

The Impact of the Closure of the Strait of Hormuz on Europe

BUILDING RESILIENCE IN THE SOUTH SERIES – POLICY BRIEF

By Yasmine Akrimi – North Africa Research Analyst

THE STRAIT OF HORMUZ AND EUROPE'S ENERGY SECURITY

The joint American-Israeli war on Iran and Iran's consequent control of the Strait of Hormuz are causing major disruptions in global supply chains. Unknown to the general public prior to the war, the Strait proved to be one of the most strategically important maritime chokepoints in the world. It serves as the principal export route for Gulf oil and liquefied natural gas (LNG). In times of peace, approximately 20 million barrels of oil transit through the Strait daily, nearly one quarter of global maritime oil trade. Around 20% of global LNG exports – particularly from Qatar and the UAE – also pass through Hormuz.¹

The current political stalemate could cause the gravest energy shock since the 1990 oil price shock. Although Asian economies are the largest direct importers of hydrocarbons from the Gulf, the EU's energy system remains vulnerable, despite efforts to diversify supplies following the Russian invasion of Ukraine. The escalating Hormuz crisis already started re-exposing Europe's vulnerabilities especially in relation to oil and food pricing, as well as energy security.

¹ <https://www.iea.org/about/oil-security-and-emergency-response/strait-of-hormuz?>

EUROPE'S STRUCTURAL DEPENDENCE ON GLOBAL ENERGY MARKETS

Following the onset of the Russia-Ukraine war in 2022, Europe reduced its dependency on Russian pipeline gas. This diversification strategy meant increasingly relying on LNG imports. Even if Europe imports a smaller share of Gulf oil compared to Asia, it remains exposed to global price volatility. Currently, the problem is not so much where Europe imports its gas from, as it is the interconnectivity of global markets.

According to the International Energy Agency (IEA), only around 4% of crude oil flows through Hormuz are directly destined for Europe. However, oil markets are globally integrated. This means that, as the market depends heavily on continuous oil supply, even small disruptions create fear of shortages, which pushes up global oil prices almost instantly. The IEA warns that any prolonged disruption would inevitably generate severe shortages and major price volatility because alternative export routes cannot compensate for the lost volumes. Existing alternative pipelines in Saudi Arabia and the UAE can redirect only between 3.5 and 5.5 million barrels per day – far below the roughly 20 million barrels usually transiting through the Strait.

The gas dimension is equally critical. Around 7% of Europe's LNG imports in 2025 originated from cargoes transiting through Hormuz. As Asian buyers are losing access to Qatari LNG, they will compete aggressively for alternative supplies from the United States, Norway, Algeria, or West Africa. This competition would eventually sharply increase prices for European consumers.

The experience of the 2022 energy crisis demonstrated how quickly gas shortages can destabilize European economies. Electricity prices surged, inflation accelerated, and several energy-intensive industries reduced production or temporarily shut down operations. The ongoing Hormuz disruption could reproduce similar dynamics under even more fragile geopolitical and social conditions within and outside Europe.

Beyond market dynamics, a prolonged Hormuz disruption, or a Hormuz permanently under Iranian control, might increase Europe's strategic dependence on the United States at a time when it is seeking to distance itself from the Trump administration, while the transatlantic alliance is being tested by a war that Europe did not initiate, did not collectively support, and over which it has limited strategic influence.

THE IMPACT OF THE CRISIS ON EUROPEAN MARKETS AND CONSUMERS

The Hormuz crisis removed more than 14 million barrels per day from global supply, pushing the price per barrel to over \$100.² Each additional month of closure could increase prices by another \$10 to \$15 per barrel.³

This could translate into a multidimensional crisis for Europe. Transport and logistics costs would rise sharply, inflation would likely accelerate again after the relative stabilization observed since 2023 and governments could face renewed social unrest over household purchasing power, especially regarding fuel, heating and food costs. Already, austerity measures are being met with large-scale protests and strikes, the latest being the general strike in Belgium on May 12th.

European airlines would also face severe difficulties. Jet fuel inventories in Europe have already fallen to five-year lows amid disruptions linked to the crisis. Shipping and maritime insurance costs would similarly increase, further intensifying inflationary trends across European supply chains. As the summer travel season begins – a period during which millions of Europeans travel across and outside the continent – airlines could be forced to increase ticket prices in order to manage rising fuel costs.⁴

Long-haul flights would be particularly affected, especially routes connecting Europe to Asia and the Gulf, where rerouting due to the conflict risk sharply increasing operational expenses. In worse scenarios, airlines could reduce flight frequencies or cancel less profitable routes altogether.⁵ Budget airlines, whose business models rely on low operating costs and high passenger turnover, would be especially vulnerable to prolonged fuel price increases. Such disruptions would not only affect tourism revenues across Southern Europe but also further reinforce inflation on consumers already facing broader increases in transport and living costs.

