



EUROPEAN ORGANISATION FOR STRATEGIC POLICY

STRATEGIC ANALYSIS · SA 02 / 2026

Europe's Energy Security After the 2026 Middle East Supply Shock

A resilience agenda linking gas, electricity, shipping, fertiliser and
diplomatic partnerships.

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STRATEGIC ANALYSIS

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EXECUTIVE JUDGEMENT

The 2026 supply shock demonstrates that energy resilience cannot be managed commodity by commodity: Europe needs joint stress tests, flexible demand, infrastructure repair capacity and producer-consumer diplomacy across gas, power, shipping and fertiliser systems.

KEY FINDINGS

- The Strait of Hormuz disruption exposed a single corridor as a global LNG and industrial-input vulnerability.
- Renewables reduced European gas demand, but price and cargo competition still transmitted the shock into industry and agriculture.
- Storage is necessary but insufficient without grids, interconnectors, demand flexibility and repair capacity.
- Energy diplomacy should include crisis conduct, destination flexibility and transparent coordination protocols.

A system shock, not a single-market event

The de facto closure of the Strait of Hormuz interrupted flows that had represented almost one fifth of global LNG supply. The consequences spread beyond gas prices: shipping routes, fertiliser production, electricity markets and industrial competitiveness were affected simultaneously. Policy frameworks organised around individual commodities can therefore miss the compound risk created when one corridor connects several essential systems.

Europe's resilience dividend and residual exposure

Higher renewable output and earlier diversification reduced European gas consumption and limited physical shortages. Yet flexible LNG cargoes moved toward higher-priced Asian markets, demonstrating that supply security is shaped by global competition as well as domestic stocks. Energy-intensive industry and agriculture remain exposed through electricity, ammonia, urea and transport costs even when household supply is protected.

A cross-system stress test

European institutions should test gas, electricity, ports, shipping, fertiliser and industrial demand together under 30-, 90- and 180-day disruption scenarios. The exercise should identify the price at which voluntary demand reduction becomes socially or industrially damaging, the availability of alternative routes and repair capacity, and the coordination required between energy, transport, agriculture and foreign ministries.

Diplomacy as infrastructure

Producer-consumer dialogue must become operational. Long-term partnerships should address crisis communication, destination flexibility, infrastructure protection and predictable treatment of contracted supply. Cooperation with Gulf partners is most valuable when it connects commercial agreements to common expectations about behaviour under severe market stress.

POLICY RECOMMENDATIONS

- 01 Run an annual EU cross-system energy-security exercise involving foreign and economic ministries.
- 02 Publish a common inventory of rerouting, repair, storage and demand-response capacity.
- 03 Accelerate grids and interconnectors alongside generation and storage investment.
- 04 Protect fertiliser and other gas-dependent inputs in food-security contingency planning.
- 05 Create a standing EU-Gulf energy-security dialogue with crisis protocols.

DECISION AND MONITORING MATRIX

Priority	Decision horizon	Evidence of progress
Run an annual EU cross-system energy-security exercise involving foreign and economic ministries.	0-90 days	Hormuz transit volumes
Publish a common inventory of rerouting, repair, storage and demand-response capacity.	3-12 months	TTF-JKM price spread
Accelerate grids and interconnectors alongside generation and storage investment.	12-36 months	European storage withdrawal rates
Protect fertiliser and other gas-dependent inputs in food-security contingency planning.	Continuous	Fertiliser production and food-price pressure
Create a standing EU-Gulf energy-security dialogue with crisis protocols.	Annual review	Hormuz transit volumes

INDICATORS TO WATCH

- Hormuz transit volumes
- TTF-JKM price spread
- European storage withdrawal rates
- Fertiliser production and food-price pressure

SOURCES AND METHOD

This publication distinguishes verified institutional evidence from CERAX interpretation and forward-looking judgement. Principal public sources are listed below; all recommendations are the institutional judgement of CERAX.

- IEA, Gas Market Report Q3 2026
- Council of the EU, EU-GCC summit



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Independent analysis. Diplomatic judgement. European perspective.