Oil and Gas News Briefs
Compiled by Larry Persily
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Guayana will reap windfall from higher oil prices, growing production

(Reuters; May 30) - Guyana was already the world's fastest growing economy before the U.S.-Israeli war on Iran drove up oil prices. Now, the tiny Caribbean nation of nearly 1 million people will reap an even bigger bonanza as the conflict reshapes global energy markets. The war that caused one of the largest energy disruptions in history highlights the growing importance of countries such as Guyana that offer political stability and geographically unrestricted access to its estimated 11 billion barrels of oil reserves.

This growing windfall from crude brings pressure from business owners and locals on the government to use its billions of dollars to boost other parts of the economy. Rapid development by an Exxon Mobil-led venture, which controls Guyana's oil production, grew output to over 900,000 barrels per day in just seven years. Guyana was previously one of the poorest countries in South America and oil-fueled growth can be seen across the capital where construction is underway on new office buildings, upscale hotels and rows of single-family homes that resemble those that could be found in U.S. suburbs.

Oil prices, up 30% since the start of the Iran war, could further swell Guyana's revenue. Assuming $100 oil through the rest of the year, Guyana's share of oil revenue could be worth $4.3 billion, 67% higher than last year, according to Reuters calculations. More importantly, Guyana is poised to start receiving a much larger share of oil production earlier than expected. The Exxon consortium currently takes 75% of the oil to recoup its exploration and development costs. Exxon has said the companies could recover their costs this year. At that point, Guyana's share of the profit oil will rise from 12.5% to 50%.

As part of its effort to make sure more of the oil revenue trickles down, the government is moving to expand its local content law, passed in 2021, that requires oil and gas firms to contract with Guyanese-owned suppliers and vendors in a number of specific areas.

Exxon CEO warns global oil inventories headed to record lows

(CNBC; May 28) - Exxon Mobil warned on May 28 that oil inventories will fall to record low levels in coming weeks, forcing prices to spike and curbing demand. "We're approaching unheard of inventory levels," said Exxon Senior Vice President Neil Chapman at a conference hosted by Bernstein in New York. "I mean really, really low levels," he warned. "You can debate whether that's going to hit, those really low levels, in two weeks or three weeks. Once you get to that point, then you'll see price shoot up."

The price of physical Brent oil cargoes will spike to $150 to $160 per barrel when inventories hit all-time lows in coming weeks, the executive said. “When the price gets to a certain level, demand destruction brings it back into balance,” he said. Brent futures for July delivery, the nearest contract, closed under $94 per barrel on May 28 as investors once again held out hope for a settlement between the U.S. and Iran that will reopen the Strait of Hormuz.

Oil stockpiles have mitigated the impact so far, but that “can’t last forever,” Chapman said. Oil industry executives have warned for the past two months that the crude futures market is not reflecting the scale of the disruption triggered by the war in the Middle East. “I don’t know, whether it’s two to three weeks or three to four weeks,” Chapman said. “What I’m really saying is, once you get to the minimum inventory levels and all-time low inventory levels, there’s only one way to go. That’s the situation.”

Chevron CEO warns oil prices headed higher as inventories decline

(Financial Times; London; May 28) - Chevron CEO Mike Wirth has warned oil prices are likely to rise over the next two months as crude inventories continue to decline due to the Iran war. “The buffers and the shock absorbers are being steadily drawn down, and the ability for the market to absorb this imbalance is drastically diminished today versus where we started,” he said at a conference organized by the investment bank Bernstein.

“Over the next few weeks, we’re likely to see those pressures flow through more directly to physical prices, and there’s more upward pressure that I would expect as we get into June and certainly into July,” he said May 28 in New York. His comments echo a growing chorus of warnings from other oil executives, including the head of the United Arab Emirates state oil group ADNOC, who cautioned last week that full flows through the Strait of Hormuz were unlikely to return before next year even if the war is resolved.

Wirth said the energy crisis would force governments to focus more on “an insurance policy” by building up oil reserves to insulate them from shocks such as the pandemic and wars in Iran and between Russia and Ukraine. “The likelihood that another shock is around the corner is something policymakers are going to have to bear in mind. … How long they want to roll the dice before they refill inventories is a question that I think we’re going to see policymakers have to grapple with,” he said. “That’s going to put more demand into the market, which is going to put a bit of additional tension on the price.”

