limits the resources available for structural measures, while there are currently no proposals aimed at increasing these resources, including, for example, mechanisms for redistributing the rising windfall profits of oil and gas companies.

Lessons for the EU

The war in the Gulf and its impact on energy and commodity markets offer several important lessons that may influence European thinking and the shaping of energy policy.

First, the war has once again demonstrated that energy resources, export routes, processing infrastructure and energy technologies are increasingly being instrumentalised and have become arenas of hybrid warfare activities. For Europe, which possesses relatively limited domestic energy resources and remains reliant on international trade and transport conducted on the basis of established rules, this represents a serious challenge. It therefore creates a need to reconsider the extent of its dependencies and partnerships, as well as the options for increasing its impact on their structure and functioning.

Second, it is evident that, despite the advanced and continuing energy transition, not only electrons, electricity and the pace of electrification remain important for energy security and the functioning of economies in Europe and globally, but also molecules and the availability of energy resources and liquid fuels. Oil still accounts for the largest share of the EU's primary energy mix at 38%, and over the past 25 years the ongoing transition has reduced this share by only 2.5 percentage points. Together with natural gas, these sources still account for as much as 60% of the mix. Moreover, gas and oil are not only energy carriers, but also important industrial feedstocks used in the production of, among other things, petrochemicals, plastics, fertilisers and aluminium.

Consequently, even if the pace of reducing their consumption in the EU accelerates, these resources will continue to play an important role in the coming decades and will require continued attention from both EU and national energy policymakers. This is particularly important in the case of liquid

[15] I. Johnston, M. Novik, R. Milne, 'EU rethinks opposition to Arctic oil and gas drilling', Financial Times, 22 April 2026, ft.com.

fuels. Despite recurring challenges, sanctions on Russian oil and the resulting market transformations and shifts in international ties, as well as the importance of fuel availability for European security and defence, the EU has effectively failed to develop a coherent policy for this sector. The attention devoted in AccelerateEU to the fuel market and to limiting the effects of a potential crisis may prove to be an early indication of the changes that are needed.

> **It remains unclear whether, under crisis conditions, the synergy between measures aimed at mitigating short-term challenges and the EU's current long-term strategic objectives can be achieved.**

The blockade of the Strait of Hormuz also demonstrates that supply chain challenges concern not only critical raw materials and clean technologies, but also traditional energy commodities, including oil and gas. The current crisis, centred on the blockage of a chokepoint crucial to global trade and the disruption of transport from the Gulf to consumers worldwide, is described by many as a supply chain crisis. It therefore has broad consequences for individual economies, as it affects not only the production and export of energy resources, but also service sectors, as well as downstream and energy-intensive industries. Boosting resilience and shortening supply chains wherever possible are therefore becoming universal directions of action across all areas of dependence on strategic raw materials, products and technologies.

For Europe, the prices of energy resources and derivative products, including electricity, remain a key challenge. As the 2022–2023 crisis demonstrated, when supply on global markets is constrained, European states are able to outbid poorer consumers elsewhere in the world, for example in South Asia. At the same time, the costs of such measures affect household welfare and public sentiment, as well as the condition of European industry, leading among other things to demand destruction and relocations outside the EU. Moreover, because the problems of high prices and industrial competitiveness had already been intensifying prior to the outbreak of the war in the Gulf, the current crisis – bringing higher costs for energy, raw materials, semi-finished products and related inputs – is likely to have significant consequences for the condition of individual sectors and entire EU economies, as well as for political choices in the coming years, even if it does not generate a genuine risk of shortages.

The divergent short-term measures stem from differences in the priorities, economic structures and energy mixes of individual member states, as well as from differing approaches to limiting prices and the extent to which such measures should be embedded within the framework of EU climate policy. These differences in approach were already clearly visible before the outbreak of the war in the Gulf, and the current situation may deepen them further. At the same time, in the context of ongoing wars, an unstable international environment and yet another energy crisis, preserving unity and strengthening cooperation within the EU, as well as within the single market for electricity and energy resources, are becoming increasingly important. The European Commission rightly emphasises this in AccelerateEU, noting that the single market constitutes one of the EU's key sources of strength and solidarity. To minimise the risk of growing divisions within the EU – for example over the future of the ETS – and the potential conflicts arising from them, it appears necessary not only to accelerate previously agreed measures, but also to develop new pragmatic solutions that take into account the key needs and challenges faced by individual member states in the broadly understood field of energy.

The European Commission's current proposals, beyond increasing the pace of and outlining ways to reduce dependence on energy commodities – where substantial progress is possible in the medium and long term – should focus on systemic measures aimed at ensuring an adequate level of supply in the short term and during the unfinished transition period. This includes reducing exposure to risks through diversification, increasing domestic production of synthetic fuels as well as conventional

fuels, biomethane and natural gas, and, in emergency situations, even coal. It also involves prioritising energy efficiency, market integration, and the flexibility and interoperability that facilitate the easy substitution of one energy carrier for another. In addition, the criteria for selecting instruments should take into account both their long-term effects and their impact on resilience and the security of energy supplies to individual states, as well as the short-term costs, economic viability and feasibility of implementing specific solutions.

In both the short and long term, the EU must also seek new ways of pursuing an effective external energy policy. Diversifying sources as well as shortening and securing oil and gas supply chains will clearly entail greater EU dependence on the United States, primarily with regard to LNG imports, but also oil and fuels. Given the emerging transatlantic disagreements and divergences, including differing approaches to energy policy, this requires a strategic concept for ensuring the durability and mutual benefits of cooperation with Washington, as well as the development of frameworks and instruments for managing that relationship constructively. One such instrument could, for example, be the Three Seas Initiative, which has an important energy dimension and involves both EU member states in Central and South-Eastern Europe and the United States.

A prolonged and worsening crisis could lead to breaches of the EU policy aimed at phasing out imports of energy resources from Russia. This would likely involve not only a reduced willingness to comply with EU sanctions and regulations, such as the RePowerEU regulation, but also a growing risk that certain actors or states may seek to increase imports of Russian oil and/or gas. It is therefore necessary to consider possible scenarios and optimal courses of action that would not at the same time exacerbate divisions within the EU. Finally, the question arises of how to accelerate the electrification of the economy without excessively deepening strategic dependencies on China and, ideally, while simultaneously expanding Europe's own production capacities, as advocated by the European Commission itself in the separate Industrial Accelerator Act. This would also require avoiding already identified cybersecurity risks and increasing resilience to potential Chinese retaliatory measures.[16]

[16] See A. Skujins, 'China slams 'Made in Europe' push, mulls retaliation', Euronews, 27 April 2026, euronews.com.