

IMPACTS OF RUSSIAN GAS PHASE-OUT AND LNG SUPPLY SHOCKS ON WHOLESALE GAS PRICES IN EUROPE

Budapest LNG Summit
07.05.2026.

Takácsné Tóth Borbála
Senior Research Associate
REKK

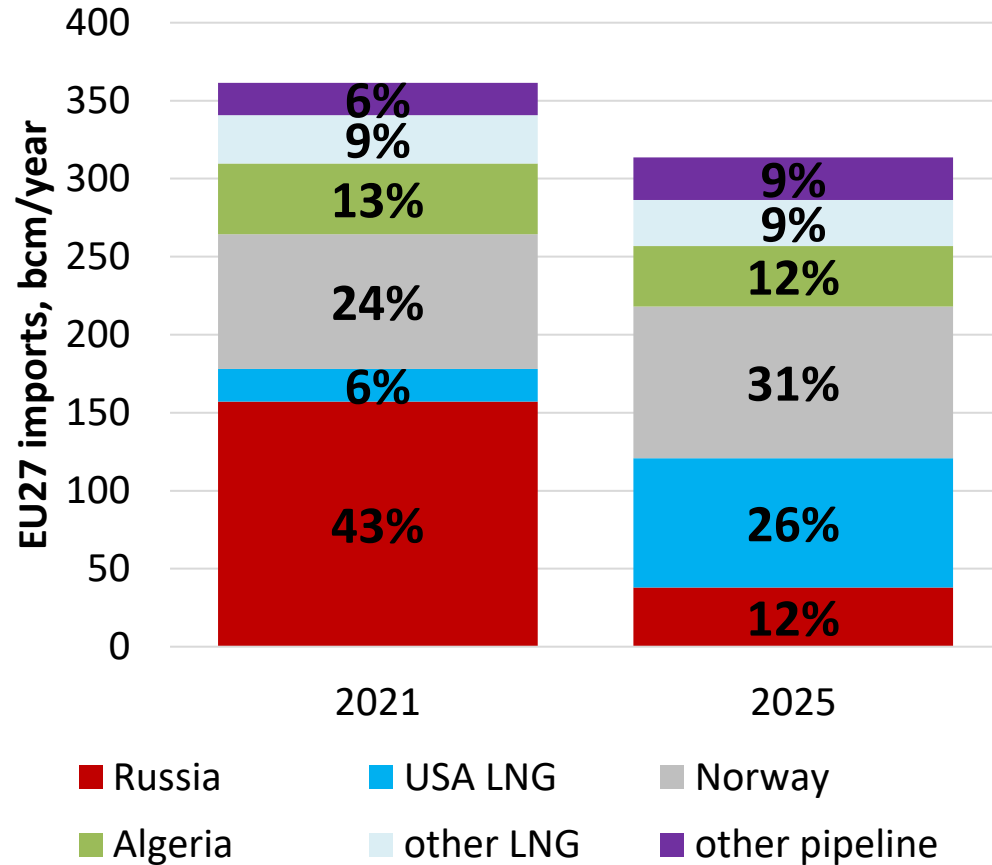
REKK

- REKK is a think tank at Corvinus University of Budapest
- Established in 2004, with a core team of 20 researchers
- Our focus is electricity, natural gas and energy and water markets in Hungary, CEE and Europe
- We provide data based policy analysis for regulators, international organisations and energy companies