Higher energy prices would also undermine European industrial competitiveness. Sectors such as chemicals, steel, aluminum, fertilizers, and manufacturing remain

² <https://www.reuters.com/business/energy/global-oil-supply-plunge-below-demand-this-year-iran-war-ia-says-2026-05-13>

³ <https://www.wsj.com/business/energy-utilities-roundup-market-talk-1b719879?>

⁴ <https://www.bbc.com/news/articles/clyprnelzxzo>

⁵ https://www.huffingtonpost.co.uk/entry/flight-cancellations-uk-eu-jet-fuel_uk_6a046996e4b040d76f641edb

highly energy-intensive. During previous energy crises, many European firms relocated production abroad or reduced output because of unsustainable costs. A new supply shock could deepen concerns about deindustrialization within the EU.

EUROPE'S ENERGY SECURITY IS TIED TO THE GULF

As the European Commission itself acknowledged on May 2026, the EU remains structurally dependent on global fossil fuel markets despite efforts to diversify supply sources.⁶ While Brussels insists that there is currently “no immediate security of supply concern,” it simultaneously recognizes that Europe remains highly vulnerable to disruptions affecting global oil and LNG trade routes, particularly vis-a-vis the Middle East. The Commission’s emphasis on strategic petroleum reserves, coordinated gas storage mechanisms, and fuel monitoring systems further reflects an implicit acknowledgment that European energy security remains deeply tied to stability in the region.

Europe’s energy security is particularly tied to Gulf security because the region functions simultaneously as a major source of hydrocarbons, a key transit corridor, and a central site of global price formation. Despite Europe’s efforts at diversification since the 2022 energy crisis, Gulf producers remain central to global oil and LNG markets. Their significance lies specifically in their capacity to stabilize or destabilize global supply, which in turn determines the prices paid by European economies.

This structural exposure is amplified through the Gulf’s long-standing role in collective production management via OPEC and OPEC+. These institutions have historically regulated global supply through quota systems and coordinated output adjustments, shaping benchmark prices such as Brent crude. Because Europe is a price-taker in global energy markets, any production decision taken within these frameworks – whether cuts to stabilize prices or increases to defend market share – feeds directly into European inflation, transport costs, and industrial competitiveness. In this sense, Europe’s energy security is not only about physical

⁶ https://commission.europa.eu/topics/energy/eu-action-address-energy-crisis_en

access to barrels or LNG cargoes, but about exposure to governance mechanisms located in the Gulf and its wider producer alliances.

Yet, recent fragmentation within Gulf energy governance, particularly the UAE's withdrawal from OPEC and OPEC+, signals a weakening of collective production discipline. Rather than reducing Europe's exposure, this shift increases uncertainty by undermining coordinated spare capacity management and making supply responses more fragmented and less predictable. The result is a more volatile global oil market in which price shocks are transmitted more quickly and less controllably to Europe.

THE WAY FORWARD FOR EUROPE

Europe's response must begin with accelerating structural energy transition. Expanding renewable capacity, particularly offshore wind in the North Sea, large-scale solar in Southern Europe, and cross-border grid interconnections. Coupled with faster electrification of transport and improved storage capacity, these measures directly weaken Europe's sensitivity to geopolitical disruptions in global hydrocarbon supply chains.

Given the continued centrality of Gulf hydrocarbons in global pricing, resilience also depends on stabilizing the security environment of the Gulf itself rather than treating it as an external variable. The region is not only a supplier but a critical point in global energy circulation, and Europe has an interest in contributing to the security of maritime chokepoints such as Hormuz. Strengthening coordination through existing frameworks like the European-led Maritime Awareness in the Strait of Hormuz (EMASoH), improving naval surveillance, and enhancing information-sharing with regional partners could reduce the risk for further escalation.

Europe should also deepen strategic cooperation with Gulf producers beyond traditional buyer-seller relations. This includes joint investment in energy infrastructure security, LNG shipping resilience, and emerging transition sectors such as hydrogen and carbon capture. Such partnerships – particularly with Qatar, the UAE, and Saudi Arabia – can embed shared interests in both stability and decarbonization, making Gulf security more directly linked to Europe's own energy transition trajectory.

About the BIC

The BIC is an independent, non-profit, think-and-do tank based in the capital of Europe that is committed to developing solutions to address the cyclical drivers of insecurity, economic fragility, and conflict the Middle East and North Africa. Our goal is to bring added value to the highest levels of political discourse by bringing systemic issues to the forefront of the conversation.

Revitalising Multilateral Perspective and Policy Series

This project assesses multilateral measures being implemented by institutions such as the United Nations and the European Union and aims to find more effective policy to end conflict and foster sustainable political solutions.

Author

Yasmine Akrimi | Research and Project Lead

**BRUSSELS
INTERNATIONAL
CENTER**

 @BICBrussels  @bicrhr  BIC

 www.bic-rhr.com  info@bic-rhr.com

 Avenue Louise, 89 1050, Brussels, Belgium  Tel:+32 027258466