Four measures EU governments can deploy now to protect drivers from the oil price shock

Four demand-side measures could save EU car drivers €30 – 74 billion per year

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The shock at the pump

The US-Israel war on Iran has sent oil prices to levels not seen since the 2022 energy crisis. With the Strait of Hormuz currently blocked — through which roughly 20% of global oil trade flows — markets are pricing in a sustained period of elevated prices. European drivers are already feeling the consequences. By mid-April, filling a 55-litre diesel tank cost almost €30 more than before the conflict began.

This is not simply a short-term spike. It is a reminder of Europe's deep and costly dependence on imported oil for road transport. With the transition to electric vehicles still in progress, millions of households remain exposed to the full volatility of global oil markets.

But this is not inevitable — and the response should not fall on individual drivers alone. The IEA has identified a set of practical, low-cost behavioural and policy measures that governments can implement immediately to reduce fuel consumption and the household bills that come with it. T&E has quantified what these measures would mean in euros for EU car drivers.

These measures can ease the immediate burden — but they are not a structural fix. Only the transition to electric vehicles, which permanently removes drivers from oil market exposure, offers lasting protection from the next crisis. In the meantime, demand-side measures represent the fastest available policy response, and governments should act on them now.

If EU car drivers - aided by governments - adopted four practical measures, they could collectively save

€30 – 74 billion per year

at average EU pump prices since the outbreak of the US-Iran conflict

Why this matters now

The US-Iran conflict has exposed the fragility of a transport system still overwhelmingly dependent on fossil fuels. While the long-term answer is electrification — which permanently insulates drivers from oil price volatility — that transition will take years to complete. In the meantime, demand-side measures offer the fastest available protection. Crucially, these are not measures that require major capital expenditure or long lead times. Three additional days of remote working per week, lower speed limits on motorways, or simply checking tyre pressure can be facilitated immediately by governments. In a political environment increasingly focused on the cost of living and energy security, these measures deserve attention. The oil price shock is happening now. The savings can begin immediately.

Four measures, real savings

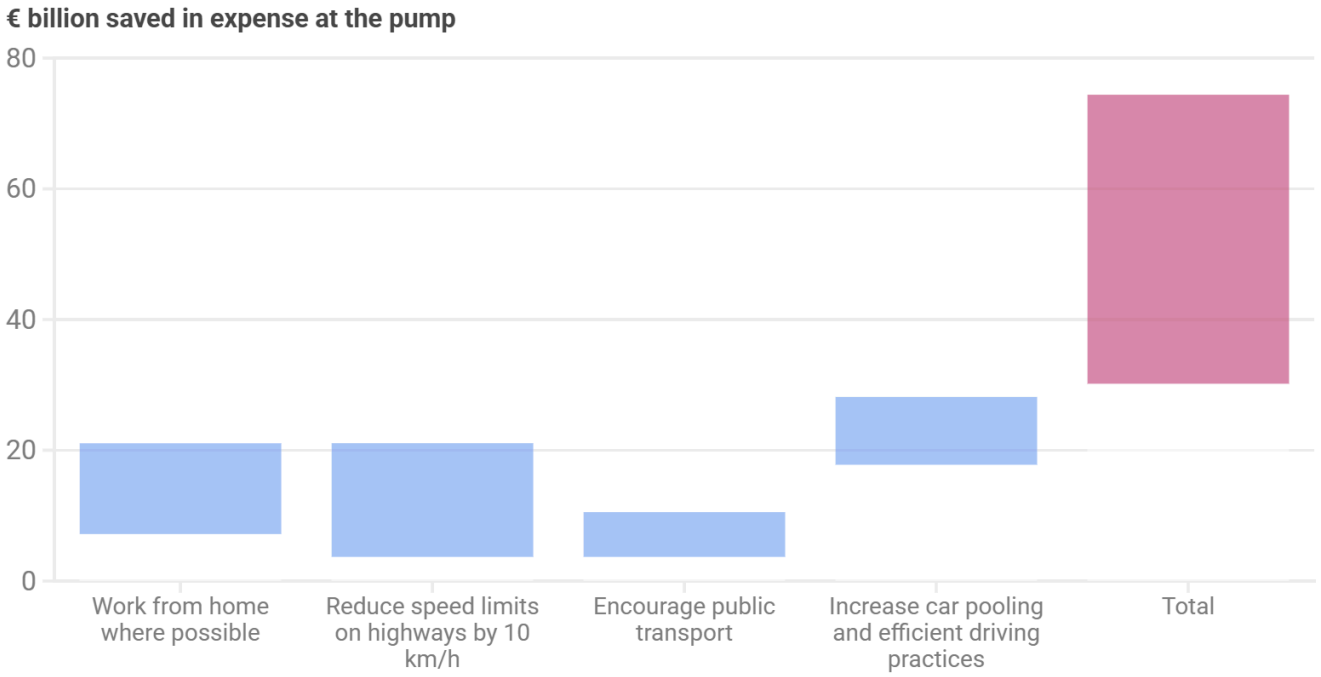
The IEA's 10-point plan for reducing oil demand in transport identifies five measures applicable to EU car drivers, four of which T&E assesses to be viable short term measures. T&E has translated each of these four measures into the corresponding annual consumer cost saving.

