

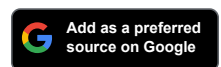


Business Aviation

Air fares to surge as jet fuel prices remain high despite ceasefire

The Middle East conflict has affected travel demand, but regional airlines are expected to bounce back quickly

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April 07, 2026



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Air fares are set to rise despite the two-week ceasefire announced on Wednesday between the US and Iran, as jet fuel supply disruption will take time to ease.

While crude oil prices fell following the announcement, jet fuel costs are likely to stay elevated even if the Strait of Hormuz is reopened, Willie Walsh, the head of the International

Air Transport Association (IATA) said on Wednesday.

The strait, through which about 20 per cent of the world's oil and gas passes, has been effectively closed by Iran since the war began on February 28.

"If it were to reopen and remain open, I think it will still take a period of months to get back to where supply needs to be given the disruption to the refining capacity in the Middle East, which is a critical part of the global supply of refined products, and not just jet fuel for other products as well," Reuters cited Mr Walsh as telling journalists in Singapore.

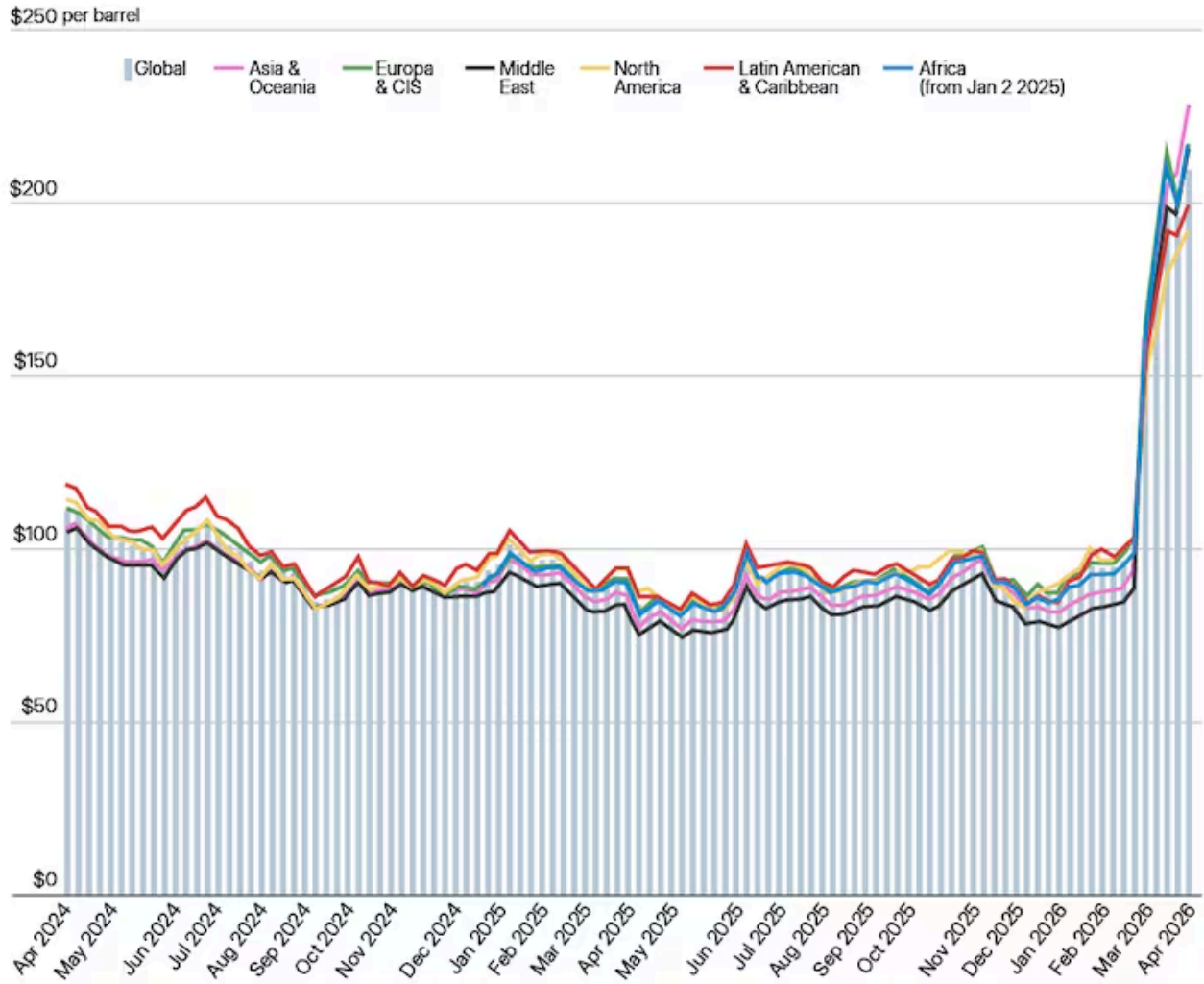
Oil prices fell sharply on Wednesday, with Brent, the benchmark for two thirds of the world's oil, down nearly 13 per cent at \$95.42 per barrel at 7am UAE time.

In addition to the Hormuz blockade, crude prices have also risen due to attacks on energy infrastructure in the region. Brent is currently more than 30 per cent higher since the war began with the US and Israeli bombing of Iran on February 28.

