STRATEGIC BRIEF FOR ENERGY SECURITY AND RESILIENCE IN PACIFIC ISLAND COUNTRIES

Managing Fuel Disruption and Reducing Structural Vulnerabilities

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Executive Summary

Pacific Island Countries (PICs) are experiencing the 2026 Hormuz disruption differently from larger economies. The shock to global oil markets is reaching the Pacific with a lag because many PICs purchased fuel forward before the March escalation. As those contracts expire, price exposure is materializing first, while physical supply and delivery risks are intensifying as the disruption persists. With 80% of energy use in the Pacific attributed to oil, this brief guides government officials and advisors taking action to manage disruptions in the short-term and reduce structural vulnerabilities in the long-term to avoid future crises.

Key messages of this brief:

- **The region remains heavily dependent on imported fossil fuels despite renewable progress.** PICs have made important renewable energy commitments, but energy systems across electricity, road transport, marine transport, aviation, and cooking remain heavily reliant on imported petroleum. Governments need to pursue a long-term transition while addressing today's fuel-dependent reality.
- **PICs face three distinct fuel risks, not one.** Affordability, availability, and reliability are different problems and require different responses. A country may fuel in storage while already facing unaffordable replacement costs or be able to pay for fuel but face delayed or uncertain delivery.
- **Fuel costs have a significant effect on GDP of island nations.** Core industries such as fishing, shipping, maritime activities, and power production are essential to the economy and livelihoods. As the cost of oil and gas increases, country GDP and individual prosperity decreases.
- **Renewable energy is necessary, but it does not eliminate vulnerability on its own.** Renewable resources can reduce exposure to imported fuel and global price shocks, but they also introduce different technical and system risks. More secure systems are diversified across energy sources, supply arrangements, storage, and institutions rather than dependent on any single solution.
- **Resilience requires a systems approach, not just technology.** Policy, economic, and social measures are essential to building a strategy that is resilient or adaptable to risks and uncertainties. Such approaches must complement technological solutions to address structural vulnerabilities described in Core Principles for Energy Security and Resilience.
- **Immediate response should combine national action with regional cooperation.** Governments need practical tools now, including better stock visibility, fuel prioritization, targeted demand management, fiscal response options, and protection of essential services and strategic sectors as introduced in the Fuel Crisis Response Framework. Regional cooperation can materially improve resilience for smaller PICs through procurement, supplier engagement, and information-sharing.
- **This crisis creates a political window for structural reform.** The current disruption can motivate actors to make long-needed reforms, including emergency planning, stockholding rules, storage investment, procurement reform, energy efficiency measures, pricing adjustments, and faster deployment of local energy resources.

This brief describes the Core Principles and a Solution Set of actions to address energy risks using a two-track approach: (1) manage the current disruption with practical fuel response measures, and (2) addressing structural vulnerabilities through reforms and investments that reduce repeat exposure over time.

> *This brief draws on Pacific policy frameworks and publicly reported regional evidence, including FESRIP, TERMPLUS, Zero Carbon Analytics analysis, and other Pacific government and media reporting.*

1. Context: Why This Crisis Impacts PICs Differently

1.1 The 2026 Hormuz crisis and the Pacific lag

The closure of the Strait of Hormuz in March 2026 triggered a major disruption in global oil markets. Most of the world experienced the shock immediately through higher prices and supply uncertainty. Pacific Island Countries (PICs) are experiencing it differently: with a delay, and through supply chains they do not control.

Most PICs import refined petroleum products rather than crude oil, typically through suppliers linked to refineries in Singapore, South Korea, and Japan. The impact of a Middle East supply disruption therefore reaches the Pacific indirectly, moving through global refining and trading systems before appearing in local markets. In many PICs, forward purchasing arrangements temporarily buffered the immediate shock. That buffer is now ending.

This time lag matters. **The impression is that PICs are less exposed than other countries, when in reality, their exposure has been deferred rather than avoided.** As contracts expire and new shipments of fuel are purchased at higher prices, the real impact becomes visible at the pump directly, and indirectly in higher utility fuel costs, maritime activity, finishing, and other core economic activities to PICs.

1.2 Three types of risk exposure

Energy security crises can be understood through three types of risk: affordability, availability, and reliability. PICs face actual or perceived risks for all three, and each arise from different instigating forces and can be addressed through different response options.

