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The U.S.–Israel–Iran Conflict and the Energy and Economic Situation of Central European Countries

The armed conflict between the United States, Israel, and Iran—encompassing both strikes on targets inside Iran and Iranian retaliatory attacks on energy infrastructure in the Persian Gulf—together with the effective suspension of maritime traffic through the Strait of Hormuz, has triggered the most severe shock to global energy markets since Russia’s invasion of Ukraine in 2022. The structure of crude oil supply chains and the limited dependence on Qatari liquefied natural gas (LNG) provide Central European countries with a relatively high degree of resilience against physical shortages of energy commodities. The primary transmission channel of the conflict’s impact on the region remains energy prices and their macroeconomic consequences.

Energy Context. The escalation of the U.S.–Israel–Iran conflict, followed by attacks on energy infrastructure in the Persian Gulf, the suspension of LNG production at Ras Laffan in Qatar, and the effective paralysis of maritime traffic through the Strait of Hormuz, has triggered a sharp market reaction. Approximately 19 million barrels per day (mb/d) of crude oil and liquid fuels, as well as more than 10 billion cubic meters (bcm) of natural gas in the form of LNG, transit the Strait of Hormuz daily, accounting for around 20% of global trade in these commodities. In response to the attacks on Ras Laffan and Mesaieed, QatarEnergy suspended LNG production on 2 March 2026. At the same time, European natural gas prices (TTF) surged by more than 50% intraday, reaching EUR 48.85/MWh. Natural gas storage levels in the European Union stood at around 30% at the end of February 2026, compared with 38.2% a year earlier and 62.7% two years earlier.

With regard to crude oil, Central Europe’s exposure to disruptions in the Strait of Hormuz is structurally limited. Supplies of this commodity from the region are directed primarily to ORLEN refineries in Poland, Lithuania, and Czechia. These deliveries are sourced from Saudi Arabia via the Yanbu terminal on the Red Sea, rather than through Persian Gulf terminals such as Ras Tanura (the crude oil is transported via the East–West pipeline to Yanbu and subsequently shipped by tankers through the Red Sea and the Suez Canal to Europe). In Poland, crude oil is delivered to the crude oil terminal in Gdańsk; in Lithuania, to the terminal/offshore buoy at Būtingė serving the Mažeikiai refinery; and in Czechia, to the Trieste terminal, from where it is transported via the TAL and IKL pipelines. While shipping through the Strait of Hormuz has been almost halted (from 91 vessels on 28 February 2026 to 26 vessels on 1 March 2026, compared with a February 2026 average of 135 vessels per day), crude oil exports via the Red Sea remain operational. As a result, the physical availability of crude oil for Poland, Lithuania, and Czechia should be maintained. In the event of shortages, member states of the International Energy Agency (IEA)—including Poland, Lithuania, Latvia, Estonia, the Czech Republic, Slovakia, and Hungary—hold mandatory crude oil and liquid fuels stocks equivalent to at least 90 days of average net imports. Other EU countries in the region maintain comparable reserves. Consequently, the primary transmission channel of the conflict’s impact remains prices, particularly diesel fuel, whose futures contracts have reached their highest level in 23 months.

With regard to natural gas, the situation is more complex, yet it does not indicate an immediate threat to the continuity of supply. It is estimated that approximately 88% of LNG from Qatar and the United Arab Emirates transiting the Strait of Hormuz is directed to the Asia–Pacific region, which means that Europe is a comparatively less significant destination. In 2025, Qatar supplied the European Union with approximately 8.7 million tonnes of LNG, accounting for 8.2% of total LNG imports into EU member states. In Central Europe, direct dependence on Qatari LNG remains limited. Poland receives LNG primarily under long-term contracts via the Świnoujście LNG terminal. Lithuania relies on the FSRU terminal in Klaipėda, where supplies from the United States and Norway

predominate. Sporadic Qatari deliveries are directed to the LNG terminal on the island of Krk in Croatia. In addition, the winter season in Central Europe is coming to an end, which reduces current demand for natural gas. Natural gas storage levels stand at: Poland – 50.76%; Bulgaria – 42.41%; Hungary – 34.82%; Romania – 33.60%; Czechia – 31.30%; Slovakia – 27.97%; Latvia – 19.72%; and Croatia – 11.72%. Although these levels are lower than in the corresponding period of previous years, they do not point to a crisis situation, with the exception of the relatively low storage levels in Latvia and Croatia. The duration of the disruptions is the key determining factor. In the case of an interruption lasting up to two weeks, the impact would be largely confined to an increase in risk premia embedded in prices. However, if the suspension of production in Qatar—amounting to 82.4 million tonnes annually, or nearly one-fifth of global LNG exports—were to last longer than one month and result in damage to infrastructure, the effects could become structural and adversely affect the pace of inventory replenishment ahead of the 2026/2027 winter season.

