2026 Global Energy Crisis

Why does the same global crisis hurt some places more than others?

Key Concepts:	**Supply and Demand:** The economic principle that prices rise when goods become scarce and fall when they become plentiful.
	Interdependence: When countries rely on each other for things like trade, energy, and food. This can lead to a crisis in one place affecting everyone else.

In early 2026, a war started between Iran and the United States. Iran closed the Strait of Hormuz, a narrow strip of ocean that one in every five oil shipments in the world passes through. When it closed, oil stopped moving, and prices went up everywhere.

But not every country was affected the same way.

In countries like the United States, Canada, and Germany, the biggest problem was that gas became more expensive. Farms and factories had to pay more to do their work. People paid more to fill up their cars. That all hurt, but most people could still buy food and get to work.

In countries like the Philippines, Cambodia, and Myanmar, the problems were much worse. The Philippines imports 98% of its oil from the Middle East, so when the Strait closed, the whole country's energy supply was threatened. The government declared a national energy emergency. In Myanmar, people could only buy fuel on certain days. Rice farmers in Myanmar were paying around five times the normal price for fuel, and sometimes having to buy it illegally, just to save their harvest.

Why the difference? Wealthier countries have more savings, bigger emergency oil reserves, and governments with money to cut taxes or give people help. Poorer countries often have none of those things.

In low-income countries, food makes up about 40% of what people spend their money on compared to just 10% in wealthier countries. So when oil prices push food prices up too, it hits the poorest people hardest.

The same crisis. Very different consequences.

Comprehension Questions

1. What is the Strait of Hormuz, and why did closing it affect countries around the world?

2. Name two ways the crisis affected people in wealthy countries like the USA or Germany.

3. Name two ways the crisis affected people in poorer countries like Cambodia or Myanmar.

4. Why did farmers in Myanmar have to pay five times more than usual for fuel?

5. What does it mean when we say food makes up 40% of spending in poorer countries?

Thinking Questions

1. Why do you think wealthier countries were better able to protect their people from this crisis?

2. Is it fair that a war far away can cause hunger in countries that had nothing to do with it? Explain your thinking.

3. If you had to explain the phrase "the same crisis, different consequences" to a younger student, what example would you use?

4. What do you think governments in poorer countries *could* do to be less affected by a crisis like this in the future?

5. What makes it hard for poorer countries to make the kinds of changes you proposed in question 4?

What countries are the most vulnerable to the energy crisis?

Global Gas Prices: Before & After the Iran War

National average pump prices (USD/litre) · Regular Unleaded · Feb 23, 2026 → Late Apr 2026 · Source: Visual Capitalist

	COUNTRY	FEB 23, 2026	LATE APR 2026	CHANGE	GOVERNMENT RESPONSE
PH	**Philippines**	$0.72	**$1.24**	+72.6%	*State of national energy emergency declared; fuel tax suspended; free bus rides for students & workers; 4-day work week*
KH	**Cambodia**	$0.95	**$1.33**	+40.4%	*Import duties & VAT on fuel eliminated; diversified supply away from Thailand to Singapore & Malaysia*
US	**United States**	$0.86	**$1.16**	+35.1%	*IEA coordinated reserve release (400 mb); Strategic Petroleum Reserve drawdown; no federal fuel tax cut enacted*
AU	**Australia**	$1.06	**$1.37**	+29.3%	*Strategic reserve release; fuel quality standards relaxed; 'Every Little Bit Helps' conservation campaign; Singapore supply deal*
CA	**Canada**	$1.05	**$1.35**	+28.9%	*Federal carbon tax suspended; IEA reserve release participation; cost-of-living rebates to lower-income households*
GB	**United Kingdom**	$1.35	**$1.62**	+20%	*IEA reserve release; emergency household energy support payments; windfall tax on oil company profits extended*
DE	**Germany**	$1.74	**$2.06**	+18.6%	*Petrol station price regulation (anti-gouging); IEA reserve release; EU coordinated response; work-from-home guidance*
SG	**Singapore**	$1.98	**$2.24**	+13.3%	*Diversified crude supply origins; bilateral energy trade deal with Australia; leveraged financial reserves; refinery stabilisation*
JP	**Japan**	$0.98	**$1.06**	+8.2%	*Released 80 million barrels (15 days' demand) from strategic reserves; fuel subsidy programme extended; urged conservation*

Sources: Visual Capitalist · GlobalPetrolPrices.com · IEA 2026 Energy Crisis Policy Response Tracker · Wikipedia 2026 Iran war fuel crisis — currenteventshub.com

Discuss the effects of these increases that might be felt by the following people:

Delivery Driver in the Philippines	Farmer in Cambodia	Climate activist in Australia
Finance minister in Canada trying to balance the budget	Oil company executive in the USA	Low-income family in the United Kingdom

Looking at the data, what would you want your government to do?

What would you be willing to give up to get it?

Further Research

1. Pick two countries from the list and research what their government is trying to do to respond to the crisis.

Country:
Government Actions:

Country:
Government Actions:

2. From the reading, activities, and research, answer the question: *Why does the same global crisis hurt some places more than others?*