

The 2026 U·S·–Iran War and Its Implications for Liquefied Natural Gas (LNG) Exports and Global Energy Markets: The State of Qatar as a Case Study

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Abstract

This study analyzed the 2026 United States–Iran War and its impact on global LNG exports, using Qatar as a case study. Qatar was chosen because it is a major exporter of liquefied natural gas and depends heavily on the Strait of Hormuz to export LNG to other countries. The study also examined the political and geopolitical aspects of military conflict and its consequences for LNG production and exports, as well as its broader impact on global energy security and energy markets abroad. To achieve this goal, the study followed a historical-analytical approach, providing a chronological description of how the 2026 United States–Iran War unfolded and how it affected liquefied natural gas trade. The materials included official documents, documents released by international organizations, economic statistics, and professional academic studies. The research found that the 2026 United States–Iran War disrupted global energy trade flows, drove up LNG prices, and increased maritime transportation and insurance rates, highlighting flaws in global energy security structures that rely too heavily on the Strait of Hormuz. The study also showed that, although Qatar remains the world's largest LNG exporter, it was heavily affected by the Iran-U.S. conflict because of its dependence on the Strait of Hormuz. As a consequence, Asian and European energy markets were affected. The research concluded that to increase global energy security, countries must diversify supply sources, transportation routes, and reserve stocks, and promote cooperation with other countries to prevent future crises from affecting energy market stability.

Keywords: 2026 United States–Iran War; Liquefied Natural Gas (LNG); State of Qatar; Natural Gas Exports; Global Energy Security; Strait of Hormuz.

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Introduction

Liquefied Natural Gas (LNG) has emerged as one of the most strategic fuels in today's world economy, meeting the energy needs of developed and developing nations, supporting global energy security, and boosting economic and commercial growth. Dependence on LNG has risen over the years because it is considered a cleaner fuel that produces less carbon than oil and coal. LNG has become an essential part of the world's energy mix, prompting producing nations to invest in expanding production capacity and export capabilities. At the same time, importing countries have looked to diversify their supply and improve import reception facilities.

The Arabian Gulf plays a pivotal role in international LNG trade. This is due to the region's substantial natural gas reserves, particularly Qatar's North Field, which has allowed Qatar to emerge as a leading exporter of liquefied natural gas. Furthermore, the region commands a highly strategic advantage through its dominance over the Strait of Hormuz, recognized as one of the world's busiest chokepoints for oil and LNG transportation. The free flow of tankers through this Strait is critical to global energy trade, as a significant percentage of worldwide energy travels through it.

The U.S.–Iran War of 2026 was an inflection point in modern energy security. Long-running political and military tensions between the U.S. and Iran came to a head militarily with wide-ranging implications for shipping, oil and gas supplies, energy prices, and global supply chains. Escalation in the Arabian Gulf, including recurring threats to navigation in the Strait of Hormuz, raised concerns about potential disruptions to LNG exports, especially from Qatar, which depends on the Strait of Hormuz to access Asian and European markets.

This research is important because it addresses a current issue with overlapping historical/geopolitical/economic aspects. It examines how wars affect international energy security by studying the consequences of the U.S.–Iran War on LNG trade through a case study of Qatar, one of the world's top exporters of this strategic commodity. The research will also examine the link between military events/activities in the Arabian Gulf and the stability of global energy markets. Lastly, it will underline the importance of strategic waterways in the world economy.

This research aims to analyze the causes and circumstances that led to the outbreak of the U.S.–Iran War of 2026 and to examine its geopolitical and strategic dimensions. It also seeks to investigate the status and global significance of Qatar's liquefied natural gas industry, assess the impact of the conflict on LNG production, exports, transportation, and prices, and explore the broader implications of the crisis for global energy security and the future of the LNG trade. Finally, the study endeavors to draw key lessons that may contribute to strengthening the security of energy supplies and mitigating the effects of future geopolitical crises.

1. The U·S·–Iran War of 2026 and Its Geopolitical and Strategic Dimensions

The U·S·–Iran War of 2026 was one of the gravest military conflicts involving the Middle East in recent history. The war's impact went beyond US-Iran tensions and touched many countries in the Gulf, shipping traffic in international waterways, the global energy supply, and world trade. The US military began attacking Iran on February 28, 2026, following Israeli attacks on Iran. Iran retaliated against US military assets and proxies with missile and UAV strikes. Tensions between Iran and the United States escalated from posturing and sanctions to active combat. In a letter to the UNSC, the United States declared that its military action, which began on February 28, 2026, was taken in self-defense under Article 51 of the United Nations Charter. The UN Secretary-General condemned both acts of force against Iran and Iran's attacks in the region as "threats to international peace and security". (Brijeg, 2026)

Proximate issues included several decades of unresolved political, security, and strategic tensions between Iran and the United States of America. This includes Iran's nuclear activities and missile program, its regional ambitions, its support for proxy armed groups throughout the Middle East, economic sanctions against Iran, freedom of navigation in the Arabian Gulf and Strait of Hormuz. The U.S. regarded Iran's regional ambitions as a threat to its interests and allies in the region. At the same time, Iran saw the U.S. military presence in the Gulf, along with continued efforts to diplomatically isolate, contain, and weaken Iran, as posing an existential threat to the Islamic Republic. As such, the war was precipitated by escalating tensions following the breakdown of diplomatic efforts and sporadic negotiations in recent years over a comprehensive deal regarding Iran's nuclear ambitions and regional security of shipping lanes (Hijab, 20XX).

