

Situation Report:

April 21, 2026

European Jet Fuel Shortage



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European Jet Fuel Shortage

1. Executive Summary

Jet fuel is a refined product that must be separately produced, stored and transported to airports.

The Gulf region accounts for the majority of Europe's net jet fuel imports. However, the Strait of Hormuz has been effectively closed to commercial shipping since 28 February 2026, and no meaningful commercial volumes have transited the Strait since the onset of hostilities.

The supply disruption is structural, not a temporary price event.

\$1,573/t

Jet fuel spot price

vs approx. \$831 pre-war (+89%)

6-yr low

ARA hub stock level

Declining sharply week-on-week

<20 days

Some EU states cover

IEA systemic threshold: 23 days

~6 weeks

IEA outlook to shortage

Biorol, April 2026

Physical Rationing Confirmed in Italy

Air BP Italia has issued emergency notices imposing **strict volume uplift limits** at multiple Northern Italian airports including Bologna, Milan Linate, Venice Marco Polo and Treviso.

These are hard volume caps per aircraft, not price rationing. A major Central European low-cost carrier confirmed operational fuel shortages at three Italian airports this week, resolved within hours but confirming the physical reality.

A second cluster of **disruptions simultaneously hit Rome Fiumicino and Milan Malpensa**, which recorded several hundred combined flight disruptions.

Italy is in Wave 3: physical absence at point of use.

Why Alternative Supply Cannot Close The Gap

Approximately **40% of Europe's jet fuel imports previously arrived via the Strait of Hormuz**. Record-level emergency exports from the US Gulf Coast are filling approximately half the resulting gap.

The remaining shortfall is structural: no combination of currently-available alternative supply can close it near term. That gap is consumed directly from stored ARA hub reserves and airline operational stocks.

Confirmed Airline Actions

Airline	Action	Detail
SAS	1,000 April cancellations	Fuel cost cited as the primary driver. Entire month schedule affected.
KLM	160 European flights cut	"Rising kerosene costs mean a limited number of flights are no longer financially viable."
Lufthansa CityLine	Shutdown	Regional feeder airline shut down ahead of schedule. 27 older aircraft grounded immediately.
easyJet	GBP 540-560m H1 pretax loss	Demand described as strong. Fuel costs destroying margin entirely.
Ryanair	Summer cuts signalled	CEO stated the airline "cannot rule out risks to fuel supplies at some airports" if shortage continues to May or June.
Wizz Air	EUR 50M profit warning	EUR 50M hit to 2026 net profit. Operational fuel shortages confirmed at three Italian airports this week.
Virgin Atlantic	Full-year profit warning	"Will struggle to turn a profit this year even after adding fuel surcharges."
TotalEnergies	Supply warning for June	"If this blockade lasts more than three months, we will face serious supply issues in jet fuel."
Norse Atlantic	LAX route exit	Pulling out of Los Angeles International Airport, citing fuel cost and availability crisis.
Edelweiss (Swiss)	Denver + Seattle shutdown	Immediately shutting service to Denver and Seattle. Fuel crisis cited directly.

2. Supply Assessment

The following assessment draws on market intelligence and supply chain analysis of the European jet fuel supply situation. It is based on available information as of April 2026.

ARA hub stock trajectory

The Amsterdam–Rotterdam–Antwerp hub is the primary storage and distribution point for jet fuel in Northern Europe. Stocks have declined sharply over the past month, reaching their lowest level in over six years.

The most recent confirmed weekly decline was approximately 8%, following a 5% decline the previous week. The trend is accelerating. At the current pace of drawdown, the hub's stocks will reach levels historically associated with physical supply constraints at exposed airports within approximately four to six weeks, without any significant new supply inflows.

Period	ARA stocks	Weekly change	Status assessment
Early April	706,000 tonnes	Declining	Price transmission phase. Demand is beginning to adjust.
Mid-April	671,000 tonnes	Accelerating decline	Allocation constraints active. Supplier rationing beginning.
Late April (confirmed)	646,000 t — 6-yr low	Sharply lower	Physical rationing confirmed at Italian airports. Wave 3 active.
Coming weeks (assessed)	Continued decline	Accelerating	IEA systemic shortage threshold approached as reserves deplete further.