Analysts increase oil price forecast to $90.44 average for 2026

(Reuters; May 29) - Analysts have increased their 2026 oil price forecasts for the third time since the Iran war began at the end of February, citing an anticipated monthslong timeline for energy flows to normalize to pre-conflict levels, a monthly Reuters poll showed on May 29. The survey of 33 economists and analysts forecast Brent crude would average $90.44 per barrel in 2026, versus $86.38 projected last month. U.S. crude was seen averaging $84.63 per barrel, up from April's view of $80.07.

The latest forecasts represent increases of about 40% from February estimates of $63.85 for Brent and $60.38 for West Texas Intermediate futures, published a day before the U.S. and Israel struck Iran. Brent and WTI have hit four-year highs of over $126.41 and $119.8, respectively, since the war began, as the closure of the Strait of Hormuz has caused large-scale disruption of energy supplies.

"There is a low probability of prices reaching new records this year. Even though we forecast prices to continue increasing until July, this increase will be marginal from current high levels," said Surabhi Menon at EIU in India. "This is based on the assumption that the war in Iran will remain in its current state (with a ceasefire in place and the Strait of Hormuz closed) until at least end of July."

U.S. banking official says world may need to live with less oil and gas

(Reuters; May 27) - The world may need to find a way to get by on less oil and gas if the Strait of Hormuz remains closed much longer due to the U.S.-Israeli war on Iran, Dallas Federal Reserve President Lorie Logan said on May 27. Iran has throttled shipping through the strait, forcing up energy, food and fertilizer prices. Around a fifth of the world's oil and liquefied natural gas transited the narrow waterway before the war.

"With supplies highly constrained, if shipping through the strait does not soon return to prewar levels, world oil and natural gas consumption could need to fall more meaningfully than it has so far," Logan said in remarks prepared for delivery to a Bank of Japan conference. "The economic consequences would depend on the degree to which end users can switch to other energy sources or use energy more efficiently, versus curtailing economic activity."

"One way or another, I expect energy markets to come into rough balance before too long," Logan said. "If the molecules aren't available, the world can't consume them." Logan was one of three Fed policymakers who voted against last month's interest-rate decision because they felt the U.S. central bank should signal that given rising energy and other prices a rate hike is just as possible as a rate cut.

China's oil imports drop to lowest level since 2022

(Bloomberg; May 28) - Chinese imports of crude oil are set to drop to levels not seen since the pandemic, as the war in Iran reveals the extent to which demand has disappeared and may not be coming back. Inbound shipments could fall to an average of 10.9 million barrels a day this year, according to London-based consultancy Energy Aspects. That would be the weakest since 2022, when the economy was stricken by lockdowns to prevent the spread of Covid-19.

China’s daily imports averaged 11.6 million barrels in 2025, a figure inflated by the government’s drive to buttress energy security by hoarding crude. Tehran’s chokehold on the Strait of Hormuz caused imports to drop steeply in April to the lowest since July 2022. But compared to other big oil importers, China has weathered the shock exceptionally well, primarily by cutting refinery runs and curbing exports of refined products without needing to scout for alternative barrels.

China’s muted demand marks a sharp shift for global markets. Over the past two years, its aggressive stockpiling absorbed much of the world’s surplus oil and helped support prices. But with Brent crude largely holding above $100 a barrel, China no longer has the appetite. Transport in the country is increasingly electric, and its petrochemicals and refining industries simply have too much capacity relative to demand. “Last year, almost all of China’s growth in crude oil imports came from stock-building,” said Erica Downs, a senior research scholar at Columbia University’s Center on Global Energy Policy.

Smaller producer nations boost oil and gas exports

(Reuters commentary; May 28) - Argentina, Brunei and Gabon are not three countries that would appear to have much in common. But they are in a small group of energy producers that are winners from the war against Iran. The focus from the Iran conflict has largely been on the increasing cost the world is having to pay through higher crude oil and natural gas prices resulting from the effective closure of the Strait of Hormuz. Inflation, disrupted supplies and the risk of shortages of refined products, fertilizers and materials to process metal ores mean that ultimately every country is paying a price.

But there are countries where higher prices for oil, refined products and liquefied natural gas are providing huge benefits that, so far, outweigh the cost of rising inflation. Brunei, a sultanate on the Southeast Asian island of Borneo with a population of just under 500,000, is a good example. It has increased exports of crude oil, refined products and LNG since the war started in order to capture the high prices. Brunei's exports of crude oil were 2.74 million barrels in April, the most in three months and up 51% from the 1.81 million barrels in April 2025, according to data compiled by commodity analysts Kpler.