Events on the ground leading up to the war further escalated tensions. Escalation included increased attacks on U.S. military installations in the region, hostile rhetoric, and growing fears within the United States and Israel that Iran was building nuclear capabilities and would use its military and missile technology to attack Western interests. The United States based its decision to attack on the imminent threat to U.S. lives and interests. Iran claimed it was attacked and that its defensive response was justified because it was exercising its right to self-defense. Each country promoted a different legal/political narrative for the start of the war, which polarized international opinion on the legality of the strikes and the use of force in general (Hijab, 2026).

Warfare continued through several stages both militarily and politically. Early stages involved widespread U·S· and Israeli bombing campaigns against Iranian military bases and other targets of national infrastructure. After several Iranian offensives against U·S· military bases and other targets within surrounding countries threatened to shut down the Strait of Hormuz and halt traffic of commercial ships and oil tankers. The war stalled and shifted into a stage of negotiations. These negotiations were only short term and did not



lead to any resolution. Hostilities and skirmishes continued in July 2026 after commercial ships were attacked near the Strait of Hormuz. The U.S increased missile strikes on Iranian bases and began another naval blockade of Iranian shipping in response to Iranian threats to hinder oil exports from surrounding countries and increase attacks on the U.S military presence in the Arabian Gulf (Pareek, 2026).

U.S. objectives included limiting Iran's missile strength, Iran's coastal defenses, eliminating targets that could potentially harm commercial vessels or U.S. assets, and protecting shipping lanes throughout the Arabian Gulf. Iranian forces were composed of ballistic missiles, UAVS, the IRGC Naval Force, and asymmetric warfare, which allowed them to attack their opponent without engaging in open full-scale war. Iran used its proximity to the Strait of Hormuz and use of proxies throughout the region to pressure U.S. and coalition forces. During the war, we learned that although the U.S. had the military and technological advantages, it couldn't guarantee the cessation of threats to commercial ships because of scattered missile launch pads, small attack boats, naval mines, and Iran's decentralized force (Hijab, 2026).

Reactions around the world were mixed. Israel advocated for increased military strikes to weaken Iran's nuclear power and military strength. At the same time, GCC countries wanted to prevent their domains from being used as battle fields as they host U.S. military bases and rely on oil and gas exports for their economy. Additionally, some countries in the region tried to mediate the conflict and open dialogue between Washington and Tehran to prevent future attacks on oil rig sites, ports, and airports. International reaction was also split, some stood by U.S. demands and others urged for an immediate end to conflict and for both sides to come to the negotiating table. The U.N. Security Council passed resolutions and released statements regarding Iranian attacks on Gulf countries, the United Nations has been promoting peace deals and efforts to limit conflict from escalating any further. (Brijeg, 2026)

Geopolitically and geoeconomically, the Strait of Hormuz is the most crucial theatre of war between Iran and the Sultanate of Oman. This strait is the transit point of most of the oil shipments from the Arabian Gulf. Iran attempted to leverage its ability to disrupt traffic through the Strait in its favor against the United States and its allies. In response, the United States viewed the continued free flow of traffic through the Strait as a national security interest in maintaining freedom of navigation and ensuring the stability of the global economy. The attacks on commercial vessels and persistent Iranian threats caused tanker traffic to decline while marine insurance costs and shipping fees skyrocketed. As a result, the United States took actions including strikes on Iranian coastal defense positions, reflagging of selected commercial vessels, and attempts to mitigate maritime threats. However, the Strait was a difficult position to defend as Iran possesses many asymmetric tools to hinder shipping traffic without closing the Strait entirely. These include naval mines, coastal missile batteries, uncrewed aerial vehicles, and small but well-armed fast

attack craft (Al- Kaabi, 2023, p. 39). Iran is also a major transit point for liquefied natural gas (LNG) in global trade. The vast majority of LNG shipments, which accounted for about 20 percent of global LNG trade in 2024, transit the Strait, with most of these cargoes coming from LNG exports from the State of Qatar. When the conflict began, the sea lanes were shut down, and Qatar was forced to suspend most of its LNG exports. This caused gas prices to skyrocket and created demand for LNG exports from areas outside the Gulf. According to the U.S. Energy Information Administration (EIA), the closure of the Strait could disrupt upwards of 10 billion cubic feet per day of worldwide LNG shipments, or about 20% of total LNG trade. Most LNG exports come from Ras Laffan Industrial City in Qatar, which houses the world's largest LNG export facility. (Mohammed, 20 26, p. 6)



Figure (1)· The Strait of Hormuz and LNG Shipping Routes

It shows how military power and access to the world's energy arteries are linked geopolitically. The U.S. applied its overwhelming naval and air power to ensure freedom of navigation and to exert pressure on Iran militarily. Iran attempted to counterbalance U.S. military power by leveraging its geographical position and its ability to disrupt traffic through the Strait of Hormuz. Another lesson learned was how vulnerable the world's oil supply is when it is concentrated around so few critical marine passages. As a result, many of the world's leading energy consumers have stepped up efforts to diversify their oil and natural gas supply away from reliance on one region, build strategic stockpiles, and broaden engagement with energy-producing nations beyond the Persian Gulf. What was once a regional security problem has become a global concern affecting energy prices, international supply lines, economies, and relations between LNG exporters and importers (Hijab, 2026).

