

# Business travel bulletin: The Middle East conflict

Understand what it means for business travel and how you can respond to safeguard your travel program.

Insights from Amex GBT Consulting

April 2026



**GLOBAL  
BUSINESS  
TRAVEL**



# Introduction

The Middle East conflict is significantly impacting business travel, in the gulf region and globally.

The conflict began on February 28, 2026. Since then, corporate travel teams have adjusted their travel programs to a new normal, marked by rapidly rising air and hotel prices, and shifting travel patterns. As this report goes to publication, a temporary ceasefire has been announced, which may once again change outlooks.

In this report, the Consulting team at American Express Global Business travel:

- Analyzes the relationship between oil prices and jet fuel to reveal what this could mean for air ticket prices.
- Explores how airlines and hotels are responding to travel disruptions caused by the conflict.
- Outlines practical actions you can take to strengthen your travel program.

The situation in the Middle East is rapidly evolving and is expected to further impact business travel. We will continue to monitor events and update the business travel bulletin to help you manage the impacts on your program.



**5M**

people estimated to have been affected by the initial wave of airspace closures<sup>1</sup>



**27K**

flights to Middle East hubs were cancelled in the first week<sup>2</sup>



**63%**

increase in the price of jet fuel (US Gulf Coast)<sup>3</sup>

# Need to know: Jet fuel prices

Looking at the relationship between oil and jet fuel suggests prices will in all likelihood stay high.

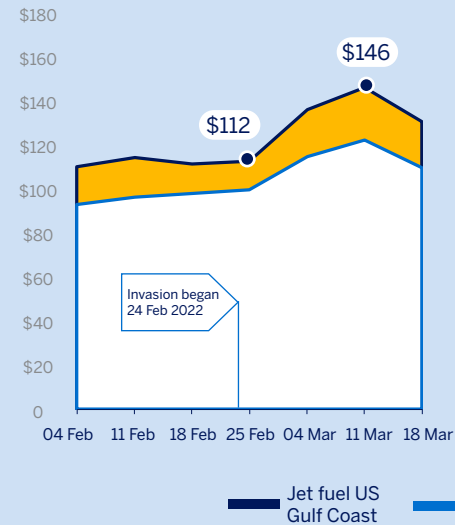
Conflict in one of the world's major oil-producing regions has driven increases over 60% in jet fuel prices. This is the biggest single expense for an airline, accounting for up to 30% of operating costs.<sup>4</sup>

Many airlines may find it challenging to operate profitably with fuel priced at current levels.<sup>5</sup> They have little option but to pass on the costs to customers and push up ticket prices. Later in this report, you can see what that could look like on key business travel routes.

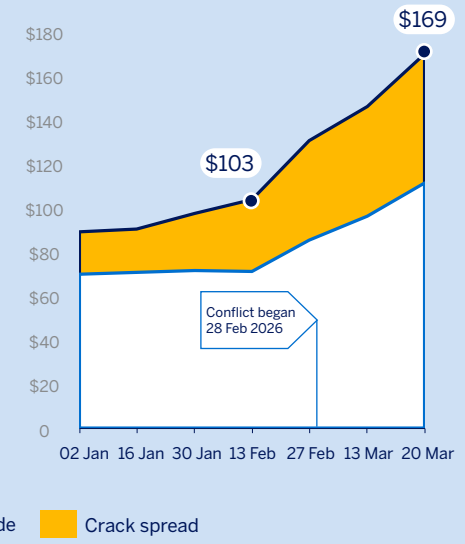
While this is not the first time oil prices have spiked, the key difference this time is the outsized impact of this conflict on jet fuel prices. The chart on the right shows the differing trajectories of jet fuel prices between the invasion of Ukraine and the conflict in the Middle East.

Even with the temporary ceasefire, industry experts predict it may take months for jet fuel suppliers to recover.<sup>6</sup>

Russian invasion of Ukraine 2022:  
30% increase in jet fuel price



Middle East conflict 2026:  
63% increase in jet fuel price



Source: Price per barrel, Federal Reserve Bank of St. Louis, February-March 2022; January-March 2026. [Kerosene-Type Jet Fuel Prices: U.S. Gulf Coast](#).

