

MIDDLE EAST SUPPLY DISRUPTIONS

Options to Ease Oil Price Pressures On Consumers: IEA Report

The International Energy Agency (IEA) has set out a range of demand-side actions that governments, businesses and households can take to alleviate the economic impacts on consumers of the disruptions to oil markets stemming from the war in the Middle East.

The conflict has triggered the largest supply disruption in the history of the global oil market, with shipping through the Strait of Hormuz, which normally carries around 20% of global oil consumption, reduced to a trickle.

Around 20 million barrels per day of crude oil and oil products typically transit the Strait. The loss of these flows has tightened markets significantly, pushing crude oil prices above \$100 per barrel and driving even sharper increases in refined products such as diesel, jet fuel and liquefied petroleum gas (LPG).

Restoring transit through the Strait of Hormuz remains essential to stabilizing global energy markets. In the meantime, countries are acting on both supply and demand. On 11 March, IEA Member countries agreed to release 400 million barrels of oil from emergency reserves – the largest stock draw in the Agency’s history.

However, supply-side measures alone cannot fully offset the scale of the disruption. Addressing demand is a critical and immediate tool to reduce pressure on consumers by improving affordability and supporting energy security.

The new IEA report identifies 10 measures that can be implemented quickly by governments, businesses and households. These actions focus primarily on road transport, which accounts for around 45% of global

oil demand, but also cover aviation, cooking and industry. Widespread adoption, where possible, would amplify their global impact and help cushion the shock.

“The war in the Middle East is creating a major energy crisis, including the largest supply disruption in the history of the global oil market. In the absence of a swift resolution, the impacts on energy markets and economies are set to become more and more severe,” said IEA Executive Director Fatih Birol.

cars to public transport, alongside measures such as alternating private vehicle access in large cities, can further reduce congestion and fuel consumption. Additional gains can be achieved through car sharing and more efficient driving practices, as well as improved efficiency in freight and delivery operations.

Beyond road transport, targeted actions can ease pressure on fuels that are particularly constrained. A reduction in air travel, where alternatives exist, can



In road transport, a combination of behavioral and policy measures can deliver rapid savings. Many of these measures have been implemented in the past and are again being considered in several countries.

Working from home, where possible, reduces fuel demand for commuting, while lowering highway speed limits by at least 10 kilometers per hour cuts fuel use across both passenger vehicles and freight.

Encouraging a shift from private

significantly lower demand for jet fuel.

Measures to shift LPG use away from transport and towards essential applications, such as cooking, can help protect vulnerable households. At the same time, encouraging the uptake of alternative clean cooking solutions where feasible can reduce reliance on LPG and avoid a return to more polluting fuels that harm people’s health.

Industry also has an important role to play. In countries where LPG supplies are under pressure, facilities may be

able to switch from LPG to alternative feedstocks such as naphtha.

This can free up LPG supply for urgent uses – and can be complemented by short-term efficiency and maintenance measures that can deliver additional reductions in oil consumption.

Governments can lead by example through public sector measures, regulatory action and targeted incentives while ensuring that support for consumers is timed appropriately and focused on those most in need. Experience from previous crises shows that well-targeted support mechanisms are more effective and fiscally sustainable than broad-based subsidies.

While the demand-side measures highlighted in the report cannot match the scale of disrupted supply, they can play a meaningful role in lowering costs for consumers, reducing market strains and preserving fuels for essential uses until normal flows resume.


The IEA also published an overview of all demand-related policy measures

that have been announced by governments since the start of the crisis. This shows many countries are already acting to protect consumers through conservation and financial measures similar to those discussed in the report.

Immediate actions to reduce demand:

- 1. Work from home where possible**
Displaces oil use from commuting, particularly where jobs are suitable for remote work.
- 2. Reduce highway speed limits by at least 10 km/h**
Lower speeds reduce fuel use for passenger cars, vans and trucks.
- 3. Encourage public transport**
A shift from private cars to buses and trains can quickly reduce oil demand.
- 4. Alternate private car access to roads in large cities on different days**
Number-plate rotation schemes can reduce congestion and fuel-intensive driving.
- 5. Increase car sharing and adopt efficient driving practices**
Higher car occupancy and

eco-driving can lower fuel consumption quickly.

- 6. Efficient driving for road commercial vehicles and delivery of goods**
Better driving practices, vehicle maintenance and load optimization can cut diesel use.
- 7. Divert LPG use from transport**
Shifting bi-fuel and converted vehicles from LPG to gasoline can preserve LPG for cooking and other essential needs.
- 8. Avoid air travel where alternative options exist**
Reducing business flights can quickly ease pressure on jet fuel markets.
- 9. Where possible, switch to other modern cooking solutions**
Encouraging electric cooking and other modern options can reduce reliance on LPG.
- 10. Leverage flexibility with petrochemical feedstocks and implement short-term efficiency and maintenance measures**
Industry can help free up LPG for essential uses while reducing oil consumption through quick operational improvements. 



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