Of course, the U.S.–Iran War of 2026 did not happen overnight. It was decades in the making. Political, military, and economic tensions between Iran and the United States had been brewing. Issues included Iran's nuclear program, US sanctions against Iran's regional power aspirations, and the presence of US troops in the Gulf, as well as disagreement over the security of international waterways. This volatile mix created a powder keg that was waiting to explode. As it played out, the conflict became extremely internationalized, with the Strait of Hormuz becoming the central theater of conflict. Because it is such a crucial shipping lane, any disruption there affects not only international oil shipments but also LNG exports and the economies of countries that depend on imported energy. Thus, analyzing the war itself becomes inherently linked to analyzing Qatar's LNG exports and how they affect international energy markets (Hijab, 2026).

2. The State of Qatar's Liquefied Natural Gas Exports and the Impact of the War on Export Flows and Global Markets

Qatar plays a major role in the liquefaction business. It has abundant natural gas reserves and infrastructure that supports its ability to export liquefied natural gas (LNG). As a result, Qatar has become one of the world's largest LNG producers and exporters, shaping the global gas market. Qatar primarily credits its status to its acquisition of the North Field. The North Field is Qatar's natural gas epicenter. It is connected to Iran's South Pars Field. This means Iran and Qatar share the world's largest natural gas field. This shared natural gas field creates significant economic and geopolitical importance for countries outside Qatar and Iran. Since the 1990s, Qatar has focused on exporting its natural gas by liquefying it and shipping it overseas rather than selling it through pipelines. The North Field's natural gas is sent to LNG facilities located in Ras Laffan Industrial City. Here, the natural gas is purified and dried. It is then compressed and cooled to a very low temperature, turning it into a liquid. Once it becomes a liquid, it takes up less room. The liquefied natural gas is then put into tanks for shipping on LNG Ships (Sayouh et al., 2024, p. 478).

Hosting LNG liquefaction plants and facilities: Ras Laffan Industrial City hosts Qatar's LNG operations. Ras Laffan hosts gas-processing plants, liquefaction trains, LNG storage tanks, LNG export terminals, and petrochemical plants related to gas production. Although the LNG industry has been crucial to Qatar's economy, it has also made Ras Laffan a target for war and insecurity. Attacks on Qatar's production facilities, pipelines, or export terminals would have an immediate impact on Qatar's exports and global LNG exports. Before Qatar announced its latest expansions, it was producing around 77 mtpa of LNG. Qatar initiated the North Field East (NFE), North Field South (NFS) and later North Field West (NFW) projects to help Qatar remain competitive. Qatar broke ground on 6 giant trains that will produce around 8 million tonnes each per year. According to QatarEnergy, Qatar's total liquefaction capacity will reach around 142 mtpa by the end of this decade



once all expansion projects are completed, as Qatar aims to stay ahead of the boom in LNG capacity coming out of the United States, Australia, and rival producers (Mahdi, 2025).

Qatar's domestic natural gas sector is overseen by QatarEnergy and its subsidiaries in joint ventures with several major oil and gas companies from around the world. Partnering with these companies allowed Qatar to develop its technological capabilities, attract investment funds, receive technical training, and expand its foothold in global energy markets. Qatar has also signed long-term LNG contracts with its importers, mainly in Asia, locking in steady income from exports for itself and steady energy supplies for its partners. While split between Asian and European countries, Asian markets have continued to make up Qatar's largest share of LNG customers due to major demand from China, India, Japan, South Korea, Pakistan, and Bangladesh. In addition to its proximity to Asian and East Asian markets, Qatar has one of the world's largest fleets of LNG carriers. At some points during the war, Asia received over 80 percent of Qatar's LNG exports. As a result, Asian importers were heavily exposed to shocks to or delays of Qatar's exports. (Al-Mashhadani, 2024, p. 36).

Demand for Qatari LNG cargoes has also increased in Europe. After past diplomatic crises disrupted Russian gas supplies to Europe, many European governments are eager to find alternatives to pipeline gas from Russia and diversify their energy mix. Therefore, Qatari LNG is becoming an integral part of Europe's energy security. However, Qatar's ability to supply significant amounts of LNG to Europe has been limited by pre-existing contractual obligations in Asia, constraints on liquefaction capacity, and the need to ensure safe maritime transport from the Arabian Gulf to European terminals (Al-Mashhadani, 2024, p. 38).