## The crack spread evolution

A combination of factors have led jet fuel prices to rise further in 2026 than in 2022. More than 40 energy assets across nine countries in the Middle East have been “severely or very severely” damaged, potentially prolonging disruptions to global supply chains. As a result, production of oil in many Middle Eastern oil fields has been reduced to very low levels.<sup>7</sup> The crack spread, the price difference between crude oil and its refined products, is influenced by the availability of oil refining capacity. The significant reduction in refining capacity in the Middle East has created a global scarcity of refining capacity, which has led to the steep increase in the crack spread.

# Need to know: Hedging

An airline's hedging strategy will determine how likely it is to respond to fuel price rises by increasing fares, reducing services, or both.

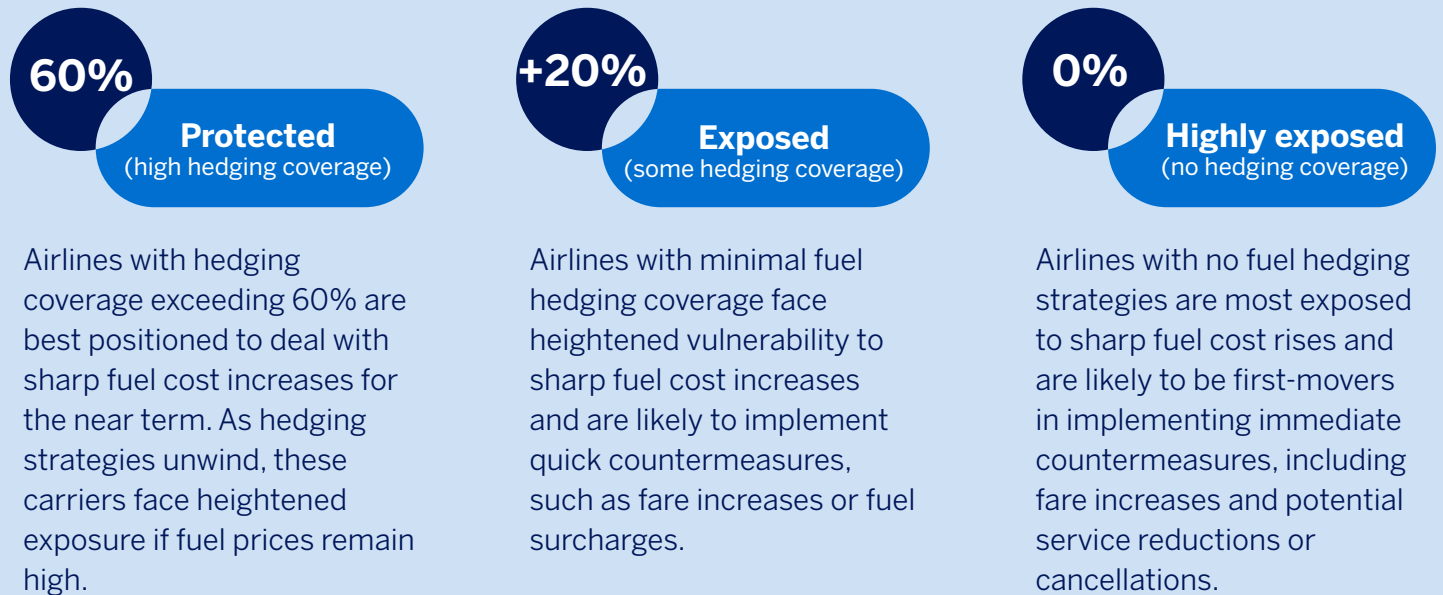
Many airlines use hedging to shield themselves against sudden increases in the price of jet fuel. They set up financial contracts to lock-in fuel prices for a defined period.

While EU airlines typically hedge a large portion of their annual fuel needs, US carriers have moved away from hedging over the past two to three years. This strategic difference means hedged airlines are likely to absorb short-term fuel price volatility, whereas unhedged carriers could immediately reflect fuel cost increases in ticket prices.

