



GBTA

| Risk Committee

Middle East Regional Escalation:

Update for Travel, Mobility, and Transportation Stakeholders

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Situation Update and Key Developments

Since the [GBTA Risk Committee's initial advisory on 2 March 2026](#), the conflict between Iran and the United States–Israel alliance has evolved from an acute military escalation into a broader regional disruption affecting aviation, maritime transit, energy supply, and global travel operations.

Sustained military activity has continued across Iran, Israel, Lebanon, and several Gulf countries, including strikes affecting airports, ports, and critical infrastructure. The geographic scope of risk has expanded beyond the immediate conflict zone, particularly in countries hosting United States military assets.

A defining development has been the prolonged disruption to transportation networks, including repeated airspace closures, partial airport shutdowns, and ongoing flight cancellations. This is especially significant in the Gulf region, where major aviation hubs serve as critical transit points linking Europe and Asia, meaning disruptions have cascading effects on global passenger and cargo flows. Whilst commercial operations have resumed in some locations, conditions remain subject to short-notice changes. The crisis has also impacted maritime routes and energy infrastructure, particularly around the Strait of Hormuz, with implications for fuel supply, logistics, and global transportation systems.

Recent diplomatic engagement and a provisional ceasefire signal potential de-escalation; however, the situation remains volatile. This has shifted from an immediate crisis to a prolonged business continuity challenge, requiring continued monitoring, flexibility, and coordinated response across travel and mobility programmes.

The following sections outline how these developments are impacting aviation operations, transportation networks, supplier management, and travel programme resilience.

Aviation: Price Volatility, and Fuel Impact

The aviation sector is facing a dual challenge, of jet fuel costs, and potential supply shortages. There is currently very little sign of improvement around these issues. Uncertainty and volatility remain around both the cost of fuel and the supply of fuel. As a result of the recent announcement and imposition of a U.S blockade of the Strait of Hormuz, the price per barrel of Brent Crude has once again risen above USD 100.

With 20-25% of the world's oil and gas energy needs travelling through the Strait of Hormuz, its closure has created a significant strain on global supply chains. Whilst supply has not been uniformly constrained across all markets, the risk of regional shortages and uneven availability remains.

Regional Impacts

- **The Americas:** The United States and Canada remain relatively insulated from immediate fuel shortages due to domestic production and reserves. Whilst mid-term risk (3+ months) is possible if supply chain challenges continue, and U.S. exports continue at increased levels, access and stock levels are currently deemed sufficient. However, carriers are exposed to rising fuel costs, particularly as many U.S. airlines have reduced fuel hedging in recent years. As a result, cost increases are likely to be passed through to travellers via higher fares and surcharges. Parts of Central and South America face more localised supply risks, with some markets already experiencing disruptions linked to fuel availability, such as Cuba. Across the region, rising fuel costs are expected to place upward pressure on fares and reduce operational flexibility.
- **Europe:** Europe remains exposed due to its reliance on imported energy, as 60-75% of the region's oil comes from the Middle East. Whilst many European carriers have hedged 70-80% of their fuel needs for 2026, delaying the immediate impact, continued disruption may lead to cost increases over time. Exposure varies by airline depending on hedging strategies. Some carriers have already introduced pricing adjustments and limited schedule reductions.

- **Asia-Pacific (APAC):** APAC is among the most exposed regions due to reliance on imported fuel and proximity to disrupted supply routes. Some governments have introduced export controls to protect domestic supply, contributing to regional imbalance. Certain markets, including parts of Southeast Asia, are experiencing early signs of supply constraints and operational adjustments, including selective route reductions. Vietnam and The Philippines are the ones most acutely at risk given both nations import around 70% of their jet fuel needs. Carriers in certain other Asian markets are uplifting greater quantities of fuel in their home hubs to allow them to operate into and out of the likes of Vietnam and Philippines, but both countries are already starting to see domestic flight cancellations with fuel supply uncertainty from mid April.

Ground Transport Impact

Ground transportation remains comparatively stable; however, second-order effects from energy market volatility are beginning to emerge.

- **Rail:** Rail operations are not directly impacted by the conflict but may be indirectly affected by rising energy costs, particularly in regions where electricity pricing is linked to gas markets. In Europe, this may result in gradual cost increases over time (6+ months) rather than immediate price shocks.
- **Car Rental:** Vehicle availability and base rental pricing remain largely stable. The primary impact is increased fuel and energy costs, which are raising the total cost of rental through higher refuelling or charging expenses. This is expected to affect overall travel programme costs rather than supplier pricing structures.
- **Ride-Hailing and Local Transport:** Ride-hailing services are experiencing price increases driven by higher fuel costs. In some markets, such as Australia, fuel surcharges have been introduced, and reduced driver participation, due to lower margins, may lead to decreased availability and longer wait times. This may result in incremental cost increases and reduced reliability for travellers.

Key Takeaways for Travel Managers

Current conditions indicate continued disruption rather than a rapid return to normal operations.

- **Plan for ongoing disruption:** Airspace restrictions, route changes, and uneven recovery across key hubs are likely to persist.
- **Monitor routes and transit points:** Pay close attention to airspace access, rerouting, and reliance on major transit hubs.
- **Extend duty of care:** Consider risks affecting travellers in transit, not just at destination.
- **Prepare for cost and availability pressures:** Fuel volatility, longer routings, and capacity constraints may impact pricing and options.
- **Confirm supplier response readiness:** Ensure airlines and providers have clear disruption and escalation protocols.
- **Apply targeted flexibility:** Adjust policies where needed to support safety and continuity.
- **Maintain cross-functional alignment:** Coordination across travel, security, HR, risk, and mobility teams remains critical.
- **Communicate proactively:** Provide clear, timely updates to support traveller awareness and decision-making.