Dimension	Affordability	Availability	Reliability
Description	Fuel can still be bought, but at much higher cost	Fuel may not be physically present when needed	Deliveries become uncertain or irregular
Current status	Pressure emerging as contracts renew and replacement cargoes are purchased at higher prices	Supply risk building as existing stocks are drawn down and replacement timing becomes more important	Delivery conditions remain mostly stable, but uncertainty is increasing around shipping, insurance, and future supply timing
Mitigation actions	Fiscal intervention, subsidies, tax relief, protection of essential users	Procurement diversification, storage, stock management, rationing protocols	Supplier relationships, alternative carriers, joint procurement, longer contract terms

These risks do not emerge at the same moment, and they do not require the same response. A country may still have fuel in storage while already facing unaffordable replacement costs that drive-up local fuel prices and the costs of goods and services. Another country may be able to pay for fuel, but face delayed delivery due to global supply chain irregularity. Distinguishing among these risks is essential for planning. **Price relief tools, emergency stock management, and supply diversification are not interchangeable mitigation actions.**

1.3 Energy is multi-dimensional and so is the fuel disruption

A common error in crisis response is treating energy as a single system. Energy intersects with five distinct fuel-dependent systems, each with its own supply chain, demand driver, price structure, and vulnerability:

- **Electricity grid:** Utilities burn oil to run generators with amounts typically 50-95% of total power generation for each island nation. This is most commonly diesel but can also be heavy fuel oil. Electricity price is closely linked to fuel price in most PICs, with fuel costs attributing to 60-80% of the electricity tariffs passed onto customers.

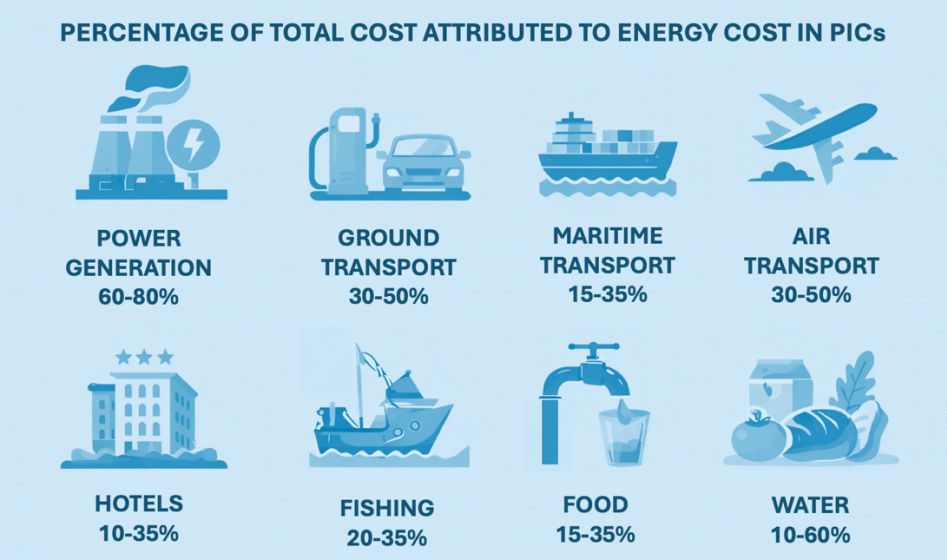
- **Road transport:** Petrol and diesel for vehicles is used across the economy by households, businesses, and government operations. Ground transportation costs are 30-50% attributed to fuel costs. Price pass-through is often immediate and visible at the pump and felt in weekly bills.
- **Marine transport:** Diesel is the primary fuel for inter-island vessels and fishing fleets. This is not a discretionary cost in archipelago states in which outer island communities depend on marine transport for food access, basic services, and economic activity. Maritime transportation costs are 15-35% attributed to fuel costs.
- **Aviation:** Jet fuel for domestic and international flights rises transportation costs for goods and people, a notable concern for tourism-dependent economies. Airline travel costs are 30-50% fuel, with larger percentages for smaller PICs or inter-island travel.
- **Cooking and heating:** Liquified petroleum gas (LPG) is widely used in urban areas as a cleaner substitute for biomass. When LPG becomes unaffordable or unavailable, households may revert to biomass cooking and heating with negative health, environmental, and time-use impacts.

