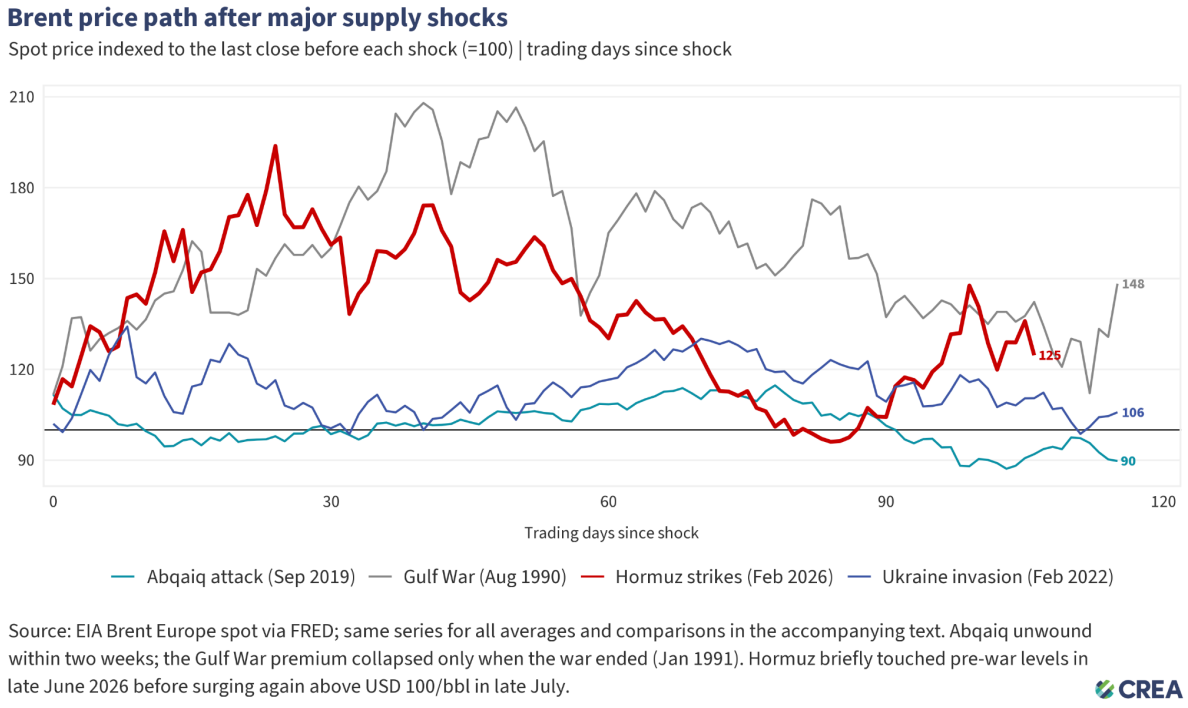
Press release

Fossil fuel bills skyrocket by more than USD 330 billion since start of Hormuz crisis

In the six months since the US-Israeli attacks on Iran, countries importing fossil fuels have had to stump up an additional USD 55 billion (bn) every month - the largest sustained price shock since the 1990 Gulf War. Without the clean energy expansion of the past five years, the fossil fuel import bill would have been USD 36 bn higher.

HELSINKI, 26 August 2026 - Half a year since the Hormuz crisis started on 28 February 2026, the continuing disruption to global shipping has wreaked havoc across oil and gas markets, adding more than USD 330 bn to fossil fuel import bills, according to new research by the Centre for Research on Energy and Clean Air (CREA). This estimate is based on the increase in market prices for seaborne oil and gas compared with market expectations before the war, and excludes higher global freight charges and other costs that would push the total higher.