In 2022 US LNG replaced the missing Russian volumes in Europe

IMPORT OF NATURAL GAS TO EUROPE 2021 vs 2025, bcm/year

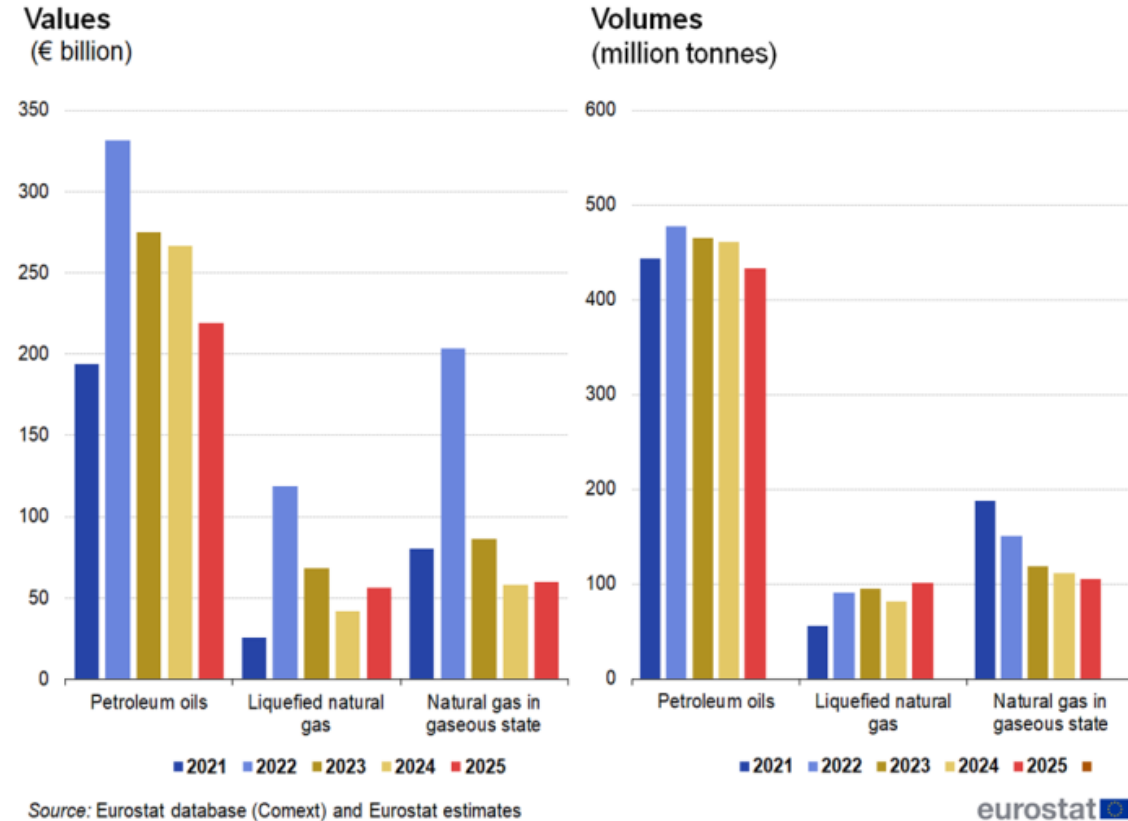


Source: REKK based on [Bruegel](#)

- Russian share (pipe+LNG) in EU27 natural gas imports decreased from 43% in 2021 to 12% in 2025.
- US LNG share increased from 6% in 2021 to 26% by 2025.
- EU has set as a political goal to ban Russian gas from the mix by Q3 2027 (REPowerEU Regulation EU/261/2026) approved in Jan 2026.
- In March 2026 US & Israel attacked Iran – due to the conflict the Strait of Hormuz is closed since 3 March 2026, stopping all LNG exports from Qatar and UAE
- **Is the REPowerEU policy still feasible in the current geopolitical crisis?**

How much does exposure to LNG cost?

Imports of natural gas and petroleum oils



Source: [Eurostat](#)

- Fossil fuel trap: 70% fossil in EU primary energy consumption in 2019 „dropped“ to 68% by 2024

FOSSIL FUEL BILL

EU27 paid ~300 billion for oil & gas imports in 2021 and 650 billion in 2022.