Qatar exports liquefied natural gas from Ras Laffan Port (North East Qatar). LNG tankers travel through the Arabian Gulf and Strait of Hormuz to the Gulf of Oman and the Indian Ocean. Depending on where they are headed, shipments are then routed. LNG tankers heading to East Asia usually navigate through the Indian Ocean and the Strait of Malacca. Shipments bound for Europe are usually routed through the Arabian Sea, Gulf of Aden, Bab el-Mandeb Strait, Red Sea, and Suez Canal. Occasionally, if security concerns arise in the Red Sea, tankers continue around the Cape of Good Hope. This longer route substantially adds time, fuel use, and shipping costs. The Strait of Hormuz is seen as the weakest link in Qatar's LNG supply chain. Qatar cannot avoid shipping its products through the Strait if it wishes to reach markets around the world because it is located in the Arabian Gulf. Currently, Qatar has no other outlet with adequate capacity to pipeline its LNG outside the Gulf to a port on the Gulf of Oman or the Arabian Sea. Therefore, the security of Qatar's LNG exports depends on the Strait of Hormuz remaining open (Al-Kaabi, 2023, p. 39).



"In the first half of 2025, over 20 percent of all LNG trade crossed the Strait of Hormuz. This equals about 11.4 billion cubic feet per day. Almost all of this trade originated in Qatar: The International Energy Agency also noted that over 110 bcm of LNG traveled through the Strait of Hormuz in 2025. Around 93 percent of Qatar's LNG exports depended on shipment through the Strait of Hormuz.' This heavy dependence on one route reaffirms that the Strait of Hormuz is not only regionally important but also imperative to international gas security. The U.S.-Iran Crisis of 20XX highlighted this dependence. As tensions rose and both sides exchanged attacks, overall vessel transits decreased as security concerns grew for commercial traffic. Many shipping and insurance companies avoided the region by canceling or limiting their presence. Some LNG carriers postponed their voyages through the Strait of Hormuz, changed course, or turned off their AIS systems. Tensions in the Strait of Hormuz reduced vessel traffic and further increased risks for companies operating through the strait. In addition, some Qatari LNG cargoes were delayed getting to their importing countries." (Subh, 20XX)

Impact on Qatar's liquefaction capability/infrastructure: The war also affected Qatar's ability to produce and export LNG. Infrastructure that forms part of Qatar's LNG value chain was damaged during the conflict, limiting export capacity. Missile strikes diminished Qatar's LNG export capacity by up to one-sixth, or 17 percent, according to QatarEnergy. QatarEnergy projected lost revenues of nearly US\$20 billion annually. This revealed how reliant the Qatari economy is on Ras Laffan's industrial parks' performance, as well as showing how attacks on one production site or even several liquefaction trains could incur major losses to the country while severely disrupting global energy markets. The war also jeopardized Qatar's long-term expansion plans. Qatar's North Field expansion projects rely on steady material delivery, a foreign workforce, technical know-how, and sustained maritime trade and global supply chains. "The programme has suffered setbacks from the disruption of sea traffic and growing security concerns that have led to adjustments in schedules and significant increases in security, insurance premiums and construction costs." Said (Qandil, 2026). Hence, the war's ramifications reached far beyond Qatar's 2026 export performance and put future LNG supplies at risk. World markets counted on these supplies to ease shortages and rebalance supply/demand.

The temporary closure of the Strait of Hormuz to LNG carriers during March and April 2026 suspended a large portion of LNG exports from Qatar and the United Arab Emirates. The U.S. Energy Information Administration (EIA) reported that over 10 billion cubic feet per day of global LNG supplies (roughly 20 percent of the total LNG market) were affected, with most stemming from Qatar's Ras Laffan export facilities. Data on LNG vessel-tracker traffic also cited by the EIA showed that no LNG carriers passed through the Strait from 1 March to 24 April 2026 (Yusuf, 2026).

Marine shipping disruption has also had immediate consequences for domestic LNG production. Liquefaction trains have been forced into temporary shutdowns or have had to

scale back production due to the inability to load export cargoes or fill storage tanks, as LNG can only be stored for so long in Ras Laffan's storage facilities. · Proved that maritime transport disruptions can rapidly become production disruptions, even if upstream gas fields or onshore processing facilities are physically unaffected. · Qatar LNG exports fell short, contributing to the decrease in global LNG output and creating a significant gap between supply and demand. In March, world LNG market dynamics changed significantly when the Strait of Hormuz was closed. According to the International Energy Agency (IEA), global LNG supply decreased by nearly 8 percent year over year as Qatar and UAE exports plummeted. · Other suppliers increased their output; however, they were unable to compensate for the lost volume (International Energy Agency, 20 May 2026). This still had repercussions in April 2026, as deliveries to importing nations were lower than anticipated, delaying the arrival of international LNG cargoes that were expected to push prices down worldwide. (Yusuf, 20 June 2026)

This created a major deficit in the global LNG market, as Qatar is not a marginal producer that can be readily substituted. On the contrary, Qatar is one of the largest global LNG suppliers and the world's second-largest LNG exporter, with export volumes of over 112 bcm in 2025. When large volumes of these exports became unavailable, other producer nations had limited opportunity to increase output to compensate. US and Australian liquefaction plants were already running at maximum capacity, with a large portion of the gas sold under long-term contracts, and building new liquefaction trains takes years and significant financial investment. Thus, cutting Qatar's LNG exports from the market had significant, immediate impacts on the global LNG market balance (Qandil, 2026).