Over time, hedging contracts mature and the coverage unwinds meaning that airlines with a significant amounts of hedging will become increasingly exposed to the higher fuel prices.

We've looked at three scenarios to help you understand how – and how soon – an airline's hedging strategy could mean higher prices for your travel program.

## How airline hedging strategies feed through to ticket price rises



**While hedging is a key pricing factor, it is not the only one. Airline pricing operates in a highly competitive environment, where airlines actively respond to competitor's fare movements.**

# Airlines

## Fares set to rise while route maps are cut back.

Increasing ticket prices is one of the primary ways airlines responded to the rise in jet fuel prices. Airline-imposed surcharges (often called fuel surcharges by airlines) went up by as much as 30%. Airline CEOs warned that tickets could see double-digit rises.<sup>8</sup>

High fuel costs are also causing airlines to review their network coverage and cut flights on routes with weaker demand. United Airlines, Scandinavian carrier SAS, and Air New Zealand are among the airlines to announce capacity cuts.<sup>9</sup>

Data analysis on airline capacity<sup>10</sup> shows little change year-over-year on an aggregate level. While at country level, variances are visible through until May 2026. Beyond the month of May, airline capacity is currently filed as normal, which would support the case of airlines taking a dynamic schedule approach.

**So what comes next? We see four critical factors that will impact cost and choice for corporate travel programs.**

### 1 Airlines costs stay high

If jet fuel prices remain high, an industry journal forecasts additional costs for US airlines alone at US\$24 billion for 2026 on current fuel costs<sup>11</sup> – this, in an industry which made around US\$10 billion in 2025.<sup>12</sup> In time, higher costs feed through to ticket prices.

### 2 Airline management strategies

Hedging strategies, aircraft ownership models, aircraft types and already existing slots or freedoms of the air will all impact how airlines react. Airlines who hedge will be able to avoid some price increases.<sup>13</sup> Some leasing models enable greater fleet flexibility. The ability to switch capacity to more viable routes may depend on the range the aircraft is capable of flying.

### 3 Short term capacity changes

Airlines are reducing or repositioning capacity to manage costs and revenues, beyond operational cancellations related to Middle East airport closures. Outside of flights, directly impacted by the conflict, expect airlines to strategically trim capacity, focussing on off-peak periods and days of week.

### 4 Ripple effect

The Middle East conflict will impact travel far beyond the region. Tourism Economics forecasts disruption on routes connecting through the Middle East impacting first Africa and then Asia Pacific.<sup>14</sup> Leisure travel may shift to European or US destinations driving up pricing where leisure demand overlaps business. This may be offset if inflation persists and dampens leisure demand - but initial reports are of booking surges.<sup>15</sup>

# Air ticket price projections

## Ticket prices are set to rise globally.

Several airlines have signaled expected fare increases. To illustrate how the Middle East conflict is impacting the cost of air travel, the Consulting team at Amex GBT has modeled ticket price projections on key business travel routes, based on January and February 2026 data.

The price projections assume demand for air travel remains stable and an oil price of \$152/barrel. Changes to these variables may materially impact the projections.