Fuel security planning that addresses only the electricity grid — the most common focus of donor programs and national plans — leaves other core economic sectors without a plan.

1.4 Indirect effects of fuel disruption are more significant in PICs

Indirect and second-order effects to fuel disruptions are hard to buffer or avoid for PICs. The last oil shock in 2007-2008 created overall inflation rates nearing 10%. Energy costs are embedded in everything with key economic sectors noted below.

- **Tourism:** Energy costs comprise 10-35% operating costs for hotels and resorts, with higher amounts in smaller islands in which the resort operates a separate diesel-based power system disconnected from the main island grid. Higher airline costs also reduce travel frequency by tourists, both in international flights and shorter inter-island travel. These higher costs reduce tourism, which reduces incomes for wage earners, businesses, and the government via taxes.
- **Fishing:** Fishing relies 100% on imported diesel with no domestic alternatives. Rising prices or fuel scarcity affects about 5-10% of the formal workforce and up to 30% of the workforce through subsistence-level fishing and part-time fishing. Fuel prices are about 20-35% of total operating costs for commercial fishing, with subsistence-level fishing being even more susceptible to oil price increases with no means of an alternative in remote islands.
- **Water:** The embedded energy cost in water varies widely – 10-60% – with higher values in locations that need diesel-powered pumping and desalination, and lower values in locations with larger land masses that have surface water requiring less energy-intensive treatments.
- **Food:** Imports account for 50-90% of all food, with few PICs having sufficient arable land and farming industry for the domestic population and tourists. Energy costs typically comprise 15-35% of the total sale price of food items.



1.5 How fuel shocks manifest differently in PICs

PICs experience oil shocks through a distinct set of structural conditions that shape how the shock appears and how governments must respond.

One reason is the structure of fuel procurement. In countries using forward purchasing arrangements, the effects of a global disruption may not appear immediately or gradually. Instead, exposure can arrive sharply when an existing contract expires when the next cargo shipment must be purchased at a much higher price. What appears stable one month may change quickly at contract renewal.

A second factor is geography. Outer island systems often face higher delivery costs and longer resupply timelines even under normal conditions. In a disrupted market, these patterns become more pronounced. Fuel stress is therefore rarely experienced evenly across a country; it is often felt first and most acutely in harder-to-reach island communities.

A third factor is the role fuel plays in nationally important sectors. **In many PICs, some of the largest fuel-consuming activities are also central to economic stability and public welfare, including tourism, fishing, inter-island shipping, and essential public services.** Meanwhile, in contrast to large and wealthier nations, PICs are limited in their ability to provide for broad nation-wide subsidies on fuel. Therefore, crisis response requires prioritization across sectors, based on economic importance, food access, mobility, and essential service delivery.

Finally, crisis response depends on institutional readiness. Real-time visibility into fuel stocks by product and location is often limited, and tested national fuel emergency plans with clear triggers, authorities, and sector priorities are not yet universal. In practice, these institutional conditions shape how quickly and effectively governments can respond when disruption intensifies.

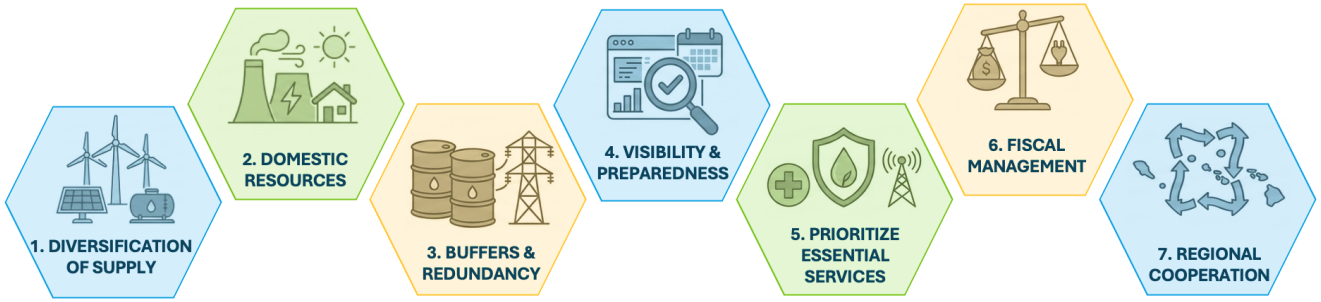
1.6 The renewable energy ambition and the current reality

Most PICs have committed to ambitious renewable electricity targets; however, the region still relies heavily on imported petroleum across transport, power generation, and household energy use. **As of 2023, oil still represented roughly 80% of the region's commercial energy supply.** Transport, shipping, aviation, and in some cases cooking fuel remain heavily or completely dependent on imported petroleum. Renewable deployment is growing, but not yet at a pace that removes near-term exposure to fuel price shocks or supply disruption.