Kpler estimates Brunei's shipments of refined products will hit 4.16 million barrels in May, the most since July last year, with Australia, the world's biggest importer of diesel, the top destination. Gabon's oil exports are forecast to reach 7.28 million barrels in May, the most since September, and the mix of buyers has shifted strongly toward Asia since March. Latin American exporters are also cashing in, with Argentina's oil exports hitting a record high of 9.89 million barrels in May, more than double the volume in February.

[Iran uses fleet of older tankers to evade U.S. sanctions on oil exports]

(Wall Street Journal; May 27) - In this no-man's-land 45 miles off the coast of Malaysia, tankers laden with sanctioned Iranian oil sit low in the water, waiting to offload cargoes to vessels bound for China's refineries. They lower tarps over the names on their hulls and use black paint to conceal identity numbers. They're here to carry out an elaborate deception: ship-to-ship transfers, in which one vessel offloads sanctioned oil onto another to help obscure the oil's origins before it is sent on to Iran's biggest customer.

These clandestine oil transfers reveal a key strength of the Iranian regime and a major reason why it has been able to hold firm for so long against American pressure: Iran can still sell its oil. The regime's workaround is bringing in crucial hard currency. The Wall Street Journal recently observed this up close. On a May 8 visit by boat, reporters watched as the Catalina 7, an aging vessel sanctioned by the U.S. for carrying Iranian crude, transferred oil through a hose to a ship whose name was covered by black paint.

The ships lowered giant fenders between them to prevent the Catalina 7 from crushing the smaller ship as they rolled in the waves. Old and rusty tankers like these form what is called the "shadow fleet," a roving armada of hundreds of vessels that ferry oil for sanctioned regimes, including Iran and Russia. Iran relies on such tankers for nearly all of its oil exports. The ships, sometimes uninsured, have hidden owners and sail under "flags of convenience" from countries that pay little scrutiny to what the ships are doing.

At sea, the ships use deceptive practices such as turning off their tracking devices to make it harder to follow them. The U.S. failure to stop the fleet, which has mushroomed in size in recent years, helps explain why the Iranian regime has proved so resilient.

[Shipping execs warn of environmental risks of sanctioned tankers]

(Financial Times; London; May 30) - The head of the world's biggest ship recycling company has warned that more than half of the world's fleet of sanctioned oil tankers is corroding and runs the risk of causing significant environmental disaster. Anil Sharma, chief executive of GMS Partnership, told the Financial Times that "luck was running out" to avoid a major oil slick such as the 1979 crash between Atlantic Empress and the Aegean Captain, which resulted in more than 2 million barrels of oil being spilled.

"Minimum one-third [should be scrapped], maybe more," he said of the so-called shadow fleet ships. "I would honestly think it is more than half." The shipbroker Clarksons estimates that there are around 1,800 ships in the shadow fleet, of which around 1,500 are oil or product tankers. Many are well over 20 years old, usually around the age at which a cargo ship would be scrapped. After this point, outdated systems and corrosion from years at sea can compromise their seaworthiness.

Owners of sanctioned vessels are currently pushing the lifespans of their ships to the max thanks to lucrative trading as a result of the surge in oil prices due to the Gulf crisis. Western sanctions mean that legal pathways to have the ships taken apart and recycled are largely blocked, and although there have been no major environmental disasters, there have been minor incidents of oil spills and near misses involving shadow fleet ships. “This is a ticking time bomb and I think everybody in shipping knows it,” said Alexander Saverys, CEO of CMB Tech, one of the largest listed shipping companies.

Almost 30 of the large, trapped oil tankers have slipped out of the Gulf

(Bloomberg; May 29) - Roughly one-quarter of the non-Iranian large oil tankers trapped inside the Persian Gulf at the outbreak of the Iran war have managed to slip out in a slow, stealthy trickle. Twenty-nine of the 109 bigger vessels, those capable of hauling 700,000 barrels or more, which were stranded when the Strait of Hormuz was effectively shuttered after the conflict erupted on Feb. 28 have now crossed the chokepoint, shipping data compiled by Bloomberg show.

While that flow is a fraction of the crude and oil products still locked inside the Gulf, the cargoes have been snapped up by a global market in which inventory buffers are shrinking at a record pace. And with many ships switching off instruments that broadcast their positions, the real number may well be higher. Faced with the sporadic hostilities of the three-month conflict, the ships have had to resort to unconventional maneuvers to make the passage.