Breach timing assessment by country cluster

Country cluster	Assessment	Timing range	Primary exposure
Italy	WAVE 3 — ACTIVE	Now	Air BP Italy uplift caps confirmed. Physical volume limits at multiple airports.
Greece and Cyprus	Critical risk	Late April to early May	High Gulf crude dependency. No meaningful domestic jet-grade refining capacity.
Spain, Portugal and SE Europe	High risk	Early to mid-May	Mediterranean refinery chain under pressure. Alternative routes insufficient.
Hungary, Slovakia, Czech Republic	Elevated risk	Mid to late May	Pipeline-dependent supply routes. Limited diversification options.
Austria, Poland, Switzerland	Elevated risk	Late May to early June	Vienna Schwechat reserves reported at approximately 12 days. Limited buffer remaining.
Germany, France, Netherlands, UK	Moderate risk	June onwards	ARA hub proximity provides the deepest buffer in Europe. Not immunity — buffer.

False dawn: Why the 17 April announcement changes nothing

On Friday 17 April, Iran's foreign minister announced that the Strait of Hormuz was open to commercial shipping. Oil prices fell sharply on the announcement. Within hours, multiple tankers attempting to exit the waterway turned back.

On Saturday 18 April, Iran's IRGC formally re-closed the Strait and fired on vessels attempting to transit, citing the continued US naval blockade of Iranian ports as the reason. The announcement produced no physical supply relief whatsoever.

Even in the event of a genuine, unconditional reopening: a tanker loading in the Gulf requires three to four weeks to reach Rotterdam. P&I war-risk insurance, which must be in place for commercial vessels to operate, requires a demonstrated period of safe passage before insurers will reinstate cover.

The last pre-crisis product cargoes from the Gulf have now arrived at their destinations. There is no residual inventory pipeline awaiting discharge. Any supply recovery from a reopening today would not reach European tanks until well into May at the earliest, and meaningful volume normalisation would take considerably longer.

3. Airline Economics

Metric	Pre-war position	Current position	Implication
Jet fuel spot price	Approx. \$831/t	Approx. \$1,573/t (+89%)	Fuel costs have nearly doubled. Peak of \$1,838/t recorded in mid-April.
Fuel share of total operating costs	Approximately 30%	Approximately 55-60%	Fuel now accounts for the majority of all operating costs on short-haul routes.
Short-haul route economics	Marginally viable	Structurally loss-making	Airlines are cutting routes because the financial mathematics require it, not by choice.
Airline hedging position	Hedged at \$75-80/bbl crude	Hedges expiring; Q3 exposure unprotected	Most European carriers hedged Q1-Q2 at pre-crisis rates. Q3 exposure is largely unhedged.

The economic cost of disruption

Scenario	Capacity impact	Daily economic cost	90-day cost
Current confirmed level	~10% reduction	EUR 233M per day	EUR 21 billion
Late April assessment	~20% reduction	EUR 466M per day	EUR 42 billion
May scenario	~30% reduction	EUR 699M per day	EUR 63 billion
June systemic scenario	~50% reduction	EUR 1.2 billion per day	EUR 100+ billion
Greece tourism (40% disruption)	Peak season impact	EUR 80M+ per day	Est. EUR 7-8 billion
Austria aviation sector	Overall GDP effect	EUR 8M per day	-0.3pp GDP 2026

4. Country Impact Assessment

Country	Risk level	Timing assessment	Key exposure factors	Economic consequence
Italy	ACTIVE	Now	Wave 3 confirmed. Air BP uplift caps active at multiple airports. Confirmed shortage at Venice, Brindisi and Catania. Expanding to major hubs.	Aviation and tourism approximately EUR 90bn annually. Northern industrial JIT supply chains disrupted.
Greece and Cyprus	Critical	Late April / May	Among the highest Gulf crude dependency in the EU. Cyprus has no domestic refining capacity. Both rely on seaborne imports vulnerable to transit disruption.	Tourism constitutes over 20% of Greek GDP. Summer season revenue at acute risk. Cyprus tourism approximately 15% of GDP.
Spain and Portugal	High	Early to mid-May	Mediterranean refinery chain under significant pressure. Domestic capacity insufficient to cover the gap. Tourism-destination airports particularly exposed.	Peak summer season destinations among those facing earliest constraints. Palma, Malaga and Alicante particularly exposed.
Austria	High	Late May	Vienna Schwechat reported approximately 12 days of reserves. OMV providing partial buffer through emergency contracts with MOL.	Austrian aviation authority estimates -0.3pp GDP impact for 2026. Vienna hub critical for South-East European connections.
Poland	High	Late May	Among the highest Gulf crude dependency in the EU. PKN Orlen refinery exposed. Diversification from Gulf sources incomplete.	Warsaw hub connects Central Europe to intercontinental routes. Business aviation linkage to EU economy significant.
Netherlands and Belgium	High	Early June	The ARA hub is the Northern European distribution backbone. KLM has already confirmed 160 European flight cancellations. Network effects from Southern Europe accelerate ARA drawdown.	Amsterdam Schiphol is the third-busiest airport in the EU. Pharmaceutical air freight cold-chain hub at risk.
Germany, France, UK	Moderate-high	June	Proximity to ARA hub and North Sea crude access provide the deepest buffer. However, highest absolute consumption volumes in Europe. UK has already seen over 60 cancellations across major airports this week.	Frankfurt, Heathrow and CDG carry the largest intercontinental volumes in Europe. Lufthansa CityLine shutdown signals the severity of cost pressure already biting.