Therefore, there is a dual imperative: PICs must accelerate the energy transition with all available tools and political will — and simultaneously must have credible plans to manage their current fuel-dependent systems. These are not competing priorities. The current crisis is a reminder that both must happen at once.

2. Core Principles for Energy Security and Resilience

Energy security and resilience are not defined by the absence of disruption. They are defined by whether a country can absorb shocks, protect essential services and strategic sectors, and recover without prolonged social or economic harm. In the Pacific, this means looking beyond the next fuel shipment and asking what qualities make an energy system more secure over time. The principles are meant to define those qualities.



1. **Diversification of supply**
   No country should rely so heavily on a single fuel, technology, supplier, or route that one disruption can trigger a wider energy crisis. Diversification reduces risk, but it does not remove it. Every energy source has its own vulnerabilities. Imported diesel is exposed to global price shocks and supply disruption. Solar power reduces fuel dependence but introduces exposure to cyclone damage, intermittency, and battery supply chains. Hydro can reduce imports but can be vulnerable to drought and seasonal rainfall variability. The goal is not to replace one dependency with another, but rather avoid getting locked into a system where one failure affects everything at once.

2. **Greater use of domestic energy resources**
   A more secure energy system incorporates self-sufficiency from domestic resources. For PICs, this means increasing the role of locally available energy sources where feasible, including solar, wind, hydro, geothermal, and in some cases biofuels. Domestic resources do not eliminate vulnerability, but they do reduce exposure to imported fuel prices, shipping disruption, and geopolitical chokepoints. Over time, increasing the share of domestic energy is one of the clearest ways to reduce structural dependence.

3. **Buffers, reserves, and redundancy**
   Resilient energy systems have buffers to moderate the effects of disruptions. This includes physical fuel storage, reserve margins, backup supply arrangements, and system redundancy where possible. In the Pacific, where supply intervals are long and outer-island logistics can be fragile, buffer capacity is not optional. It is an essential part of what makes the system resilient.

4. **Visibility and preparedness**
   A country cannot manage an energy shock if it cannot see the system clearly and act accordingly. Governments need timely visibility into fuel stocks, demand, delivery schedules, and exposure points. They also need clear institutional roles, tested emergency procedures, and the authority to escalate when conditions worsen. Preparedness is also essential to resilience.

5. **Prioritization of essential services and strategic sectors**
   Energy security does not mean protecting all demand equally under all conditions. It means being able to protect what matters most. In PICs, this includes essential services such as health, water, telecommunications, and emergency response, but also strategic sectors such as inter-island shipping, fisheries, and tourism that are central to economic stability and public welfare. A resilient system is one that can allocate limited energy supplies intentionally rather than reactively.

6. **Affordability and fiscal management**
   A country does not have energy security if fuel is available yet unaffordable for utilities, government, businesses, or households. Energy shocks often appear first as fiscal stress and price pressure before they become outright shortages. The direct effects of increased costs in power generation and transportation lead to indirect effects observed in the increased costs for water, food, tourism, and more. For that reason, **energy affordability is critical part of economic resilience**. Secure systems are not only supplied; they are financially manageable enough to sustain essential operations during periods of volatility.

7. **Regional cooperation**
   For many PICs, resilience is more costly if pursued in isolation. Small market size, high transport costs, limited storage, and weak bargaining power make regional cooperation part of the resilience logic itself. Shared learning, coordinated planning, regional procurement approaches, and collaborative support mechanisms can all strengthen national systems that are individually too small to capture scale on their own. **In the Pacific, energy resilience is both a national and a regional effort.**

These principles outline how an energy-secure and resilient nation is built on preparedness and adaptation, not solely on avoidance and redundancy. It is one that is diversified, increasingly supported by domestic resources, buffered against disruption, visible to decision-makers, able to prioritize essential needs, financially manageable under stress, and strengthened through regional cooperation. The solutions set that follows can be understood as practical ways to build these qualities over time.