GAS BILL

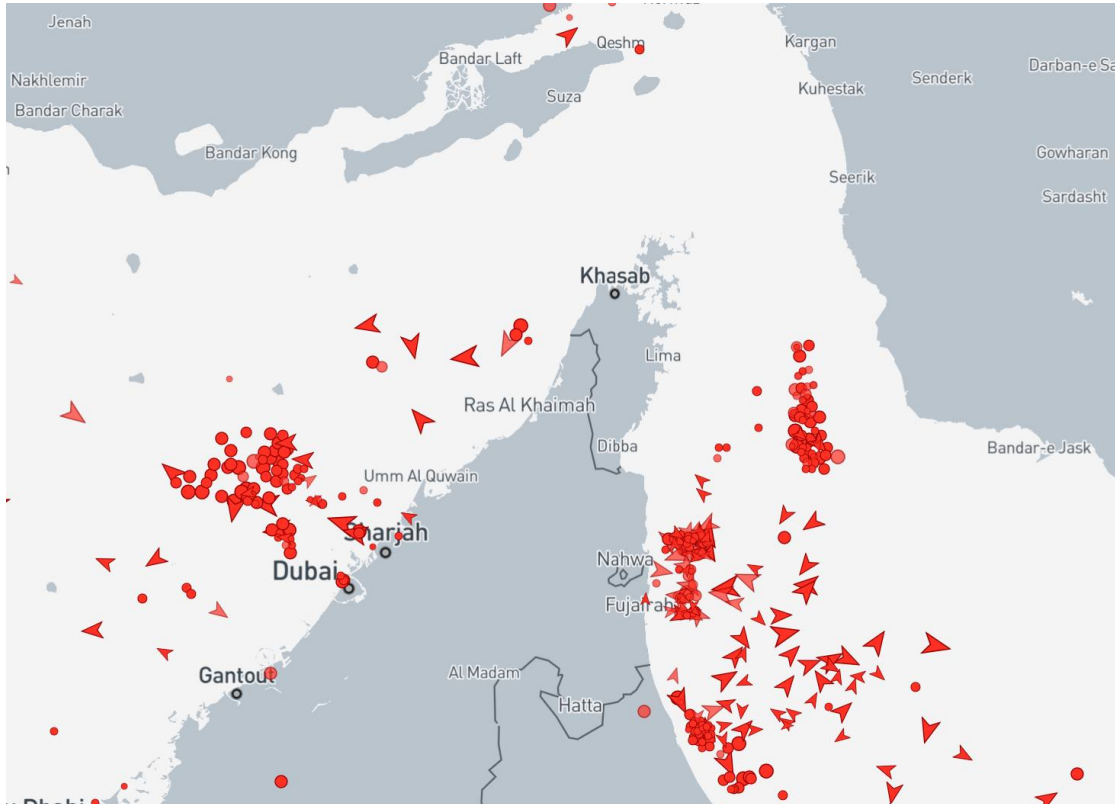
EU has paid 100 billion € for gas imports (LNG & pipeline together) in 2021 and 322 billion in 2022.

EU 27 gas bill was 116 billion € in 2025.

- **Can we expect a similar shock as in 2022, i.e. the gas bill would triple again in 2026?**

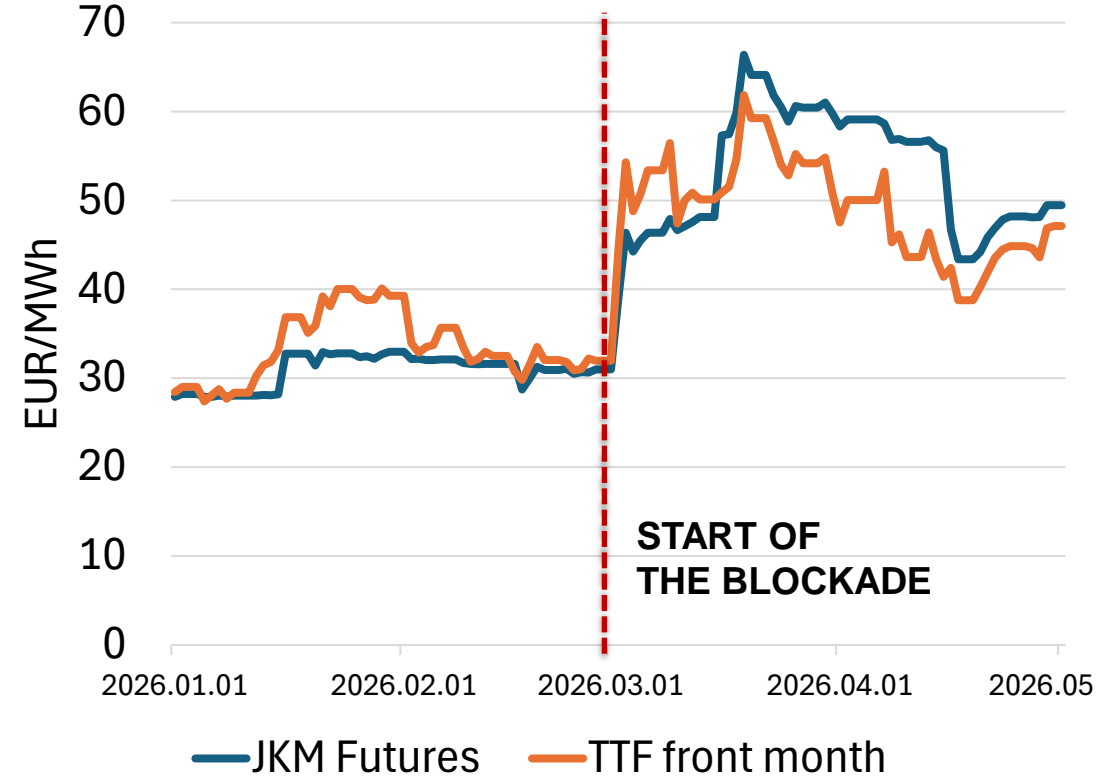
The 2026 Strait of Hormuz crisis increased gas prices globally