Economic Context. The escalation of the U.S.–Israel–Iran conflict occurred at a time when inflation in the European Union was on a downward trajectory. In January 2026, the annual inflation rate in the EU declined to 2.0%, compared with 2.8% in January 2025, 3.1% in January 2024, and 10% in January 2023. However, inflation dispersion across the EU remained significant. The lowest rates were recorded in France (0.4%), Denmark (0.6%), and Finland and Italy (1.0% each), while the highest inflation persisted in Central European countries—Romania (8.5%), Slovakia (4.3%), and Estonia (3.8%). The European Commission’s economic forecast of November 2025 assumed a continuation of the disinflationary trend, with EU inflation projected to average 2.1% in 2026, based on an assumed crude oil price of approximately USD 63 per barrel and natural gas prices in the range of EUR 29–32/MWh. The price shock observed in the first days of March 2026 challenges these assumptions. Natural gas prices are currently more than 60% above the forecast level, while crude oil prices are higher by over 25%.

In response to these developments, the European Central Bank (ECB)—which, following eight interest rate cuts since June 2024, had maintained the deposit facility rate at 2.0%—has been forced to reassess its outlook. Markets, which as recently as a week earlier had priced in the possibility of further rate cuts, now expect no changes. On 3 March 2026, ECB Chief Economist Philip Lane warned that a prolonged conflict could lead to a significant increase in inflation and a weakening of economic momentum. The ECB’s updated macroeconomic projections are scheduled for publication on 19 March 2026. It cannot be ruled out that, as in 2022 following Russia’s invasion of Ukraine, the ECB may present several scenarios rather than a single baseline projection. For Central European countries outside the euro area, the situation is even more complex. Their central banks face a policy dilemma: inaction in the face of inflationary pressures could entrench higher inflation expectations and weaken domestic currencies, while monetary tightening could stifle an already modest economic recovery ([“IEŚ Commentaries” No. 1504](#)). Experience from 2022–2023—when Central European central banks responded to the energy shock with greater determination than the ECB—suggests that this scenario could recur if the conflict persists for more than a few weeks.

Conclusions:

- In the crude oil segment, Central European countries demonstrate a high degree of resilience to direct disruptions in the Strait of Hormuz, owing to the use of the Saudi export route via the Red Sea and the Suez Canal. The structure of supply chains serving Gdańsk, Büttinge, and Trieste significantly reduces the risk of physical shortages. In addition, mandatory crude oil and liquid fuels stocks equivalent to at least 90 days of net imports provide a systemic buffer. The primary risk therefore relates to rising liquid fuels prices, as increases at the wholesale level may translate into higher retail prices across the region.
- In the natural gas segment, the key factor is competition in the global LNG market rather than an immediate physical shortage of supply. Qatar’s share in EU LNG imports (8.2%) and the predominance of LNG flows to Asia (88% of volumes transiting the Strait of Hormuz) limit the direct impact on Central Europe. Nevertheless, with EU natural gas storage levels at around 30% at the end of February 2026, any prolonged global reduction in LNG supply could increase the cost of rebuilding inventories.

- The duration of the conflict remains the decisive factor. Short-term disruptions (up to two weeks) are likely to have predominantly price-driven and speculative effects. Disruptions lasting longer than one month—particularly in the event of damage to LNG infrastructure in Qatar or a sustained blockade of the Strait of Hormuz—could affect the global supply balance, intensify competition for LNG cargoes, and raise energy costs in Central Europe in the autumn and winter of 2026/2027.
- The price shock poses a threat to the continuation of the disinflation process in Central Europe. The three-year downward trend in EU inflation could be reversed by a sharp increase in energy commodity prices, significantly exceeding the levels assumed in the European Commission’s forecast. Countries in the region are particularly vulnerable due to higher initial inflation, their status as net importers of energy commodities, and the strong dependence of industrial sectors on energy and logistics costs.
- Central banks in non-euro-area Central European countries face a monetary policy dilemma similar to that of 2022–2023. Monetary tightening would help protect domestic currencies and anchor inflation expectations but could undermine an already modest economic recovery. Policy inaction, by contrast, risks entrenching higher inflation and further weakening national currencies. The future direction of monetary policy in the region will depend on the duration of the conflict, the scale of the energy shock, and the stance of the ECB itself, which is facing growing uncertainty regarding the further path of interest rates.