3. Solutions Set for Energy Security and Resilience

Not every PIC will use the same fuel response framework or activate the same measures at the same time. National circumstances differ, including fuel procurement arrangements, storage capacity, geography, fiscal space, and sector priorities. The measures below are therefore presented as a menu of practical tools rather than a fixed sequence of operations. Some are intended to manage immediate fuel disruption while others are intended to reduce structural vulnerability over time.

3.1 Immediate tools to manage fuel disruption

These tools are intended to help governments manage near-term pressures on affordability, availability, and reliability while protecting essential services and critical economic sectors.

Visibility and coordination

- Activate an inter-ministerial fuel crisis group with clear decision authority.
- Establish daily or weekly stock reporting by fuel type and location.
- Track days of availability, expected delivery dates, and contract renewal timing.
- Monitor supply conditions separately for electricity, road transport, marine transport, aviation fuel, and cooking fuel.
- Publish regular public updates on stocks, deliveries, and government actions.
- Prepare clear trigger points for moving from monitoring to active management.

Demand restraint and prioritization

- Reduce non-essential government vehicle use and travel immediately.
- Introduce work-from-home, carpooling, lower speed limits, or reduced travel measures where feasible, such as implemented during COVID-19 pandemic.
- Reduce energy use in government buildings and facilities, such as turning up thermostats, where feasible.
- Introduce targeted demand restraint in non-essential public and commercial activity.
- Establish or activate fuel prioritization across essential services and strategic sectors.
- Protect fuel access for health, water, telecommunications, emergency response, food supply chains, and public transport.
- Protect fuel access for key economic sectors such as fisheries, tourism-linked transport, and inter-island shipping where relevant.

- Use temporary public transport support to reduce private fuel demand where appropriate.

Supply security and allocation

- Extend or renegotiate forward contracts for fuel purchases where feasible.
- Begin early outreach to alternative suppliers, traders, or routes.
- Activate regional coordination channels for supplier outreach and information-sharing.
- Prepare emergency support requests in case commercial supply conditions worsen.
- Establish emergency allocation protocols for essential services and priority sectors.
- Restrict bulk purchases, jerry-can sales, or other forms of hoarding where necessary.
- Introduce retail purchase limits where panic buying is a risk.
- Release public or commercial stocks where emergency authority allows.
- Prepare resupply measures for potential emergency shipments to outer islands or remote areas.
- Use fuel switching where technically possible to preserve scarce fuel for higher priority uses.

Affordability and fiscal response

- Provide early briefings to finance and other ministries on potential fiscal impact scenarios.
- Consider temporary tax, duty, or VAT relief on petroleum products.
- Use targeted support for vulnerable households rather than broad untargeted subsidies where possible.
- Provide temporary support for essential operators such as public transport, fisheries, or inter-island shipping where justified.
- Explore emergency financing options with development banks and financing partners before the crisis has an opportunity to worsen.
- Pair any affordability measure with a clear time horizon, fiscal review process, and exit plan to avoid distorting demand during supply constraints or locking in hard-to-remove subsidies.

3.2 Structural tools to strengthen long-term energy security and resilience

These tools are intended to reduce structural issues of fuel dependence, improve energy resilience before the next disruption, and strengthen island energy security and economic stability over time.

Buffers, reserves, and storage

- Establish minimum stockholding requirements by petroleum product type where feasible.
- Invest in additional fuel storage capacity at national and subnational levels.
- Improve storage planning for outer islands and harder-to-reach areas.
- Strengthen operational rules for stock release, replenishment, and emergency allocation.
- Review whether current stock locations match actual risk and demand patterns.
- Establish plans to create stocks of petrochemicals for use when necessary.

Procurement and supply diversification

- Diversify fuel suppliers, traders, routes, and contract structures.
- Reduce over-reliance on a single import pathway or procurement model.
- Move toward more deliberate contract management and contingency planning.
- Develop stronger regional procurement or pooled purchasing arrangements where feasible.
- Explore shared reserve concepts or coordinated regional stockholding models.
- Build more systematic supplier intelligence and market monitoring capacity.