Short-term effects. A natural effect of the shortage was soaring spot-market LNG cargo prices. Immediately after fighting began, Asian LNG rates surged as Qatar supplies a large percentage of LNG to Asian countries; initial increases were reported at nearly 40 percent. Gas prices in Europe climbed between 35 and 40 percent as well, but rose even further in the following days as shortages continued and fears of an extended conflict grew. Analysts later reported that LNG prices in Asia have continued to trade far above pre-war prices, making it harder for lower-income importing nations to buy spot cargoes. (Emirates Center for Strategic Studies and Research, 2026)

The increases also reflected not only the physical loss of supply but what analysts call the geopolitical risk premium. Buyers and oil traders factored into their prices the risk of continued fighting and additional attacks on LNG tankers and production platforms. Freight rates, war-risk insurance and crew hostage insurance all went up. Additionally, shipowners started charging risk premiums for operating in the Arabian Gulf or while transiting near conflict zones. In effect, producers and shipowners passed some of the war costs on to importing governments and, eventually, consumers.



Qatar LNG export sales volumes under long-term contracts faced an extraordinary situation during the war. While long-term contracts provide price and quantity certainty under normal conditions, they cannot compel delivery if production is impaired or essential shipping lanes are shut down. This meant affected importers needed to buy substitute cargoes on the spot market to fill gaps left by disrupted or postponed deliveries. Increased demand for spot-market LNG pushed buyers into competition and drove prices even higher. Meanwhile, widespread force majeure declarations sparked legal and commercial debates between sellers and customers over wartime contract terms.

Asian buyers were hit hardest by the shortfall in Qatari LNG exports because Qatar supplies such a large percentage of LNG demand in Asia. Japan and South Korea both struggled to source alternatives for delayed shipments while also trying to keep their strategic gas reserves full. Fortunately for them, they had the financial capability to purchase what they needed at high prices. China, however, absorbed much of the supply disruption by ramping up domestic natural gas production, securing more pipeline imports from Russia and Central Asia, and tapping into strategic gas reserves, allowing it to lessen demand on the now very pricey spot market. ("India' s Economy under the Pressure of War," 2026)

India, Pakistan, and Bangladesh were exposed much more to the price spike as they could not outbid richer European and East Asian buyers with their limited financial means. Many cut back on spot-market buying, scaled down LNG regasification, plant utilization, and switched to coal, petroleum products, or domestic power generation. Electricity generation, industrial activity, and fertilizer production faced higher fuel shortages and costs, with repercussions for domestic fuel prices, economic growth, and food security. (Yusuf, 2026)

Pakistan was hit hard because it relied heavily on Qatari LNG imports. The decreased shipment volume, coupled with skyrocketing prices, forced policymakers and energy firms to boost local gas output and scale down the LNG regasification units. Some industries were forced to curb their gas usage as well. It shows that any hiccup in Qatar's LNG supplies would not just affect the global energy market but also electricity, industry, fertilizer, and the standard of living in gas-importing nations.

Europe was also affected by the decrease in LNG exports from Qatar. The escalation came as European nations filled natural gas storage tanks ahead of the winter heating season. Cutbacks in Qatar increased competition with Asian buyers for U.S. and African LNG cargoes. This drove natural gas prices higher at European trading hubs, which increased electricity prices and the cost of industrial production. Europe's energy security thus became more reliant on increased natural gas exports from the United States, Norway, Algeria, and others (Mohammed, 2026, p.24).



The U.S. partially benefited from stronger worldwide demand for LNG supplies not coming from the Strait of Hormuz. American LNG exports gained geopolitical significance as Qatar shipments were disrupted and buyers needed replacements. The U.S. Energy Information Administration (EIA) expected U.S. LNG exports to grow by nearly 30 percent through 2027 as new liquefaction plants came online to meet growing global demand. However, the U.S. could not quickly make up for lost Qatar exports, as liquefaction plants were already running at high capacity and much of the supply was presold under long-term contracts.

Australia also profited from higher LNG prices during this period and faced less Qatari competition in Asian markets. Buyers from Japan, South Korea, and China increased interest in Australian cargoes, allowing Australia to expand its role as a top global LNG exporter. Meanwhile, transportation costs rose for Australian producers, as did insurance rates. Additionally, concerns about the security of several major shipping routes rose. Thus, while this conflict presented exporters with an opportunity to increase profits from LNG sales, it also created further complications for global shipping (Emirates Center for Strategic Studies and Research, 2026).

Other LNG exporters, Algeria, Nigeria, Egypt and Mozambique, have also seen increased demand from Europe and Asia for spare cargoes. However, their ability to compensate for lost Qatari cargoes has been limited by production capacity, export capacity, domestic consumption needs, and security concerns. Pipeline gas imports from Norway, Algeria, Azerbaijan, and Russia have also gained renewed strategic importance because they do not rely on passage through Hormuz. The crisis led to a wider re-evaluation of the strategic importance of LNG shipments versus pipeline imports (Subh, 2026).