TANKERS WAITING AROUND THE STRAIT OF HORMUZ ON 04.03.2026.



Source: [marinetraffic](https://www.marinetraffic.com)

JAPANESE AND EUROPEAN GAS PRICES, EUR/MWH



Source: [investing.com](https://www.investing.com)

- ~20% of global LNG trade was constrained by the Hormuz crisis
- Which resulted in a ~50-100% price increase in Asian and European gas prices

MODELLING RESULTS

Modelled scenarios

**Baseline,
no constraint
(JP=40)**

With RU gas

2026

2028

REPowerEU

2026

2028

**Hormuz closed
(JP=60)**

With RU gas

2026

2028

REPowerEU

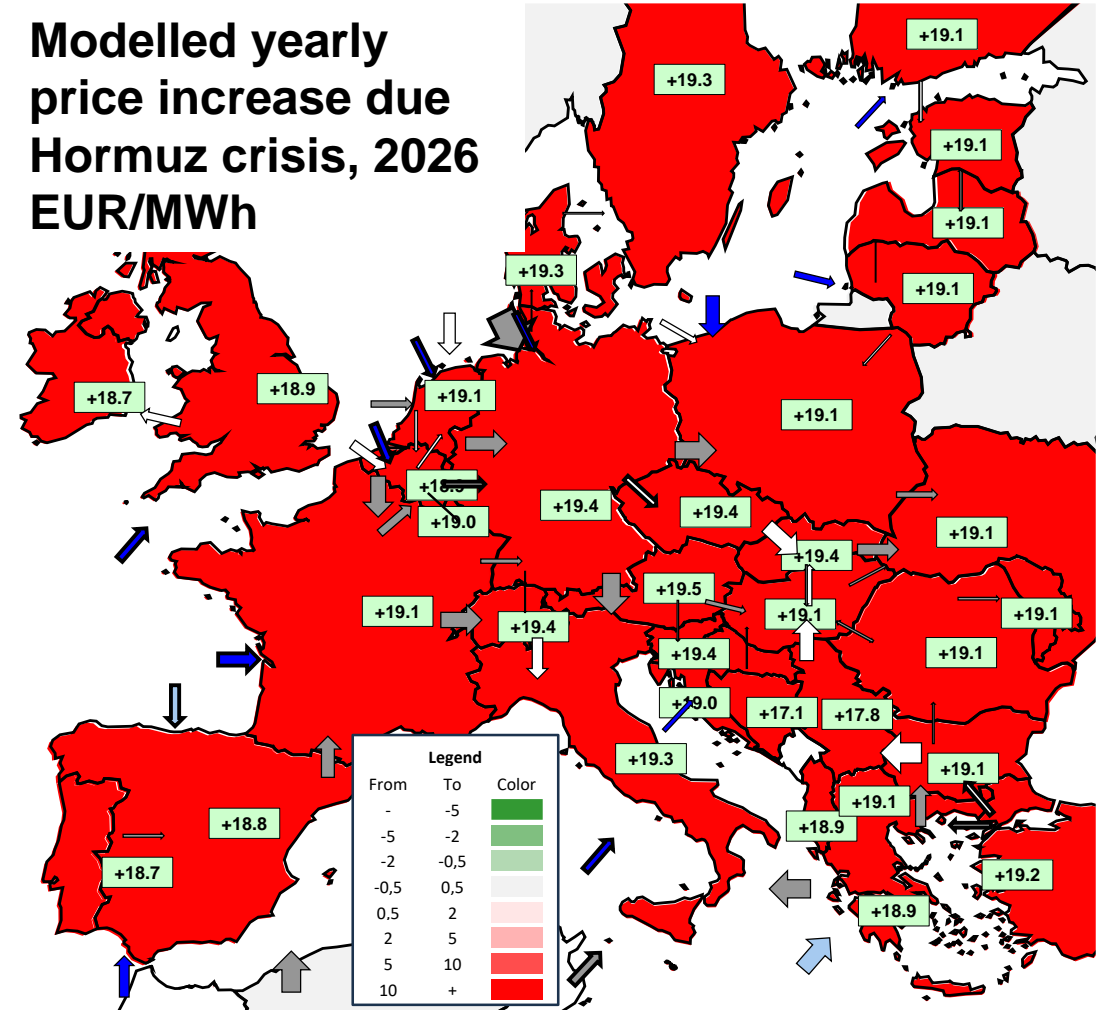
2026

2028

Hormuz crisis raises European gas prices by ~20 EUR/MWh

- European markets experience similar price increase, no regional differences occur
- > NO MAJOR BOTTLENECKS
- Infrastructure utilization of certain LNG terminals and major pipelines is high (see dark blue and gray arrows)

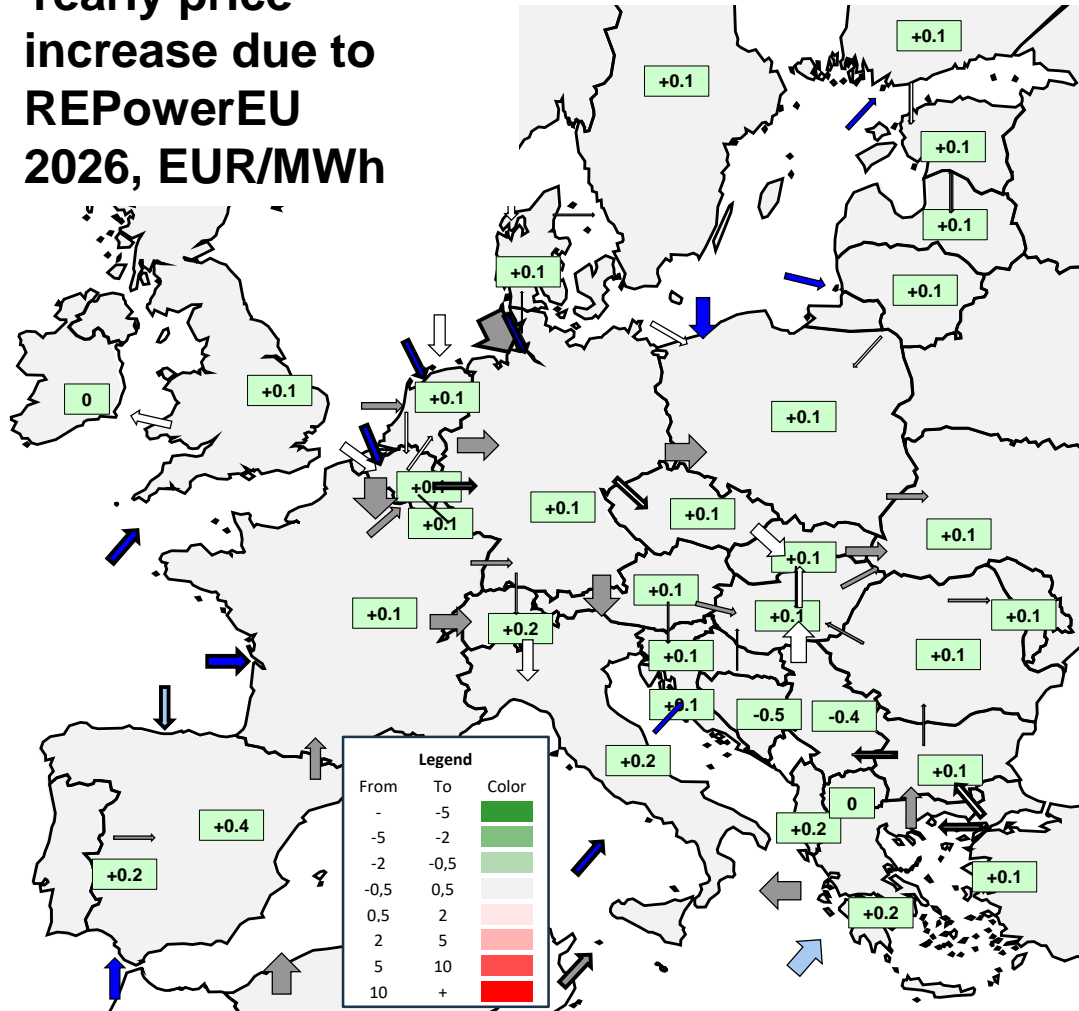
Modelled yearly price increase due Hormuz crisis, 2026 EUR/MWh