Efficiency and long-term demand reduction

- Introduce appliance and equipment efficiency standards.
- Strengthen building energy standards and cooling efficiency measures.
- Improve public lighting and other public-sector efficiency measures.
- Establish public sector fleet efficiency targets and fuel-use standards.
- Introduce or strengthen vehicle fuel economy standards.
- Improve freight efficiency in road and maritime transport where possible.
- Embed demand-side planning into national fuel emergency preparedness.
- Define a prioritization hierarchy for which sectors should be protected and which can be reduced during crisis conditions.

Domestic energy development and fuel substitution

- Accelerate deployment of domestic renewable energy resources where feasible.
- Expand large-scale integration of renewable energy and energy storage to reduce diesel fuel use.
- Expand solar, energy storage, or other hybrid systems in smaller isolated grids.
- Develop local biofuel blending where technically and economically viable.
- Support gradual transport electrification, including EVs and electric public transport where grid conditions allow.
- Support cleaner or electric cooking options where they reduce LPG and biomass vulnerability.
- Treat domestic energy development as an energy security priority, in addition to a climate measure, to ensure national security and economic stability.

Institutional readiness and regional cooperation

- Develop and test national fuel emergency response plans with clear triggers and authorities.
- Build real-time fuel data systems that track stocks, flows, and sector exposure.
- Strengthen utility technical capacity, including planning for higher shares of domestic generation.
- Pre-fund grid studies and improve interconnection processes for renewable energy.
- Establish frameworks and policies for power purchase agreements (PPA), independent power producers (IPPs), and other enabling conditions for domestic energy deployment.
- Strengthen coordination across energy, finance, transport, fisheries, disaster management, and utilities nationally.
- Build standing regional coordination mechanisms for crisis response, joint procurement, and technical exchange.
- Align development partner support around national priorities and regional frameworks rather than fragmented interventions.

Taken together, these tools show that immediate fuel response and long-term energy transition are not separate agendas. Some measures manage the current shock while others reduce the likelihood and severity of the next one. Both are needed, and both should be pursued deliberately.

Spotlight: Tonga's Energy Road Map

Tonga offers an example in the Pacific for energy planning framed around oil vulnerability. Its value is not that it can be copied directly, but that it links planning, pricing, regulation, and coordination.

What Tonga did

Following earlier fuel price shocks in 2008, Tonga launched TERM to reduce oil vulnerability while improving access to modern energy services. TERM was not only a renewable energy plan; it also addressed efficiency, affordability, petroleum issues, and institutional reform.

- **Whole-of-sector approach:** petroleum, power, renewables, efficiency, and institutions treated as one agenda.
- **Explicit energy security framing:** reform tied directly to reducing oil price exposure.
- **Institutional reform alongside investment:** infrastructure planning paired with policy, pricing, and governance.

TERMPLUS 2021–2035 builds on that foundation with targets for 100% renewable electricity by 2035, reduced oil imports, stronger transport efficiency, and improved resilience.

What Tonga's experience shows

Tonga’s experience shows that energy security planning is not only about adding renewable power. It also depends on pricing systems, institutional coordination, and better data. For PICs, the broader lesson is clear: reducing fuel vulnerability requires integrated planning across both immediate fuel management and longer-term structural change.

4. Fuel Crisis Response Framework

The staged framework below is intended as a practical escalation tool to track, manage, and act. The biggest implementation failure in fuel crises is often waiting too long to move from monitoring to response.