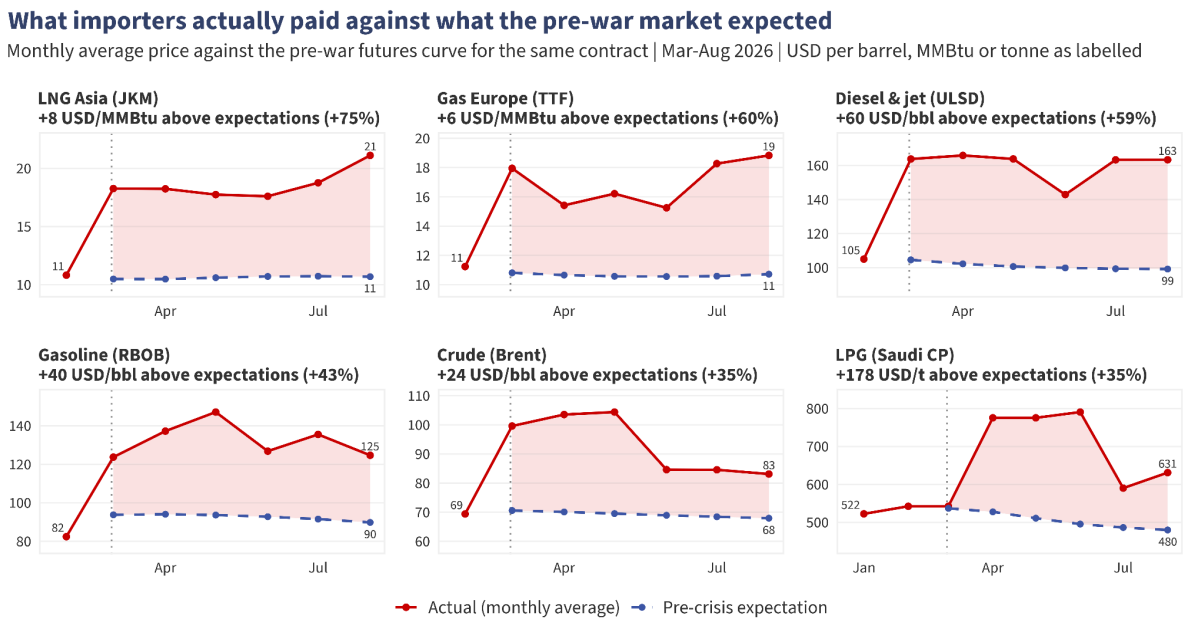
Source: EIA Brent Europe spot via FRED; same series for all averages and comparisons in the accompanying text. Abqaiq unwound within two weeks; the Gulf War premium collapsed only when the war ended (Jan 1991). Hormuz briefly touched pre-war levels in late June 2026 before surging again above USD 100/bbl in late July.

Crude alone accounts for USD 164 bn of the extra cost, at an average premium of 35% over what markets had priced in before the strikes. But refined fuels – the products people actually rely on

day-to-day – rose by a higher proportion than crude. Diesel and gasoil were up 59%, adding USD 74 bn; gasoline rose USD 36 bn, up 43%; LNG rose 60% in the Atlantic basin and 75% in the Pacific, adding USD 38 bn; and jet fuel was up 59%, adding USD 20 bn.

Diesel price spike impacts everywhere, driving inflation

Industry, freight and farming are highly dependent on diesel, so its cost drives up the price of goods well beyond the fuel pump. It is also the most widely felt of these costs: 134 of the 170 countries in this analysis paid more for diesel than their pre-war futures implied. The war premium for diesel has stayed above 55% in five of the six months, dipping to 43% in June before climbing back to 65% by August. Even the US, the world's largest producer, has not been able to isolate itself fully from the crisis, with the average price of a gallon of diesel rising to USD 5.57 in the week of 17 August – the highest since 2022 and closing in on that year's record (AAA).



Source: CME daily settlements via Databento; Saudi Aramco contract price announcements. Panels show monthly averages of front-month settlements against the 16-27 February 2026 futures curve's expectation for the same delivery months, with the shaded area the premium actually paid. The dotted line marks the strikes; February sits on the expectation because it is a pre-war month. LPG is Aramco's announced contract price against its no-war counterfactual, which is a higher premium than India pays once US cargoes are weighted in. August is the five trading days settled at the time of writing, with the rest of the month held at the 7 August settlement.