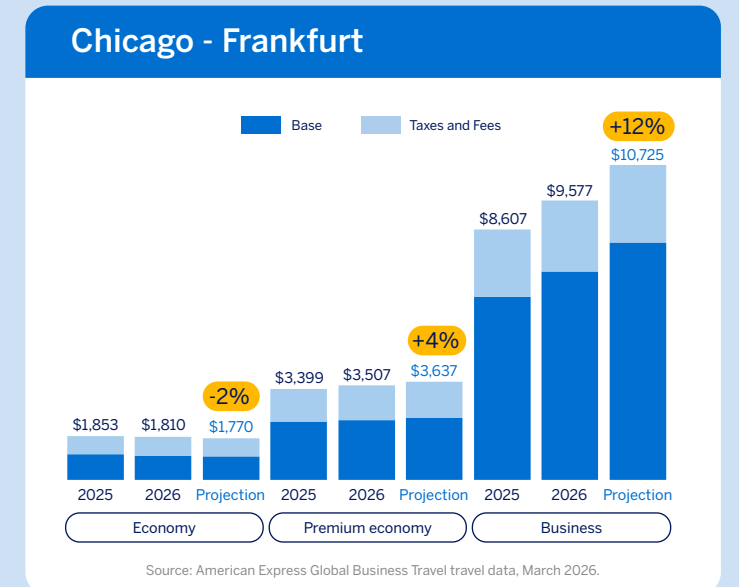
Reports of softening US to international leisure demand<sup>16,17</sup> may underpin the lower year-over-year pricing observed on North America to Europe economy class tickets in Q1 2026. However, with airline capacity likely to be strategically trimmed, this may rebalance on a country-by-country basis. As the capacity picture settles, we hope to remodel with capacity scenarios.

It's not just ticket prices that are increasing, baggage fees are on the rise as well.<sup>18</sup>

	Economy	Premium economy	Business
North America - Europe	-4% to 0%	+1%	+6% up to +16%
Europe - North America	+4%	+9%	+10%
North America - Asia	+4%	+7%	+7%
Europe - Asia	+6%	+6%	+9%
Europe - India	+9%	+10%	+15%

### Methodology

The modeling incorporates airfare cost trends by assessing projected changes in base fares, taxes, and fees in 2026 relative to 2025, based on a comparison of weeks 1–10. In parallel, it reflects fuel cost assumptions, including current jet fuel prices per barrel and associated surcharges, as well as peak jet fuel price scenarios and their corresponding surcharges. Together, these inputs are used to assess underlying cost dynamics and their impact on overall pricing outcomes.



# Hotels

## Key focus on maintaining traveler trust.

The hospitality sector has reacted rapidly to the disruptions caused by the conflict; the major focus being on guest safety and flexible policy when it comes to modifying bookings.

It's important to note that hotels are focused at time of writing on the current impacts of airspace restrictions and flight cancellations. Their strategies are immediate response measures rather than long-term structural changes. The limited duration reflects the chains' assessment that while the situation is serious, it may prove temporary, allowing them to extend or adjust measures as circumstances evolve without committing to open ended concessions.

**We've seen three themes emerge in the first weeks of the hospitality sector's response.**

### 1 Safety first

Hotel chains have stated that the safety and security of guests, colleagues, and partners remains their highest priority. Hotels in the region continue to operate where possible, supported by local teams, while guests are encouraged to contact properties directly for assistance.

### 2 Agility

Hotels are offering penalty-free cancellations, modifications, and rebooking options for those affected by disruptions.<sup>19,20</sup> This flexible approach allows guests - whether facing airline closures, flight disruptions, or safety concerns - to adjust or cancel bookings in impacted Middle East destinations without penalties.

### 3 Containment

Hotels are directing flexible policies towards properties and bookings in high-risk locations.<sup>21,22</sup> This focused approach concentrates resources on the regions which are most directly affected, while preserving normal operations elsewhere globally.

# Hotels

## Rates set to rise amid higher operational costs and travel pattern shifts.

While the hotel sector isn't directly exposed to rising oil prices, the ripple effects are already being felt. Ongoing tensions are driving higher energy costs and sustaining inflationary pressure, an outlook reinforced by the most recent update from the International Monetary Fund (IMF).<sup>23</sup> The result? A more challenging operating environment for hoteliers and tougher trade-offs for buyers.

**So, what comes next? We're tracking four critical factors that are likely to shape both costs and choice for corporate travel programs in the months ahead.**

### 1 Hotel rates rise

Property operating costs, driven by cost increases for energy and food and beverage, could feed through to higher rates. While last room availability (LRA) static rates offer some pricing certainty, best available rates (BARs) under dynamic pricing are expected to increase in the months ahead.

### 2 Strong demand, rising inflation

Euro zone inflation surged to 2.5% in March, up from 1.9% in February, exceeding the European Central Bank's 2% target.<sup>24</sup> High-demand periods enable European hotels to outpace inflation. With inflation poised to rise further - driven, in part by higher energy costs - rates are expected to outpace inflation if demand remains resilient.

