

JET FUEL CRUNCH

TO FLY OR NOT TO FLY

FLYING SOON? WHAT THE JET FUEL CRISIS MEANS FOR TRAVELLERS AND AIRLINES

Jet fuel prices have roughly doubled since the war in Iran began - and shortages could start next. A looming jet fuel shortage in Europe and Asia, driven by the Iran war and closure of the Strait of Hormuz, could upend global travel within weeks if oil doesn't start flowing again soon - pushing up airlines and triggering flight cancellations ahead of the peak summer season.

International Energy Agency (IEA) Director Fatih Birol told AP that Europe has 'maybe six weeks' of remaining jet fuel supplies and that the global economy faces its 'largest energy crisis'. In general, some European countries hold several months' worth of jet fuel inventory at a time, according to an IEA report.

Jet fuel - a refined kerosene-based oil product - is airlines' biggest cost, making up about 30% of overall expenses, according to the International Air Transport Association (IATA). And jet fuel prices have roughly doubled since the war began. Shortages could start next.

Willie Walsh, IATA's Director General, called the IEA's assessment of potential jet fuel shortages 'sobering'. 'We have also estimated that by the end of May we could start to see some cancellations in Europe for lack of jet fuel,' he said.

Amar Khan, head of European jet fuel pricing at Argus Media, said that with every passing day that the Strait of Hormuz remains shut, Europe is 'edging closer to supply shortages'. He added, 'The Strait accounts for around 40% of Europe's jet fuel imports.

Airline officials have largely reacted with caution, acknowledging potential fuel issues but working to reassure customers. Some carriers have already passed costs on to consumers by increasing fees for baggage and fuel surcharges.

and through pipelines and is stored by airlines at airports.

Which regions could feel pain?

Asia-Pacific countries are the most reliant on oil and jet fuel from the Middle East, followed by Europe, Rousseau said, adding, most of Europe's jet fuel is produced by European refiners, but about 20-25% of its supply is missing because of the war. The world is losing 10 million to 15 million barrels of oil a day due to the closure of the Strait of Hormuz, said Pavel Molchanov, senior investment strategist.

How will passenger travel be affected?

Christopher Anderson, a professor of operations, technology and information management at Cornell University,

said travellers should prepare for more than just higher fares. 'This is no longer just a fuel-price story. For airlines, it is now a network-planning story,' he said. 'Higher fuel costs matter, but so do longer routings, reduced scheduling flexibility and greater uncertainty about what demand will look like soon.'

What are airlines doing?

Dutch airline KLM and UK budget carrier easyJet said that they weren't experiencing current fuel shortages, without commenting further on the IEA's warning. KLM said it would cut 160 flights next month - about 1% of its total European routes. German carrier Lufthansa said that labour disputes and high fuel prices are forcing it to immediately shut down feeder airline City-Line, earlier than planned, and take its 27 older, less fuel-efficient planes out of service. US carrier Delta Air Lines said it was monitoring the situation.

How are prices affected?

Other airlines have sounded the alarm about rising fuel prices, with some already passing along new costs to travellers, often embedded into ticket prices and add-on fees.

US carriers Delta, United, American Airlines, Southwest Airlines and JetBlue have all increased checked baggage fees, for example, in recent weeks.

Meanwhile, Hong Kong's Cathay Pacific recently bumped fuel surcharges by roughly 34% across all routes, while Air India added up to US\$280 in fees to some flights earlier this month. Emirates, Lufthansa and KLM have also adjusted fees or fares to keep pace with the price volatility.

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ICAI Muscat (Oman) Chapter, in strategic partnership with CBFS, delivers high-impact knowledge sessions on women's leadership and NRI taxation



The ICAI Muscat (Oman) Chapter, in strategic partnership with the College of Banking and Financial Studies (CBFS), continues to advance professional excellence and thought leadership through the successful delivery of two high-impact online Continuing Professional Education (CPE) seminars focused on Women's Leadership and Decoding NRI Income Tax Returns.

These initiatives reflect a shared commitment between ICAI Muscat (Oman) Chapter and CBFS to strengthen professional capabilities, foster inclusive leadership, and enhance technical expertise across the finance and accounting community in Oman and the wider region.

International Women's Day: Advancing Leadership, Inclusion, and Resilience

In celebration of International Women's Day, the Chapter hosted a distinguished virtual forum that convened prominent voices and professionals to explore themes of leadership, resilience, and inclusion in today's evolving workplace.

The session was honored by the



presence of Ms. Tavishi Behal Pandey, Deputy Chief of Mission at the Embassy of India in Oman, as Chief Guest. In her keynote address, she underscored the critical importance of empowering women and fostering inclusive growth across sectors.

The event featured an exceptional lineup of speakers:

- Dr. Malvika Iyer, recipient of India's highest civilian honor for women, 'Nani Shakti Puraskar', and an internationally recognized motivational speaker and disability rights advocate, who delivered a powerful narrative on resilience and breaking

barriers.

- CA Nissy Poulsen, who shared a compelling, professional journey from nursing to high-impact finance, highlighting adaptability and leadership transformation.
- CA Shilpa Mehta Jain, a polio survivor, who emphasized the role of mindset, perseverance, and self-belief in achieving professional success.

The session attracted strong engagement and offered rich perspectives on inclusive leadership and personal growth, reinforcing the importance of diversity as a driver of institutional and societal progress.

role in enabling these initiatives, reinforcing its position as a national hub for professional development, executive education, and knowledge advancement in the financial sector.

Through such strategic collaborations, CBFS continues to:

- Facilitate high-quality knowledge exchange platforms
- Strengthen industry-relevant competencies
- Support the development of future-ready finance professionals
- Contribute to the broader knowledge economy and professional ecosystem in Oman

Sustained Impact and Forward Momentum

Both seminars witnessed strong participation from finance and accounting professionals across Oman and the GCC, reflecting the growing relevance and impact of such collaborative knowledge initiatives.

The ICAI Muscat (Oman) Chapter, in partnership with CBFS, remains committed to delivering high-value learning experiences, fostering professional excellence, and contributing meaningfully to the advancement of the accounting and finance profession at both national and regional levels.