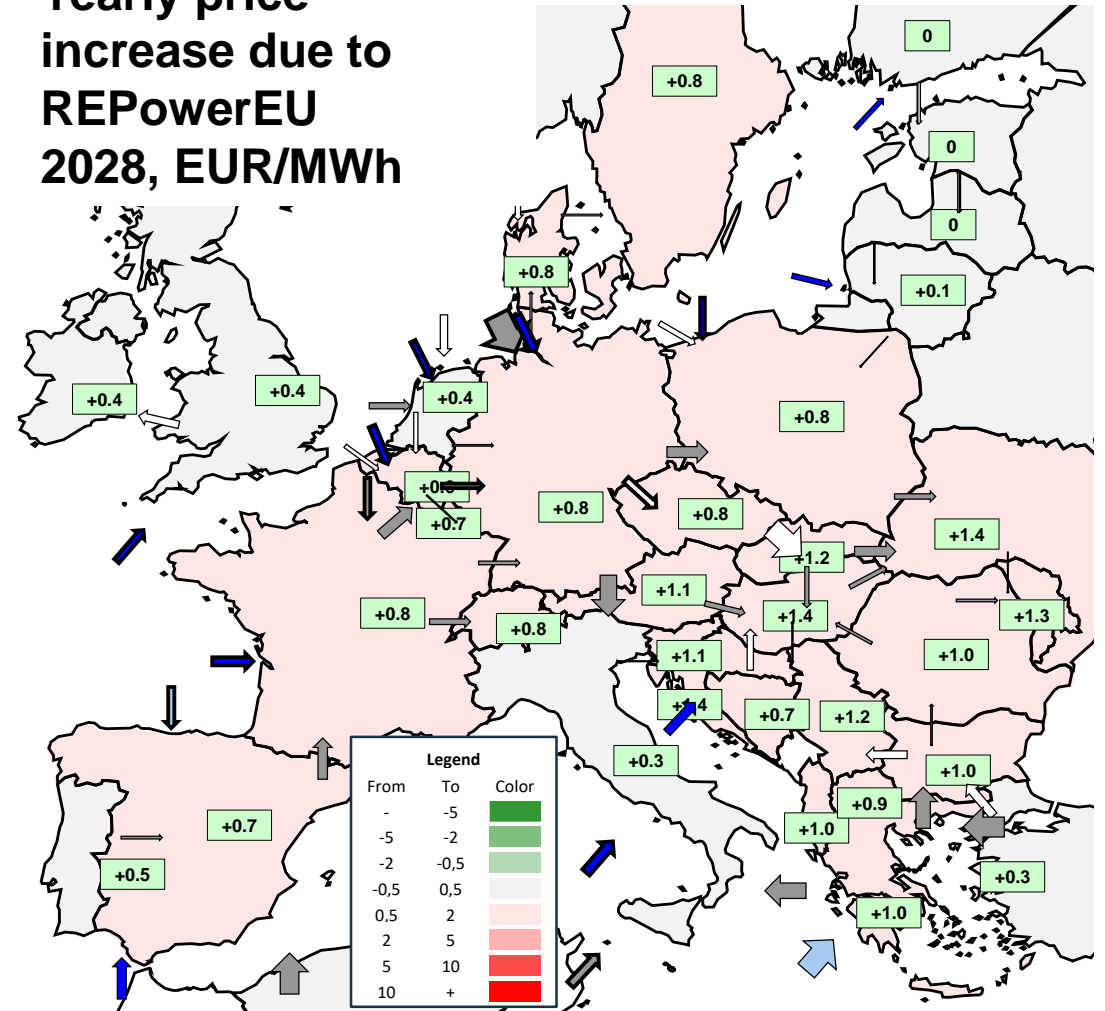
Source: REKK EGMM

REPowerEU effect with Hormuz closed

Yearly price increase due to REPowerEU 2026, EUR/MWh



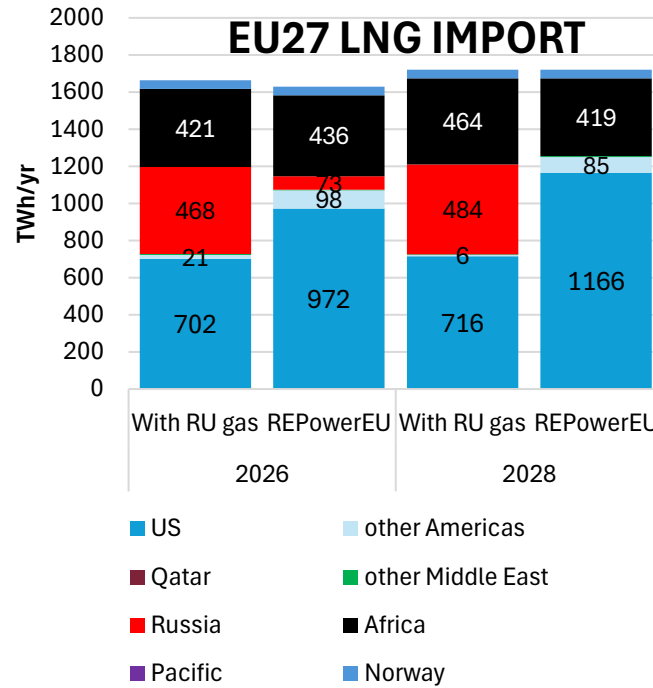
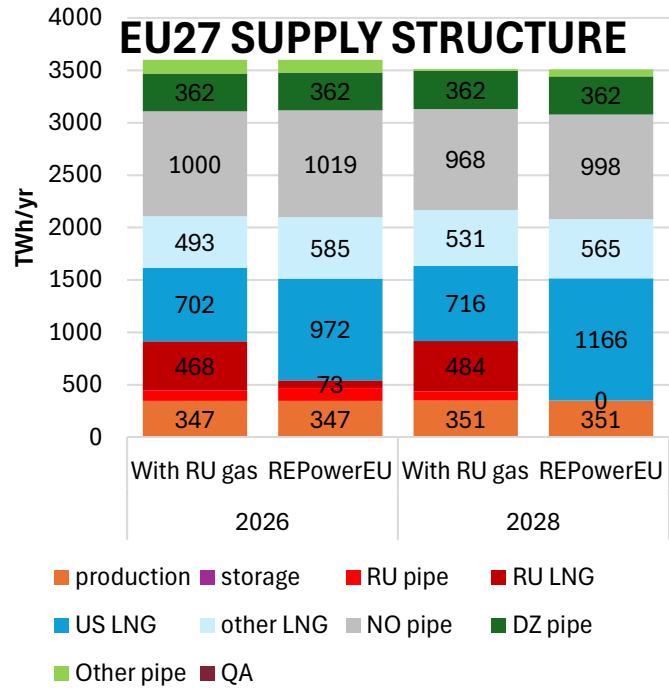
Yearly price increase due to REPowerEU 2028, EUR/MWh



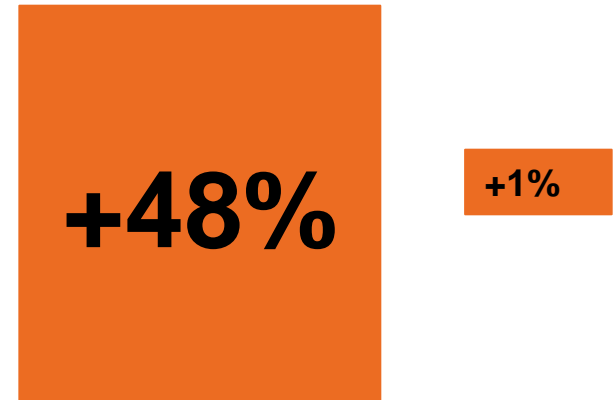
- The impact of REPowerEU is not significant even if the Strait of Hormuz is closed:
 - In 2026 (only sport RU flows are banned), the impact across Europe is low: +0.1–0.2 EUR/MWh
 - In 2028, the impact will be slightly higher due to the phase-out of Russian long-term contracts: 0.4-0.8 EUR/MWh in Western Europe, 1.1-1.4 in the CEE region