Countries that invested in clean energy save USD 36 bn and counting

Beyond geography, a country's resilience to surging fossil fuel prices has been largely determined by the share of clean power in its energy mix.

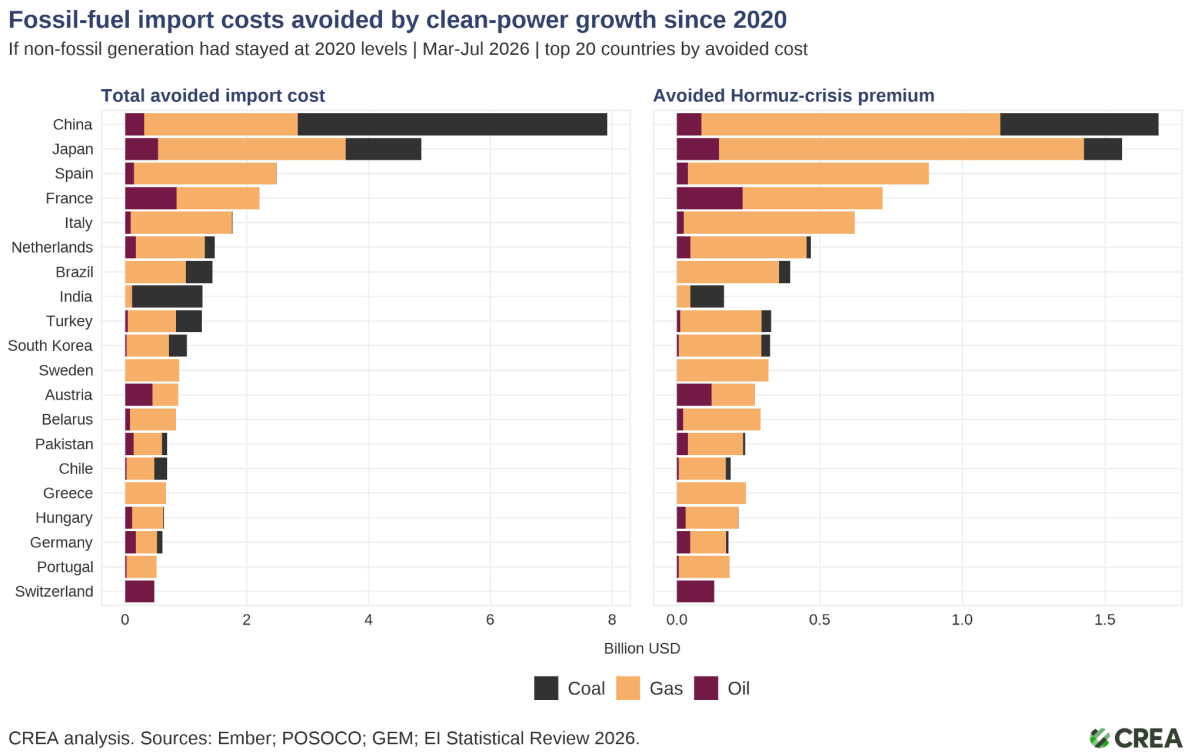
'*The best way to protect against high oil prices is to get off the black stuff as quickly as possible,*' says Luke Wickenden, Energy Analyst at CREA. '*Oil and gas prices have long proven to be an Achilles' heel*

for both household finances and the global economy as a whole. Meanwhile, countries that invested in clean energy after past energy crises have saved billions of dollars.'

In the first five months of the crisis alone, clean power capacity added since 2020 saved importing countries an estimated USD 36 bn in avoided coal, gas and oil imports.

USD 10.6 bn of those savings exists only because of the war: once the crisis pushed fuel prices up, every tonne of coal or cubic metre of gas these countries no longer needed to buy was money they did not have to pay at inflated wartime prices, on top of what they would already be saving in normal times. *'The energy transition is an investment,'* adds Wickenden, *'so the best day to have started is yesterday.'*

Clean energy production isn't the only thing reducing reliance on volatile fossil fuels: electrification across key sectors like heating and transport is also cutting into demand. The world's electric vehicle fleet is set to replace the use of 5 million barrels of oil a day by 2030 – roughly as much crude as Saudi Arabia is currently moving through the East-West Yanbu pipeline to bypass the Strait of Hormuz (IEA, Global EV Outlook 2025).