Some have made the crossing under the cover of darkness as they strive to avoid the threat of rockets launched from shore. In some cases, the governments of countries taking the cargoes have been forced to lobby Iran for the privilege. Oil traders have been fixated on ships’ attempts to pass through the strait since its closure triggered the biggest energy-supply disruption in history and sent prices for vital fuels soaring. Iran-linked ships have been excluded from the calculation by Bloomberg, as these had free passage through Hormuz until mid-April when the U.S. imposed its own blockade.

Russia continues to benefit as Iran war pushes oil exports higher

(Bloomberg; May 27) - Russia’s crude exports are tracking near the highest levels so far this year, as the Kremlin continues to bank a dividend from the three-month-long war in the Middle East. Four-week average crude shipments were 3.66 million barrels a day in the period to May 24, little changed from 3.65 million in the 28 days to May 17, tanker-movements data compiled by Bloomberg show. Volumes so far this year are about 100,000 barrels a day higher than 2025 and exceed the annual averages for each year since Moscow’s troops invaded Ukraine in 2022.

Exports of Russian crude have become vital for key buyers China and India following Tehran's effective closure of the Strait of Hormuz. The move halted about 15 million barrels a day of crude flows from the Persian Gulf, with only about one-third of that diverted to other routes, leaving refiners scrambling for alternatives.

Moscow has been one of few big winners from the Middle East conflict, with prices for its crude soaring alongside global benchmarks and U.S. President Donald Trump throwing Moscow another lifeline by waiving sanctions on its oil shipments, making it easier for Indian refiners, in particular, to boost purchases. Deliveries to India this month are set to average about 1.85 million barrels a day, almost 70% higher than they were in February, before the U.S. and Israel attacked Iran.

U.S. shale oil producers draw down inventory of uncompleted wells

(Reuters; May 29) - U.S. shale producers have the lowest stock of drilled-but-uncompleted wells on record, limiting their ability to move quickly to boost crude output and replace rapidly depleted oil inventories after exports and refinery processing jumped to plug the shortfall in supply caused by the U.S.-Israeli war on Iran. Producers in the U.S. have increased exports to Asia and Europe since the conflict began.

That has led to a rapid fall in U.S. stockpiles of oil. U.S. crude inventories fell 12.4 million barrels in the week to May 22 to 806.8 million barrels, according to government data, as exports and refinery intake surged to push stocks to their lowest since January 2025. Stocks are down 52 million barrels since the start of the war. Shale's short production cycle means wells can be turned on and off quickly. Drilled-but-uncompleted wells, known as DUCs, are among the fastest ways to raise output, with production coming online in six to nine weeks, compared with three to nine months for new wells.

"I anticipate that oil-focused independent operators with meaningful DUC inventories will draw them down at a record pace over the coming months," said Linhua Guan, CEO of Surge Energy, one of the largest private producers in the Midland Basin. The U.S. Energy Information Administration estimates there were 4,972 DUCs in April, the lowest on record going back to 2013. The EIA revised up its 2026 U.S. oil production forecast in May to 13.65 million barrels per day, compared with 13.51 million projected in April.

U.S. Strategic Petroleum Reserve cargo sent to California refineries

(Reuters; May 27) - A cargo of oil from the U.S. Strategic Petroleum Reserve headed to California this month for the first time ever, ship tracking service Kpler said. The unusual movement highlights the redrawing of trade flows and shipping routes as the Iran war has cut off supplies of Middle Eastern crude. California, once a top oil-producing state in the U.S., has in recent years become more dependent on crude imports, including about 230,000 barrels per day last year from the Middle East.

About 460,000 barrels of Bayou Choctaw Sweet crude headed to Chevron's Richmond refinery in California, while another 50,000 barrels of the same grade discharged at Chevron's El Segundo refinery, Kpler said, citing bills of lading. The tanker Red Moon had loaded nearly 980,000 barrels of Bayou Choctaw Sweet in Louisiana, according to Kpler, and discharged the cargo at the Atlantic Terminal on the east coast of Panama in early May. Chevron was listed as the seller of the cargo, according to Kpler.

An 81.4-mile pipeline can move crude from Panama's east coast to a terminal on the west coast. Supertanker Pascagoula Voyager, chartered by Chevron, loaded about 2 million barrels of crude at the Pacific terminal and headed to the U.S. West Coast, the ship tracking service said. The vessel was co-loaded with Guyana's Unity Gold crude oil. The supertanker unloaded the strategic petroleum reserve oil to two smaller ships that took the cargoes to the refineries in California, Kpler said. Chevron has moved crude and gasoline blendstocks aboard foreign tankers under a U.S. Jones Act waiver.