Stage	Status	Trigger conditions	Example actions
1	**MONITOR**	Global supply disruption confirmed. Stocks >45 days. Prices stable at current contract. No carrier disruption.	• Activate inter-ministerial monitoring group. • Establish weekly stock reporting from importers and state utility by product type. • Begin supplier contact, assess next contract pricing. • Brief cabinet on scenario range. • Circulate guidance on government vehicle use reduction.
2	**PREPARE**	Price of next contract pricing 20%+ above baseline. Stocks 30-45 days. Contract renewal 4-8 weeks away. Carrier premium notices.	• Request government staff reduce non-essential travel. • Raise government building thermostat setpoints. • Extend current contracts if possible. • Contact alternative suppliers. • Brief finance ministry on fiscal impact scenarios. • Issue anti-hoarding advisory to public. • Engage regional coordination channels. • Initiate emergency financing discussions and applications with development banks and financing partners.
3	**RESPOND**	Price pass-through at pump 30%+ above baseline. Stocks 21-30 days. Next cargo delivery uncertain. First public queuing reported.	• Issue formal fuel priority directive (health/water/food first). • Suspend fuel import duties and VAT. • Issue public communication on stock status and plan. • Purchase limits at retail fuel stations. • Ask commercial sector to reduce discretionary fuel use. • Targeted support activated for key economic sectors such as fishing operators and transport workers. • Outer island administrators briefed and emergency stock allocations confirmed.
4	**MANAGE**	Stocks 14-21 days. Next cargo delayed or unconfirmed. Significant social stress. Essential sector operators reporting supply access problems.	• Formal fuel allocation by sector activated — critical services guaranteed. • Government fleet restricted to essential use only. • Vehicle usage restrictions — odd/even or days-based system for private vehicles. • Free or heavily subsidized public transport. • Request commercial generators reduce non-essential operation. • Daily ministerial public briefing. • Direct request to partner governments for emergency supply support. • Household cash transfers for lowest-income groups.
5	**RATION**	Stocks <14 days. Cargo delivery beyond 14 days uncertain. Critical services at imminent risk. Outer islands below 7-day stock.	• Formal rationing: critical services (health, water, food supply) fully guaranteed. • Fishing fleet and inter-island freight frequency prioritized for food security while non-essential transport ceases. • Private vehicle use suspended except for essential purposes. • Generators restricted to critical facilities (hospitals, water, telecoms). • Emergency outer island resupply mission activated. • National energy emergency declared. • All bilateral assistance channels with partner governments activated.

5. Questions Each Government Should Answer Now

Before selecting measures, governments should establish a clear picture of supply, exposure, fiscal space, and decision authority. The questions below help determine which tools are available and which sequence makes sense.

Supply and stock

- What are current stock levels by product and location?
- What are current consumption levels during normal, non-crisis times?
- When do current supply contracts expire, and what price or delivery risk comes with renewal?
- Who holds the stocks, and where are the main vulnerabilities, including outer islands and remote areas?
- What alternative suppliers, routes, or storage options are available on short notice?

Demand and exposure

- Which sectors and services consume the most fuel by product type?
- Which services and sectors must be protected first if supply tightens?
- Which demand can be reduced with the least economic and social harm?

Fiscal and financing

- How much fiscal space exists for tax relief, targeted support, or emergency purchasing?
- What financing instruments or partner support could be activated quickly?

Governance and coordination

- Who has authority to trigger emergency measures, and what does that enable?
- What data, reporting, and communication systems are already in place?
- Which regional coordination channels and emergency support mechanisms can be activated now?

6. Act Now: Political Will for Energy Reform

Fuel crises do not automatically produce better policy, but they do create political space that is harder to generate under normal conditions. Major energy shocks have often accelerated reforms that later became part of national resilience. In Iceland, the oil crises of the 1970s helped drive expansion of geothermal heating. In Brazil, the 1973 oil shock helped spur the ethanol program launched in 1975. More recently, the European Union responded to disruption following Russia's invasion of Ukraine with a mix of supply diversification, joint action, energy efficiency, and faster renewable deployment.

The Pacific has its own version of this lesson. Tonga's Energy Road Map was explicitly designed to reduce vulnerability to oil price shocks and used energy security as the organizing frame for planning, pricing, and reform. The broader lesson is that fuel vulnerability can be politically useful if governments use the moment to lock in structural change rather than simply absorb the shock and move on.

That is the opportunity in front of PIC governments now. When fuel prices rise quickly and weaknesses become visible, reforms that usually move slowly can become more feasible, including emergency planning, stockholding rules, procurement reform, utility process improvements, energy efficiency measures, and faster deployment of domestic energy resources. The immediate response and the longer-term resilience agenda should therefore be pursued together.

Three implications follow. First, governments should use the present disruption to advance reforms that were already needed before this crisis began. Second, they should prioritize measures that reduce future exposure in addition to softening effects of the current shock. Third, they should act while public attention and political willingness are still high. These windows do not stay open indefinitely. If this crisis passes without structural follow-through, the region will remain exposed to the next fuel shock for many of the same reasons.

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