Source: REKK EGMM

REPowerEU impact with Strait of Hormuz closed



EU27 GAS BILL INCREASE



Due to the Hormuz crisis

Due to the REPowerEU

Source: REKK EGMM

- Russian gas may be replaced by US LNG
- **US LNG share can increase up to 37% of imports!**

- Besides US LNG, African sources (Algeria, Nigeria, etc.) step in

- **+48% gas bill increase due to Hormuz crisis in 2026**
- +1% gas bill increase due to REPowerEU policy

US might use energy as a weapon (?)

- US National Security Strategy explicitly mentions
 - „Expanding our net energy exports ... enables us to project power.“
- Geopolitization of energy trade of the US, reminds some on Russian pipeline politics in Europe
 - Launched a war in Iran without consulting European allies, exposing EU supply chains to immediate disruption
 - Relaxed Russian energy sanctions while Europe tighten them, widening the transatlantic divide
- On a long term Europe has a clear strategy with decarbonization.
- But is there anything we can do on a short run?

US warns EU to pass trade deal or risk losing 'favourable' access to LNG

European parliament set to vote this week on whether to ratify Turnberry agreement signed last year



US President Donald Trump and European Commission president Ursula von der Leyen shake hands after agreeing the trade deal in Turnberry, Scotland, last year © Andrew Harnik/Getty Images

Source: [Financial Times 23.03.2026.](#)

- **Energy Dominance** – Restoring American energy dominance (in oil, gas, coal, and nuclear) and reshoring the necessary key energy components is a top strategic priority. Cheap and abundant energy will produce well-paying jobs in the United States, reduce costs for American consumers and businesses, fuel reindustrialization, and help maintain our advantage in cutting-edge technologies such as AI. **Expanding our net energy exports** will also deepen relationships with allies while curtailing the influence of adversaries, protect our ability to defend our shores, and—when and where necessary—**enables us to project power.** We reject the disastrous “climate change” and “Net Zero” ideologies that have so greatly harmed Europe, threaten the United States, and subsidize our adversaries.

Source: [US National Security Strategy 2025](#)

THANK YOU FOR YOUR ATTENTION

Contact:

Borbála Takácsné Tóth borbala.toth@rekk.hu

Péter Kotek peter.kotek@rekk.hu
Adrienn Selei adrienn.selei@rekk.hu

Questions

- 1. Round of introductions
 2. Provide a short evaluation of how the 2026 energy crisis (related to the Strait of Hormuz closure) impacts your country / company.
 3. What are your expectations for the rest of the year and for the midterm horizon?
 4. Do you foresee any measures that regulatory authorities or the EU should implement in the short and medium term? Do you see a need for more investment in gas infrastructure and if so where do you see the bottlenecks? (here comes the vertical corridor)
 5. What is your impression of the initial experiences regarding the implementation of the REPowerEU Roadmap?

@elio.ruggeri@snam.it : Can you please comment on the planned first question: How do you see the EU's exposure to US LNG now, and what did we learn from the Middle East crisis?

[@Przyborowicz Jakub](#) will give an EU level infrastructure development summary (what has been added in last crisis, what is to be added to keep the operation safe)

@prokofev-ag@tsoua.com will update us on the UA state of play: last winter, infrastructure damage, storage fill up levels, outlook for gas needs, transit fees, and route products

@Nikola.Delev@bulgartransgaz.bg Perhaps you could start by answering the question about how you see the feasibility of Russian gas phaseout plans in the EU?

[@Ferencz I. Szabolcs](#) : Can the Balkan Stream deliver non Russian gas if REPowerEU is already in effect? HU infrastructure development plans with neighbours, infra and regulatory bottlenecks under various future scenarios

[@Kostis Sifnaios](#) who will also discuss the Vertical corridor (alternative routes) and any bottlenecks or barriers to trade. Infrastructure developments for the vertical corridor, routes, and tariffs,