Cheniere signs up Bechtel for Louisiana LNG plant expansion

(Reuters; May 28) - Cheniere Energy Partners said on May 28 that it had signed a contract with Bechtel Energy for engineering, procurement and construction of the first phase of its Sabine Pass LNG expansion project in Cameron Parish, Louisiana. The terminal currently has a production capacity of 30 million tonnes per year. The first phase of this next expansion would add an additional 6 million tonnes annual capacity.

The contract with Bechtel is valued at $4.69 billion, according to a filing on May 28 with the Securities and Exchange Commission. Cheniere expects to reach a final investment decision on the first-phase expansion by early 2027. Cheniere said it issued Bechtel a limited notice to proceed, allowing early engineering and procurement work to begin. Cheniere has to issue the full notice to proceed to Bechtel on or before May 21, 2028, or either party may terminate the contract and Bechtel would be paid termination costs.

Offshore Gulf Coast LNG project close to final investment decision

(Bloomberg; May 28) - Delfin Midstream is close to greenlighting what would be the first floating liquefied natural gas export site in the U.S., according to people familiar with the matter. Financing for the estimated $4.3 billion Delfin LNG project's first phase could be finalized in the coming days, said the people, who asked not to be identified because they were not authorized to speak publicly. Once the investment is secured, the project can begin construction off the coast of Louisiana.

Delfin is among the LNG project developers in the U.S. racing to tie up financing to export the surplus of U.S. gas to global markets. Disruption from the war in the Middle East has shut in nearly 20% of the world's LNG supply, which has pushed spot prices higher and made the fuel more expensive for Asia and Europe.

The Delfin project would consist of a deepwater port in the U.S. Gulf that would include three floating LNG export vessels with a combined capacity of up to 13.2 million tonnes a year. The developer initially targeted a final investment decision earlier this year but missed that milestone. Companies that have made deals to buy LNG from Delfin include German energy company Securing Energy for Europe, U.K. energy company Centrica and commodity traders Gunvor, Hartree Partners and Vitol. Vitol also is considering investing equity in Delfin, Bloomberg News previously reported.

[Mitsui looking to invest in LNG projects in Mideast, Australia, U.S.]

(Bloomberg; May 28) – Mitsui is looking to invest in liquefied natural gas projects across the Middle East, the U.S. and Australia, its chief executive officer said, as the Japanese trading house positions itself to meet rising power demand from data centers worldwide. "We're always looking for expansion opportunities in LNG and gas chemicals," Kenichi Hori told Bloomberg News, adding that Mitsui would consider taking equity stakes or securing offtake agreements.

Companies seeking clean energy to power artificial intelligence infrastructure are creating "big additional demand" for LNG, Hori added. Mitsui is one of Japan's "big five" trading houses, a Warren Buffett-backed group that also includes Mitsubishi, Sumitomo, Itochu and Marubeni. With sprawling global energy and metals businesses, the companies have benefited from strong raw material prices and the weaker yen. Mitsui is seeking new assets as part of a new mid-term strategy announced earlier this month, which will see some capital allocated to the energy sector.

"Given our strong balance sheet, there is room to increase leverage," Hori said. Mitsui already holds an interest in the Abu Dhabi National Oil Co.'s Ruwais LNG export facility — currently under construction — and would consider further investment in the Middle East, Hori said. Diversification, however, is also key to the company's strategy. Mitsui participates in Australia's North West Shelf LNG project and last year signed a long-term supply deal with Venture Global, which owns three LNG export projects in Louisiana, part of a push by Japanese companies to procure more gas from the U.S.

[Taiwan most active spot-market LNG buyer in North Asia]

(S&P Global; May 29) - Taiwan's state-run CPC Corp. has emerged as Northeast Asia's most active spot-market LNG buyer since the outbreak of the Middle East conflict, ramping up purchases to offset supply disruptions and diversify procurement away from its traditional suppliers. Taiwan is among the most exposed buyers in Northeast Asia to Qatari LNG, with nearly 40% of its long-term contracted supply sourced from Qatar, according to S&P Global Energy CERA data.

"Taiwan needs to buy about seven cargoes a month to substitute for Qatari cargoes," an LNG trader based in North Asia said. Since the start of the war, CPC has repeatedly entered the market through spot tenders, often seeking up to three cargoes at a time. Its latest tender, which closed May 26, sought two August-delivery cargoes and one September-delivery cargo, according to market sources.