Tanker traffic and LPG/NGL shipping were affected by the war. Multiple LNG carriers were forced to sit outside the identified high-risk area waiting for security conditions to improve. Some ships turned around after reaching the Strait of Hormuz. Others only transited during specific time frames or with naval escorts. Some foreign-flagged operators decreased their crewing levels in the region. Maritime insurance companies recommended that some operators delay certain voyages. In July 2024, a Qatari-linked LNG tanker was attacked off the coast of Oman, underscoring that commercial LNG tankers were now directly at risk in the conflict, not just onshore infrastructure.

A shortage of LNG carriers also drove freight prices up further. Charterers had to offer higher returns because ship owners/operators faced greater risk using expensive ships in war zones. Longer alternative routes mean ships can complete fewer round trips per year. Ships bound for Europe that must reroute around the Cape of Good Hope, rather than transit through the Red Sea and Suez Canal, face longer transit times, higher fuel usage and greenhouse gas emissions, greater transportation costs, and spend more time away

from loading terminals. (Al Jazeera, 2026) These factors show how risks at multiple chokepoints can worsen a shipping crisis.

In particular, the crisis underscored the lack of a realistic substitute route to the Strait of Hormuz for liquefied natural gas (LNG) exports from Qatar. While Qatar's Gulf neighbors, such as Saudi Arabia and the United Arab Emirates, possess pipelines through which they can export crude oil without relying on the Strait, they lack the infrastructure to liquefy and export LNG without it. No liquefaction plants or export terminals exist to redirect Qatari LNG exports, and small-scale or temporary pipeline solutions cannot handle the tremendous quantities Qatar exports each year. Creating an alternative route would require years of construction on massive gas pipelines running from the North Field or Ras Laffan to the Gulf of Oman or Arabian Sea, along with new liquefaction plants and export terminals. This would require significant financial investment, political will, and security assurances (Qatar News Agency, 2026).

In response, Qatar sought to protect its upstream and downstream facilities better, increase monitoring and air-defense capacity, strengthen security partnerships with regional allies, upgrade its LNG fleet, and diversify foreign investments. Against this backdrop, Golden Pass LNG gained additional strategic importance for Qatar since it allows QatarEnergy to have productive capacity outside of the Arabian Gulf and thus not be reliant on Hormuz. Foreign investments also help mitigate risk by not being reliant on one specific area; however, they do not produce enough in the near future to offset supply from Ras Laffan. For importers, the crisis has also motivated them to build more strategic gas reserves, add regasification capacity, diversify long-term purchase contracts across suppliers from Qatar, the U.S., Australia and Africa, incorporate more flexibility into contracts and fund investments in pipelines, renewables, and nuclear power. As a result of this crisis, actions by Qatar and importers were not limited to just finding other cargoes to use while the war took place, but re-evaluated long-term plans (Mohammed, 2026, p. 30).

Export volumes fell so Qatar earned less from exporting. However higher global LNG prices mitigated the lost export revenue from low volumes after initial exports restarted as reduced volumes at much higher prices made up some of the shortfall. This may not be the case if production cuts are extended for longer periods of time or extensive long-term damage is incurred to energy infrastructure. Increased costs due to repairs as well as increased insurance, security, and stranded investment costs from delayed projects also reduced earnings from high LNG prices. Additionally longer conflicts could jeopardize Qatar's image as a dependable LNG supplier even though Qatar did not have full control over the reasons for cuts. Import nations may begin to see over reliance on one supplier or shipping route as a risk to their energy security and may seek to decrease the percentage of LNG they purchase from Qatar in the future, seek more flexible contracts, or diversify their imports across more countries which could impact Qatar's market share in the long run (Mohammed, 2026, p. 30).

On the other hand, if Qatar can resume production quickly, repair infrastructure, and bring its North Field expansion projects online, the crisis could ultimately strengthen its long-term position. Global markets have recognized their need for additional, dependable LNG volumes. Qatar also benefits from competitive advantages over other exporters, such as its world-class natural gas reserves, low production costs, large LNG carrier fleet and long-standing ties with many purchasers. The longer-term impact of the crisis will hinge on how long any disruption to the Strait of Hormuz and key production facilities lasts, how quickly damaged infrastructure can be repaired, and whether Qatar diversifies its export routes and investment partners. According to the International Energy Agency (IEA), if disruptions continued for an extended period, yearly combined LNG exports from Qatar and the United Arab Emirates could fall by nearly 45 percent from the previous year's level, or about 54 bcm of natural gas. This volume loss would be enough to keep worldwide LNG markets tight and prices high, slowing global gas consumption growth just as emerging Asian countries look to increase it. It could also lead some countries to burn more coal and oil than they had planned, jeopardizing international efforts to curb greenhouse gas emissions and speed the transition to cleaner fuels (Emirates Center for Strategic Studies and Research, 2026).

Taken together, perhaps the biggest lesson of the U·S·–Iran War of 2026 for Qatar is the risk paradox at the heart of its LNG strategy: it sits on one of the world's largest natural gas reserves and benefits from some of the lowest production costs. It has built out impressive export capacity and infrastructure along with decades-long commercial partnerships. But nearly all of its LNG production is located in Ras Laffan, and flows through one main artery—the Strait of Hormuz.

