Working Lunch "Energy in a Changing Geopolitical Environment: Implications for Oil and Natural Gas Prices and Challenges for Energy Markets"

On March 17th, 2026, the HELLENiQ ENERGY Center for Sustainability & Energy @Alba hosted its 3rd Working Lunch at the Basil & Elise Goulandris Foundation, focusing on the implications of a rapidly shifting geopolitical landscape for global energy markets. The discussion reflected the growing complexity of energy systems, shaped not only by supply and demand fundamentals but increasingly by geopolitical risk, infrastructure resilience, and the pursuit of strategic autonomy.

Recent tensions in the Middle East have highlighted the vulnerability of global energy flows, particularly through critical maritime chokepoints such as the Strait of Hormuz, which accounts for roughly 20% of global oil and LNG trade. Disruptions in such routes affect not only pricing dynamics but also the physical movement of energy, leading to longer transit times, higher transportation costs, and the need to continuously readjust supply chains. The impact is especially pronounced in the shipping sector, which remains directly exposed to these developments.

Despite heightened geopolitical uncertainty, market reactions—particularly in natural gas—have remained more contained compared to the shock experienced following Russia's invasion of Ukraine in 2022. This reflects a higher degree of preparedness across Europe, supported by increased LNG import capacity, diversified supply routes, and a stronger contribution from renewable energy sources. Reduced dependence on single suppliers, combined with greater flexibility in sourcing, has created a buffer against potential disruptions.

Europe's gas market has undergone a structural transformation. Pipeline imports have declined while LNG has taken on a central role, with EU import capacity expected to grow from approximately 338.9 bcm today to around 400 bcm by 2030. In this environment, supply diversification and adaptability are no longer strategic options but structural necessities.

Energy systems are increasingly defined by resilience rather than flexibility alone. This involves diversification of supply, strengthened infrastructure, strategic reserves, and enhanced domestic capabilities. However, resilience carries economic costs, contributing to structurally higher energy prices and inflationary pressures estimated at 3–4% in the coming

years. The large-scale release of over 400 million barrels of oil from strategic reserves by IEA member countries illustrates the level of intervention required to stabilize markets during periods of crisis.

At the same time, the energy transition continues to reshape the landscape, introducing both opportunities and new dependencies. While the shift toward cleaner energy remains essential, its pace and implementation raise concerns around industrial competitiveness, regulatory coherence, and reliance on imported technologies and raw materials. Misalignment between renewable energy deployment and broader spatial and industrial planning remains a key bottleneck. More specifically, the energy transition has significantly increased reliance on critical minerals such as lithium, cobalt, nickel, and rare earth elements, areas where China maintains a dominant position across extraction, processing, and supply chains. This concentration creates a new layer of geopolitical risk, effectively shifting dependence from fossil fuel producers to mineral supply chains. Europe remains highly exposed in this domain, with limited domestic capacity and strong import reliance, raising concerns about long-term security of supply and industrial competitiveness.

At the same time, there is a growing reflection on the pace of Europe's adaptation to rapidly changing global conditions, alongside the need for continued clarity and alignment in governance structures, particularly with regard to strategic decision-making processes.

Within this evolving context, Greece is emerging as a strategically important energy hub. Its geographic position supports diversified energy inflows, particularly LNG, while investments in infrastructure such as FSRUs and cross-border interconnections strengthen its regional role. This creates opportunities to enhance energy security, support industrial activity, and potentially develop domestic resources, provided that policymaking remains realistic, coordinated, and aligned with broader European frameworks.

New demand pressures are also becoming increasingly visible, particularly from energy-intensive sectors such as data centers. Their rapid development is expected to significantly increase electricity demand while placing additional strain on water resources, introducing new challenges for system planning and permitting.

Geopolitical crises are no longer exceptional events but a recurring feature of the global energy landscape. Markets are increasingly shaped by cycles in which major producers enter and exit under shifting conditions, requiring continuous adaptation rather than prediction. The ability to operate effectively within uncertainty has become the core strategic priority.

In this environment, strengthening resilience emerges as the central imperative, supported by continued diversification of energy sources, accelerated investment in renewables and storage, expansion of infrastructure and interconnections, and greater system flexibility and optimization. Energy security, affordability, and sustainability—the three pillars of the energy trilemma—must now be balanced under more volatile and complex conditions, requiring disciplined investment, strategic planning, and policy realism in the years ahead. Taken together, these developments underscore the urgency of an accelerated progress towards a fully integrated EU Energy Union.