The shift in suppliers has been most visible in imports from the United States. U.S. LNG deliveries into Taiwan more than tripled following the outbreak of the Middle East conflict, rising to around 1.33 million tonnes over March-May 2026 from 0.44 million tonnes in the same period a year earlier, according to CERA data. According to S&P Global Commodities data, five tankers laden with U.S. LNG are scheduled to arrive in Taiwan over the next two weeks.

Ice-class LNG tanker makes early run through Russia’s Arctic route

(gCaptain; May 28) - The icebreaking LNG carrier Christophe de Margerie appeared to be attempting an unusually early eastbound transit of Russia’s Northern Sea Route this week after loading liquefied natural gas from the sanctioned Arctic LNG 2 project, highlighting both favorable ice conditions and mounting pressure on Moscow to sustain exports to Asia. Ship-tracking data showed the Arc7 carrier sailing eastward in the Kara Sea as of midday May 28 after loading cargo at Arctic LNG 2 on May 26.

If completed, the voyage would rank among the earliest eastbound LNG transits ever attempted along the NSR, where commercial shipping seasons traditionally begin in mid- or late-June once Arctic sea ice retreats further. Only a handful of May transits by Arc7 LNG carriers have previously been recorded. The Christophe de Margerie itself completed the first experimental May eastbound voyage in 2020, delivering LNG from Yamal LNG to China in what was then considered a milestone for Arctic shipping.

The vessel’s current voyage suggests sea ice conditions in the Russian Arctic are again sufficiently limited to permit earlier navigation. But the transit also underscores growing logistical pressures facing Russia’s Novatek, the majority owner of Arctic LNG 2, as Western sanctions and vessel shortages complicate exports from the project. Since late 2024, Arctic LNG 2 cargoes have struggled to consistently reach buyers due to sanctions on the project and a limited pool of available ice-class LNG carriers.

IEA sees global investment in gas projects rising 10% this year

(Reuters; May 28) - Global investment in natural gas projects is set to rise by more than 10% this year to $330 billion, its highest level in 10 years, while upstream oil spending declines for a third straight year, the International Energy Agency said in a report. As global energy markets remain disrupted by the Iran war, which has halted tanker traffic through the Strait of Hormuz and caused production stoppages across the Middle East, companies are accelerating investment in other geographies and boosting spending on renewables, LNG and coal to shore up supply security.

"We are already seeing intensified efforts by both producer and consumer countries to diversify trade routes and energy sources," IEA Director Fatih Birol said in a statement. The IEA's World Energy Investment 2026 report says: Capital flows to energy sector will grow 5% in 2026 to reach $3.4 trillion, despite Middle East disruptions; $2.2 trillion will go to renewables, energy storage, power grids and low-emission fuels; less than $500 billion will be invested in oil supply.

The report says investment growth in gas projects largely will go to U.S. LNG export projects, but the Iran war has made Asian importers cautious of gas dependence. Coal investments will reach a 14-year high, hitting $180 billion, driven by China and India, the report says. And nuclear making a comeback with $80 billion in spending this year.

Supply shortages, high prices hit developing economies the hardest

(The New York Times; May 27) - At the onset of the war in the Middle East, industry officials and experts warned that the closure of one of the world's most vital maritime waterways would trigger acute shortages of oil, gas and other critical commodities. Three months into the blockade of the Strait of Hormuz, those warnings are materializing across the globe. Much of the world has largely experienced the crisis through price shocks. Physical supply shortages have afflicted economies across Asia.

Developing countries everywhere, especially in Asia, have been hit the hardest, as shortfalls of oil, gas and their derivatives have strained everything from farming and cooking to medical imaging. Governments across the region have rationed power, drawn down emergency stockpiles and scrambled for alternative supplies. “It's not just a price shock, it's explicit shortages,” said Krishna Srinivasan, a director at the International Monetary Fund. “In the context of shortages, industry scales back, people lose their jobs, and this has a secondary impact on growth,” Srinivasan said.

While wealthier nations like Japan, Singapore and China can tap strategic reserves and outbid rivals for alternative natural gas supplies, developing economies have suffered the deepest disruptions. Shortfalls of gas for power generation and oil refined into diesel and gasoline have forced governments to reduce demand. In Bangladesh, starved of affordable natural gas, the government has imposed widespread rolling blackouts.

Vietnam has rolled out mandatory energy rationing in industrial hubs. The Philippines declared a state of emergency in late March, shifting government operations to a shortened workweek and limiting air-conditioning in public buildings.