5. Second-Order Effects

Aviation disruption does not remain contained within the aviation sector. The following four effects are already visible or are assessed to materialise within the coming weeks.

Pharmaceutical cold chain

The majority of European pharmaceutical air freight transits Gulf cargo hubs — Dubai DXB and Doha DOH — which are operating at a fraction of normal capacity.

Biologics, insulin, cancer drugs, vaccines and clinical samples all require unbroken cold-chain continuity from manufacturer to patient. Vienna has confirmed life sciences clinical sample shipping as at acute risk. Delays in this category are irreversible: a biologic that misses its cold-chain window cannot simply be rescheduled.

Tourism economies: Southern Europe

Around one-fifth of Europe-Asia travel demand transits the Middle East and is directly at risk. For Greece, tourism accounts for over 20% of GDP; for Cyprus, approximately 15%. The summer season is the single largest revenue quarter for both economies.

Reduced aviation capacity during peak season translates directly into GDP impact: Greece at -0.8 to -1.5 percentage points of GDP, Cyprus at -0.5 to -1.0 percentage points, Austria at -0.3 percentage points, the latter confirmed by the Austrian aviation authority.

Automotive and industrial just-in-time delivery

Asia-to-Europe air freight transit times have extended by ten to fourteen days as Gulf cargo hubs operate at reduced capacity.

For automotive OEMs running just-in-time production – including BMW, Mercedes and Volkswagen – delays of 72 hours in component delivery are sufficient to trigger production line stop protocols. Several major European OEMs have reactivated COVID-era semiconductor contingency protocols in response to the deteriorating transit situation.

E-commerce, retail and perishable food

Air freight rates on EU-Asia corridors have increased between 50% and 400% depending on the lane. High-value JIT goods — electronics, fashion replenishment, spare parts, perishable produce — cannot tolerate the 6-week sea freight alternative. Kenya's horticultural exporters, who route approximately 80% of their produce to Europe via Gulf hubs, are absorbing freight premiums that some smaller growers describe as making their operations non-viable. EU fresh produce prices are already responding.

6. Forward Outlook and Key Watch Points

The following signals will determine whether the situation stabilises, deteriorates further, or begins to recover. We recommend monitoring these on a weekly basis at minimum.

Signal	What to watch for	Why it matters
ARA hub jet fuel stocks	Weekly stock data. A second consecutive weekly decline above 5% would indicate the drawdown is accelerating beyond the base case.	The single most important leading indicator for European supply constraint timing.
Strait of Hormuz commercial transit	Any sustained resumption of commercial tanker traffic (confirmed vessel transits tracked over multiple days).	Watch for confirmed passage data, not political statements.
EU airport fuel restriction notices	Any fuel uplift restriction notice issued at a major hub airport outside Italy: particularly Amsterdam, Frankfurt, London Heathrow or Paris CDG.	Italy was the first. The next NOTAM at a major hub airport is the clearest signal that the shortage has reached the core of the European network.
US emergency export volumes	Weekly US export data. A sustained decline below current record levels would signal that the US replacement supply ceiling has been reached.	US exports are the primary mitigation. If they plateau or decline, the supply gap widens faster.
P&I war-risk insurance	Any indication that the major insurance markets are reviewing or reducing the Hormuz war-risk listed area.	Insurance restoration is an operational prerequisite for commercial traffic resumption.
Airline schedule reductions	Route suspensions across European carriers. More than several hundred gross new suspensions per week signals systemic deterioration.	Airlines are a sensitive real-time indicator of supply availability. Scheduling decisions reflect fuel availability at airports, not prices.
EU ceasefire and emergency plan	The current US-Iran ceasefire expires 22 April. The European Commission is expected to publish an emergency aviation fuel plan on the same date.	Non-extension of the ceasefire triggers re-escalation and pushes all timing estimates earlier. EU emergency plan may provide partial mitigation.

The supply pipeline from the Gulf to Europe is now empty. Italy is rationing. ARA stocks are at a six-year low. Physical shortage conditions will spread geographically over the coming four to eight weeks absent a genuine reopening. A diplomatic announcement is not a supply event. The operative questions are: when do tankers transit, and when does insurance restore.

Plan against the early-case timeline. In this crisis, disruptions have consistently arrived earlier than central estimates.

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