Measure	Consumer saving — petrol (€bn/yr)	Consumer saving — diesel (€bn/yr)	Consumer saving — petrol and diesel combined (€bn/yr)
Work from home where possible (2–6% of car oil use saved)	3.2 – 9.6	3.8 – 11.5	7.0 – 21.1
Reduce motorway speed limits by 10 km/h (1–6% of car oil use saved)	1.6 – 9.6	1.9 – 11.5	3.5 – 21.1
Encourage shift to public transport (1–3% of car oil use saved)	1.6 – 4.8	1.9 – 5.8	3.5 – 10.5
Increase car sharing + eco-driving (5–8% of car oil use saved)	8.0 – 12.8	9.6 – 15.4	17.6 – 28.1
Total (savings from measure n lowers fuel demand against which savings from n+1 can be made)	**€13.6 – 33.8 bn**	**€16.3 – 40.6 bn**	**€30.0 - 74.4 bn**

Note: Ranges reflect IEA low and high estimates for each measure. Fuel savings calculated from T&E estimate of 2025 emissions data for EU27 cars, using UNFCCC and Eurostat (453.9 $MtCO_2eq$, category 1.A.3.b.i, and 2023 diesel Vs petrol car emission splits from UNFCCC, approx 55% diesel). Standard emissions factors (petrol: 2.262 kgCO2/L; diesel: 2.625 kgCO2/L) are used to convert to litres. Consumer costs based on average EU pump prices since the outbreak of the US-Israel conflict with Iran. Biofuel blending not accounted for. Assumes no other fuels course when converting UNFCCC emissions to Mtoe.

It should be noted that on the basis of equity we have excluded the IEA measure on alternate private car access to roads in large cities on different days. Further, the IEA measure on eco-driving (tyre pressures and air conditioning use) may be overstated, as drivers are likely to quickly revert to previous driving styles.

Four practical measures could collectively save EU drivers €30 to €74 billion a year



Source: IEA, UNFCCC, Eurostat

What policymakers should do now

- **Encourage flexible working arrangements where feasible**. Three additional remote working days per week could reduce individual driver fuel bills by up to 20%.
- **Reinstate or strengthen motorway speed limit enforcement**, with a minimum 10 km/h reduction on key corridors, as per the IEA emergency recommendation.
- **Accelerate investment in public transport** as an emergency energy security measure.
- **Issue clear public guidance on eco-driving, tyre pressure maintenance and car-sharing** to accompany any emergency communications on fuel prices.
- Pursue these short-term measures alongside the long-term structural solution: **accelerated EV adoption**, which permanently removes drivers from oil market exposure.

Methodology note

Fuel savings are derived from T&E estimate of passenger car emissions in 2025 - derived from UNFCCC and Eurostat (453.9 $MtCO_2eq$, category 1.A.3.b.i, and 2023 diesel Vs petrol car emission splits from UNFCCC, approx 55% diesel). Standard emissions factors (petrol: 2.262 kgCO2/L; diesel: 2.625 kgCO2/L) are used to convert to litres. Consumer cost savings use average EU pump prices (petrol: €1.85/litre; diesel: €2.02/litre) measured from the start of the US-Israel conflict with Iran, sourced from the European Commission Weekly Oil Bulletin. Biofuel blending is not accounted for in the base fuel volumes. Assumes no other fuels course when converting UNFCCC emissions to Mtoe. Note on regional modelling: IEA demand reduction percentages reflect a global average across regions with varying characteristics such as urbanisation, vehicle efficiency, and public transport density. Therefore, the EU-specific reduction potential may deviate from the global percentage due to these regional heterogeneities.

Further information
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