A combination of rising fuel prices and route disruptions has [hit airline capacity](#), forcing airlines to ground jets during the war.

How jet fuel prices have soared

(Global and regional)



Source: S&P Global Energy Platts

The global average jet fuel price for the week ended April 3 rose to \$209 per barrel, according to IATA. It was up by 7.1 per cent on a weekly basis, 13.7 per cent month-on-month, and more than 132 per cent on an annual basis.

“Fuel costs have risen sharply. With tight capacity and thin margins, air fares are already rising,” Mr Walsh said in a report last week. “Capacity deployment is also adjusting, particularly for traffic to, from, or through the Middle East, or in areas where fuel supply is an issue.”

An increase in fares is a “complex function of oil price and how that feeds through to fuel, the question of whether a specific airline is or is not hedged and on the levels of available

capacity in a given market”, said John Strickland, a UK-based aviation analyst and director of JLS Consulting. Hence the impact will vary widely, he added.



Manus on Markets: Stocks up but global jet fuel runs low

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Some airlines are adjusting prices to compensate for the slowing demand. [Etihad Airways](#) has cut fares by up to half on some routes, including flights originating outside Abu Dhabi, for travel in April, May and June compared to the peak summer months.

Air fares will depend on routes, city pairs and the effect of fluctuating oil prices, said Saj Ahmad, chief analyst for London-based Strategic Aero Research.

Most Gulf airlines purchase spot rates rather than hedge fuel, he said.

“If oil costs continue north of \$100 a barrel, it becomes harder to discount pricing to entice passengers back because airlines need to cover that fuel expense, which can amass around 30 per cent of their total costs,” he explained.

“Unless fuel surcharges and oil prices come down, do not expect to see prices drop just because the war ends. But at the same time, demand is very inelastic for key places like Dubai, and if people perceive the place to be safe and want to vacation there, they will pay to do so, ticket prices be damned,” Mr Ahmad added.

Airlines impact

For the airline industry, the harm is in aircraft being parked all over the globe, as well as staff costs, said Addison Schonland, partner at US-based AirInsight.

Gulf airlines are operating at just over half of their pre-disruption capacity, with flight activity recovering to about 52 per cent of February 27 levels by early April, according to data from Flightradar24.

Gulf airlines are recovering from airspace restrictions

Flight count as percentage of average before February 28

Select one or more airlines

100% _____

80% _____

Source: Flightradar24 – processed by The National • Last update: 10/04/2026



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Airlines are also facing operational challenges from longer flight routes which add costs as well as creating delays, Mr Strickland said.

"Additionally, they are exposed to revenue losses through the reduced levels of operations currently and passengers booking away from them due to the uncertainty of the conflict."

Every Gulf airline is affected right now, said Mr Ahmad. "It is fair to say that despite a marked increase in flights despite the war, many aeroplanes are nowhere near full capacity ... so already the cost of all this cumulatively is in the hundreds of millions of dollars. And sadly, the longer this battle continues, that cost is simply going to magnify in size."

Without knowing the length and intensity of the war in the Middle East, it is impossible to quantify the full impact that it will have on airline prospects, according to IATA.

Flights after airspace shutdown

Combined daily flight count by Gulf airline

Emirates Etihad Airways Air Arabia flydubai Qatar Airways

Source: Flightradar24 • Last update: 10/04/2026



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"The long-term really depends on how long the war lingers ... While we hope that is temporary, a long war of attrition would be a global economic disaster for the airline industry," said Ernest Arvai, aviation analyst at US-based AirInsight.

The ramification will reach across the industry "from airlines to the beleaguered supply chain for Airbus and Boeing".

"If airlines aren't flying, they won't buy aircraft, which impacts those who make engines and components for aircraft, training for pilots, and mechanics. If layoffs occur, they are typically for the highest-paid and most experienced, who know how to solve problems," he added.

Quick recovery

However, the industry will bounce back quickly once the war ends, the analysts said.

The region's aviation sector has been "tested previously by other significant challenges and has demonstrated its determination and resilience in coming back from these", Mr Strickland said.

"Price promotions will be used to encourage customers back along with clear demonstrations that safety and security can be assured. The pandemic is a great example of how Dubai came back strongly and successfully in restoring traveller confidence," he added.

The travelling public has a "short memory", said Mr Schonland.

"Attractive pricing brings people back. Crucially, the action by the UAE to protect travellers (hotels, etc) was probably the most effective move to build the brand during the crisis. That is something nobody forgets and talks about forever," he added.

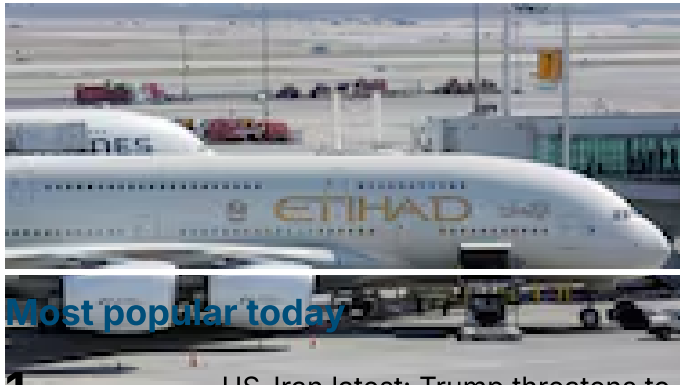
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