### 3 Project pipeline

The Middle East accounts for a notable portion of future development pipelines (6-10% depending on the company), and no material consequences are anticipated unless the conflict extends significantly.<sup>25</sup> The Middle East's robust development pipeline masks near-term headwinds. While the region boasts strong project momentum, expect project completion delays and a slowdown in new developments breaking ground as the conflict unfolds.

### 4 Ripple effect

Destinations across Western Europe, including key Spanish and Portuguese hubs are preparing for an increase in demand, as holidaymakers shift their attention away from the likes of Dubai, Cyprus and Turkey - locations close to the conflict. In the immediate term it would be reasonable to expect price increases across cities such as Lisbon, Madrid and Barcelona to name a few.

# Takeaways for your travel program

Strengthen your program resilience amid rising costs and travel disruption by taking the following steps:

## Air

### Book early

Secure the lowest fares by booking early and ticketing immediately to lock in surcharges. Prioritize the lowest logical fare while being aware of ticket flexibility.

### Calculate impact to budgets

With ticket prices rising 10–16% this year, identify the cost centers most at risk. Price rises will be highest on long haul routes and premium cabins.

### Embrace premium economy

With premium economy averaging 35–40% of Business Class fares, mandating this cabin for shorter daytime long-haul flights preserves traveler comfort while significantly extending budgets.

### Lobby for pricing partnerships

As airlines understandably pass on rising operational costs, engage your airline representatives to advocate for fare increases to be reflected in base fares rather than surcharges.

## Hotel

### Be mindful of LRA access

In times of geopolitical uncertainty, last room availability (LRA) rates can provide stability, yet securing them is likely to become more challenging as demand and volatility increase.

### Broaden your content mix

Use preferred extra hotel program (PEHP), Booking.com and Expedia content to provide your travelers choice as demand rises and availability tightens.

### Dampen inflation impact

Encourage your travelers to make use of negotiated value adds (breakfast, Wi-Fi, free hotel shuttles and other stay on property amenities) to avoid additional inflationary impact.

## Program management

### Know your numbers

Walk budget owners through projected fare increases with insights tailored to their specific travel patterns.

### Reinforce duty of care

Communicate to travelers the importance of booking within the corporate travel program to maintain full visibility of their journeys, and uphold duty of care.

### Equip your travelers

Rapid fare hikes can catch even frequent travelers off guard. Provide timely price updates to align expectations, reinforce policy adherence, and improve budget control.

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## About business travel bulletin: The Middle East conflict

The statements contained in this document, other than statements of historical fact, constitute forward looking information and are based on estimates and forecasts that reflect the views, assumptions, expectations, and opinions of Amex GBT as of the date of publication, all of which are subject to change. While the pricing indications contained in this document have been prepared with all due care and the information contained in this report is believed accurate at time of preparation, any estimates, assumptions, expectations, or forecasts should be regarded as preliminary and for illustrative purposes only and should not be relied upon as being necessarily indicative of future results.

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American Express Global Business Travel (Amex GBT) is a leading software and services company for travel, expense, and meetings & events. We have built the most valuable marketplace in travel with the most comprehensive and competitive content. A choice of solutions brought to you through a strong combination of technology and people, delivering the best experiences. With travel professionals and business partners in more than 140 countries, our solutions deliver savings, flexibility, and service from a brand you can trust – Amex GBT.

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## About Amex GBT Consulting

Business travel is more than a function – it's a force for growth. Building relationships, sparking ideas, and empowering teams to connect and collaborate in person. Our global team of specialists brings the insights, analytics, and results-oriented support you need to help your teams seamlessly navigate every aspect of their travel program. Together, we turn business trips into a competitive advantage for your people and your business.

Reach out to [Consulting@AmexGBT.com](mailto:Consulting@AmexGBT.com) for more insights on how the Middle East conflict is impacting business travel – and to understand how you can pivot your travel program.

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