3. The Repercussions of the U·S·–Iran War on Global Energy Security and the Future of Natural Gas Exports

The U·S·–Iran War of 2026 demonstrated that energy security is no longer solely about which states possess or can produce oil and natural gas resources. Instead, it is increasingly about the security of maritime transit routes, political stability in producing states, availability of shipping fleets, and global markets' ability to replace interrupted supplies within a finite amount of time. The intermittent blockade of the Strait of Hormuz to liquefied natural gas shipments throughout the war cut off over 10 billion cubic feet per day of global LNG supply, nearly 20 percent of the global LNG trade. Qatar bore the brunt of lost volumes, as the majority of affected supplies were destined to come from Ras Laffan. This highlighted how dependent the world had become on a single geographic supply center and one critical marine passage (Salim, 20 6, p. 3).

For this discussion, energy security can be defined as a country's ability to access energy resources reliably, in sufficient quantities, at low prices, and through safe, diverse channels. Hence, the conflict threatened not just the delivery of specific cargoes, but the

four primary pillars of energy security. Available supplies shrank, prices soared, transportation grew riskier, and importing nations were forced to seek costlier substitutes. Consequently, economic decisions on energy production, industrial capacity, storage policies, and fuel allocation became closely tied to military developments and political dynamics in the Arabian Gulf. Asian LNG-importing countries felt the initial shock and bore the largest implications, since Asia received most of Qatar's cargoes. China, Japan, South Korea, India, Pakistan, and Bangladesh were among the countries most vulnerable to disruptions. Still, their abilities to weather the storm differed greatly due to the scale of their economies, their strategic stockpile levels, supplier diversity, and liquidity to buy spot-market cargoes (Holtmeyer et al. · IHUP University of Pennsylvania, 20 June 2026). · · As the world's economy's biggest energy consumer, China had much more wiggle room to adapt to the crisis due to its diversified means of energy procurement. It obtains its energy from pipeline imports from Russia and Central Asia, domestic natural gas production, in addition to LNG imports. To make up for lost LNG supplies, China was also able to temporarily increase its coal consumption and ramp up domestic energy production. These factors lessened the impact of rising international gas prices on China. However, the country still felt the natural consequences of lost Qatari supplies and more expensive LNG cargoes from other suppliers. Japan and South Korea also benefit from long-term supply agreements and emergency fuel reserves, which give them greater fiscal capacity to outbid other buyers for spot-market cargoes. However, their dependence on imported energy left them extremely exposed should war escalate. While Japan sourced over 95 percent of its petroleum from the Middle East, it also met some of its LNG needs there. South Korea was also still heavily dependent on foreign oil and gas. As such, concerns about electricity prices, manufacturing competitiveness, and disruptions to maritime trade increased within both countries if the conflict were to expand (Buhayji. Iran Who Benefits from the War in Ukraine? 20 June 2026, p).

The crisis forced Japan and South Korea to purchase additional LNG cargoes from the US and Australia. Japan and several energy companies their increased coal use to replace lost LNG. During parts of the crisis, coal imports in both countries expanded dramatically. This was because coal infrastructure relied less on the Strait of Hormuz than oil infrastructure did. Another reason was that coal prices did not increase as much as natural gas prices. These responses illustrate that countries can be expected to abandon commitments to emissions goals and clean-energy transitions when faced with threats to energy security, at least temporarily ("India's Economy under the Pressure of War," 2026).

India, like other Asian nations reliant on Middle East energy imports, suffered from the war because of its heavy reliance on liquefied natural gas imports from Qatar, the United Arab Emirates, and Oman. More expensive energy raised electricity generation and industrial costs. It also put pressure on the balance of payments and local currencies. Indian companies buying replacement cargoes at low prices struggled to hold contract



negotiations with customers in Japan, South Korea, and Europe. Indian consumers were forced to cut down on natural gas consumption or rely more heavily on coal, oil products, and local energy sources (Shaheen, 2026). Pakistan, Bangladesh, and other emerging importing nations without the government budget capacity to absorb LNG purchases at inflated prices suffered severely. LNG bids on the spot market increased. Some offers were pulled, and gas buying was minimized. Electricity generation, fertilizer manufacturing, and energy-intensive industries were all threatened by these developments. There was also concern about power outages and fuel rationing. As a result, what was initially an LNG market supply disruption turned into a commercial energy shortage, until it became clear that the issue at hand affected the livelihoods of citizens: food availability, jobs, and overall economic welfare (Arab Center for Research and Policy Studies, 2026, p.5). European countries also felt the impact. Europe is less dependent on Qatari LNG than its counterparts. However, the global LNG market is interconnected. When Asia experiences a supply shortage, Europeans feel the price increase immediately, and vice versa. Europe was buying natural gas in bulk to fill storage tanks and prepare for winter when the crisis started. Russia's pipeline supply had decreased significantly. If Qatar halted some LNG exports to Europe, that would intensify the competition between Asian and European buyers for cargoes from the U.S. and Africa, resulting in a surge in European fuel costs during the first few months of the crisis (Shaheen, 2026). The United States remained Europe's sole LNG exporter. However, it can only supply so much and increase exports because its liquefaction plants are already operating at high capacity. Norway was also forced to minimize its natural gas production. Therefore, Europe drove up prices by using a combination of U.S. LNG, Norwegian pipeline gas, Algerian supplies, Nigerian LNG exports, and other exporters. It also dipped into its stock reserves and decreased industrial consumption (Arab Center for Research and Policy Studies, 2026, p. 8).