Note: The left panel shows the full fossil fuel import bill avoided by clean power built since 2020, valued at the prices countries actually paid between March and July 2026. The war pushed prices above pre-war market expectations so the fuel countries did not buy and also spared them that mark-up. The right panel is the price mark-up alone showing a subset of the left-hand figure.

Impact lands hardest on the poorest countries

Following US and Israeli strikes on Iran, higher oil and gas import costs have hit poorer countries hardest. Low- or lower-middle-income countries paid an additional 1.0% of their 2024 GDP on increased fossil fuel costs — more than twice the 0.45% burden faced by high-income countries.

'Across every fossil fuel product, this crisis is a multi-car pile-up, and where you land depends on what you're driving,' says Wickenden. '*Wealthier nations, for whom paying extra is less of a burden in the short term, can absorb the higher prices. That's not the case for lower-income countries that are far more price-sensitive. The countries best placed are the ones already in the EV lane: with fuel imports slashed, they can skirt the pile-up altogether.*'

About the analysis

CREA compared what importing countries actually paid for crude oil, fuels, and gas shipped by sea between March and August 2026 with what they were on course to pay before the war. The comparison uses the futures curve as it stood in the 12 days leading up to the strikes, when the market was already pricing every delivery month of 2026. Therefore, this is not a forecast made by CREA but the market's own pre-war expectation, and because both sides of every comparison are settlements of the same contract, the gap is a like-for-like price difference rather than a modelled one. Volumes are actual ship-tracked cargo arrivals from March to July 2026, sourced from Kpler, representing USD 281.7 bn of the total. August, about 15% of the total, is modelled because shipping data takes a couple of weeks to settle, and only five of August's trading days had settled when the analysis was written in advance of publication. The analysis covers 170 countries and excludes pipeline gas, coal, fuel oil and naphtha, freight and war-risk insurance. Volumes reflect what importers actually bought, so demand lost to higher prices is already out of the totals, and what it cost people to go without is not counted anywhere. Each of these choices pushes our estimate down rather than up, so our estimate is conservative.

Media contacts

Victor Ponsford (Brazil), Strategic Media Relations Advisor, Secure Energy Project
victor@secureenergyproject.org +47 94974977

Isaac Levi (UK), Europe-Russia Policy & Energy Analysis Team Lead, CREA
isaac@energyandcleanair.org

Hannah Ekberg (UK), Team Lead Communications, CREA
hannah@energyandcleanair.org

Notes to editors

The full analysis can be found here.

Please contact queries-russia@energyandcleanair.org for the full CREA dataset.

About CREA

The Centre for Research on Energy and Clean Air (CREA) is an independent research organisation focused on revealing the trends, causes, and health impacts, as well as the solutions, to air pollution. CREA was founded in December 2019 in Helsinki and has staff in several Asian and European countries. The organisation's work is funded through philanthropic grants and revenue from commissioned research.

www.energyandcleanair.org

About Secure Energy Project

The Secure Energy Project exists to tell a better story of the energy transition. We work with businesses, governments and communities. We use real-world data, audience-tested messaging, and proven communications strategies to show how clean energy improves lives, enriches communities, and builds a better future for all of us.

https://www.secureenergyproject.org/

Annex

The top 25 countries that paid the most, March to August 2026	
Country	**Additional fossil fuel import cost (USD bn)**
China	35.5
India	22.5
United States	16.5
Netherlands	13.5
South Korea	13.2
Italy	12.7
Japan	12.0
France	11.1
Spain	10.3
Egypt	10.1
United Kingdom	9.7
Australia	9.6
Singapore	8.1
Türkiye	6.9
Malaysia	6.1
Poland	5.3
Taiwan	5.1
Indonesia	5
Thailand	4.7
Mexico	4.7
Germany	4.4
Brazil	4.2
South Africa	3.5
Canada	3.5
Vietnam	3.4