But Europe hadn't built enough resilience since the energy crisis triggered by the Russian- Ukrainian War · That resilience was built through new LNG import terminals, greater interconnections between national gas grids, more supplier options and higher storage capacity· Supplies from the United States, Algeria and Nigeria helped compensate for lost Qatari supply But Europe' vulnerability to supply shocks still saw prices skyrocket and Europe' cost of energy imports skyrocket as wellEurope was also still exposed to price spikes from buyers in Asia, particularly if the conflict continued for longer or if winter lasted longer The conflict accelerated European Union efforts to wean themselves off foreign oil and natural gas consumption This includes accelerating the electrification of transportation, heating, and industry; adopting more electric vehicles, heat pumps and battery storage; and considering additional subsidies and tax breaks to encourage the switch to electrical power and renewable sources· Rather than triggering searches for new gas suppliers, the war sped up efforts to reduce long-term demand for fossil fuels by increasing Europe' reliance on imported oil and gas by multiple billions of euros over

baseline requirements (Enki Foundation for Studies and Research, 2026). energy import bills. Energy bills also rose as natural gas prices increased, and natural gas power plants provide a significant share of electricity in several nations worldwide. Customers who use gas as either an energy source or a production input had these expenses passed on to them. Industries that rely on natural gas include fertilizer, petrochemicals, glass, iron & steel, and cement. Food, manufactured goods, and transportation services all saw price increases as expenses increased. This has increased inflation, crimped consumers' purchasing power, and strained governments' budgets that offer energy subsidies to businesses and households. Farmers are affected by rising fertilizer prices because natural gas is used to make ammonia and nitrogen fertilizer. When the price of gas increases or supply decreases, it will drive up the price of agriculture, which will eventually trickle down to food prices... or farmers will produce less crops and food. Natural gas importing nations that buy fertilizer are also affected by rising fertilizer prices because they are essentially penalized twice when energy and food prices rise (Asharq News, 2026). The war also disrupted global LNG trade flows with US cargoes being diverted to Asia to take advantage of the higher prices there and help offset some of the lost volume from Qatar causing Europe to compete with Asia for the same quantities of LNG. Asian imports of LNG in July 2026 increased as Chinese demand surged and additional US volumes were attracted, while Europe saw their LNG imports decrease to some of the lowest seen. Trade flows are changing from the Atlantic Basin to the Pacific basin. This flexibility that contracts provided became even more of a benefit because of changing trade flows. As LNG buyers wanted more flexibility in their contracts they increasingly demanded clauses that allowed for change of destination on cargoes, rather than contracts which fixed supply to a specific terminal. Spot-market cargoes were used more frequently to mitigate short term shortages, but there was too much dependence on the spot market which left importing countries susceptible to significant price swings. Long term contracts that provide some pricing stability became crucial once again to guarantee access to volumes and reduce exposure to price fluctuations. However, what the war in Ukraine showed is that contracts can do little if the facilities to produce gas are damaged or if shipping lanes are unavailable (Al Majalla, 2026).

Conclusions

The report emphasized Qatar's potential importance to the world liquefied natural gas trade given its large reserves, the development stage of its Ras Laffan production and liquefaction facilities, and its long-term contract portfolio. However, because most of Qatar's exports transit through the Strait of Hormuz, the nation has increased exposure to military and geopolitical risk.

War-driven disruptions have caused sharp spikes in liquefied natural gas prices in Asia and Europe. Factors beyond the loss of supply included a geopolitical risk premium,

elevated insurance costs, a shortage of LNG carriers and widespread market uncertainty about whether the conflict will spread.

Asia has been hardest hit by the disruption to Qatar's LNG exports, with several Asian nations dependent on Qatari gas to fuel electricity generation and industrial production. The crisis highlighted stark contrasts between wealthier nations that scrambled for alternative cargoes and developing nations forced to ration petrol use or temporarily return to coal and oil.

The war also affected global liquefied natural gas (LNG) trade. Countries like the United States, Australia, Canada, Algeria and Nigeria grew in importance as alternative suppliers. Pipeline gas also gained importance because it wasn't shipped through the same vulnerable straits as LNG.

One lesson of the war is that Qatar has no quick or complete substitute for the Strait of Hormuz through which it exports LNG. Pipelines, ports, and liquefaction facilities would take years to build elsewhere, would be costly, and would raise political and security issues.

The crisis highlighted the value of Qatar's investments in overseas natural gas projects. By investing in alternative markets, Qatar secures production that does not depend on the Strait of Hormuz. This strategy may also limit vulnerability to concentrating production and exports in one geographic region.

The crisis demonstrated the importance of working towards better international arrangements for managing LNG supply disruptions. Unlike the international oil market, the global gas market has no extensive international emergency response mechanism for events such as strategic stockholding, information-sharing, market coordination or LNG-cargo rerouting.

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