

# Impact of Middle east conflict on airline

Gabriela Hiitola

18MAR 2026



*FINNAIR*

# Impact of the Middle East Crisis on Global Air Traffic (as of March 2026)

## 1. Flight operation disruptions

- Airspace Closures & Rerouting
- Massive disruptions at major hubs

## 2. Severe Impact on Air Cargo

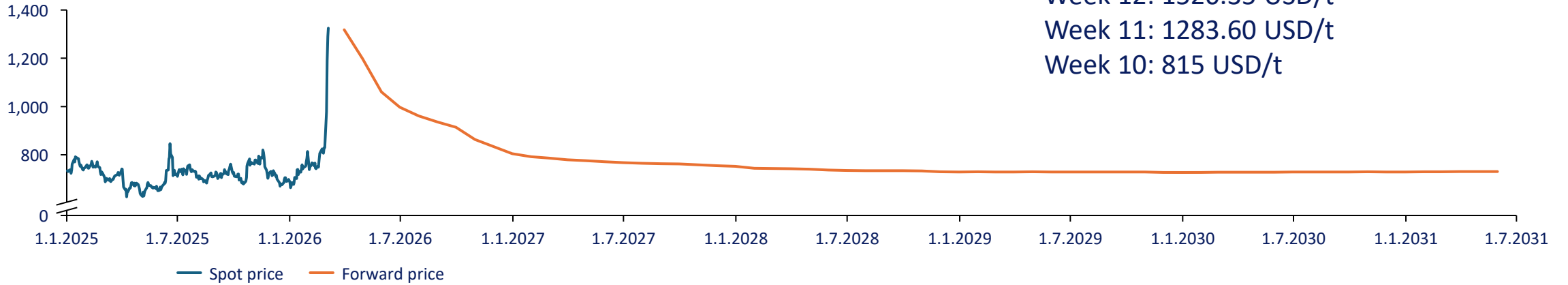
- **Supply chain disruptions** - Middle Eastern hubs essential transit points for Asia–Europe supply chains
- **Global cargo capacity is down** -20%, Middle East capacity down -60%
- **Air cargo rates** on certain lanes up to 70%, especially for time-critical shipments.
- **Demand shift** - high-value industries such as electronics, pharma, and automotive freight shifts from slower sea routes (Suez canal)

## 3. Cost pressure – increase of fuel price

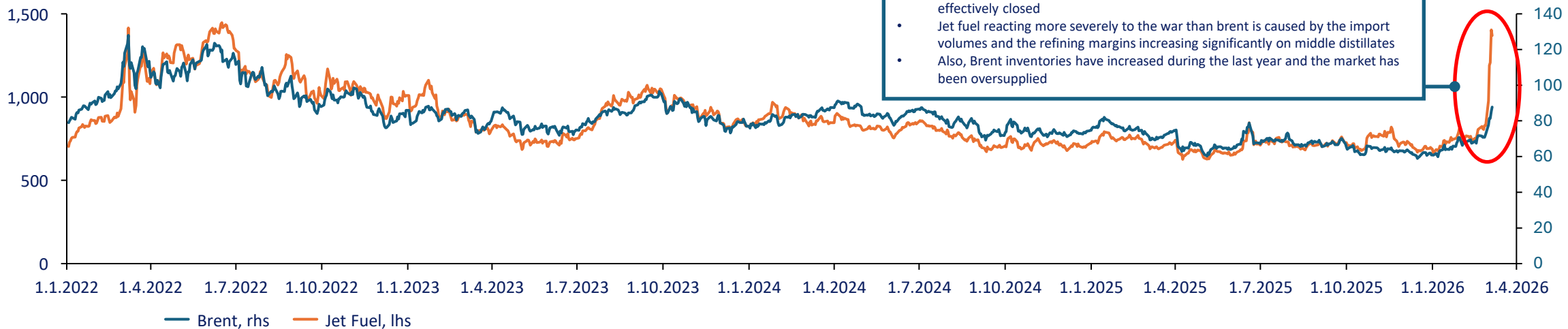
➤ Long term impact to be seen

# Jet fuel price development pre- and post- Iran Conflict

USD per Tonne

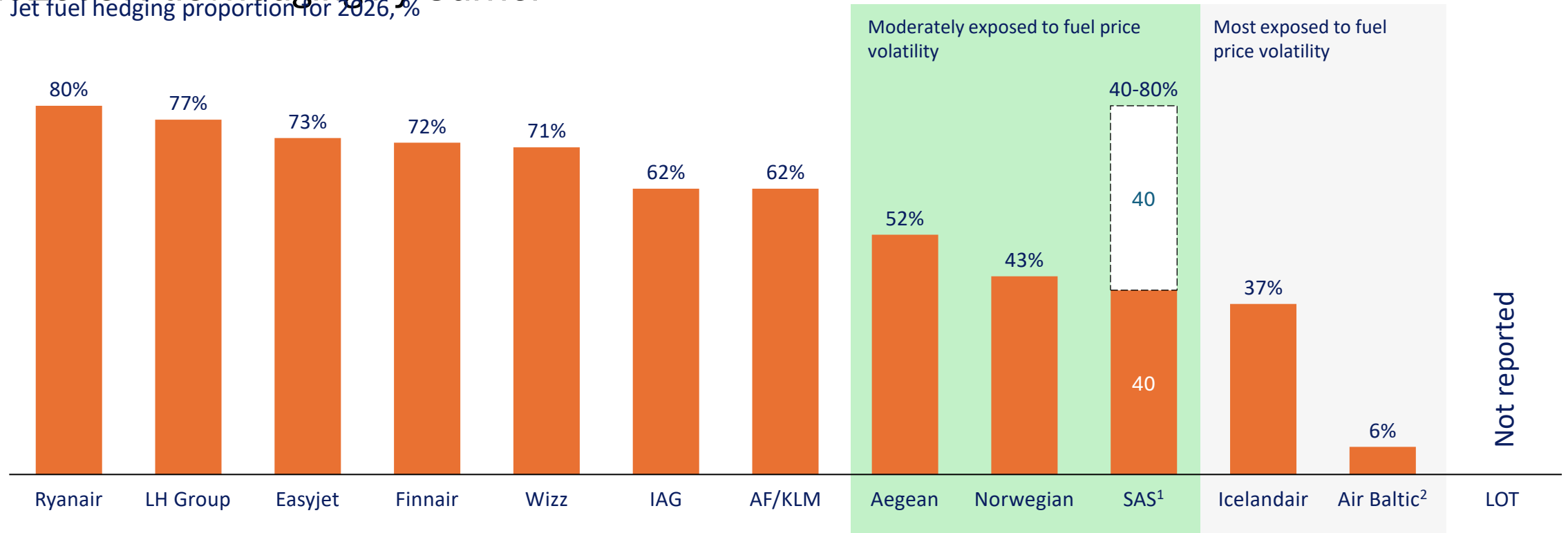


USD per Tonne



# 2026 Jet Fuel hedging by Carrier

Jet fuel hedging proportion for 2026, %



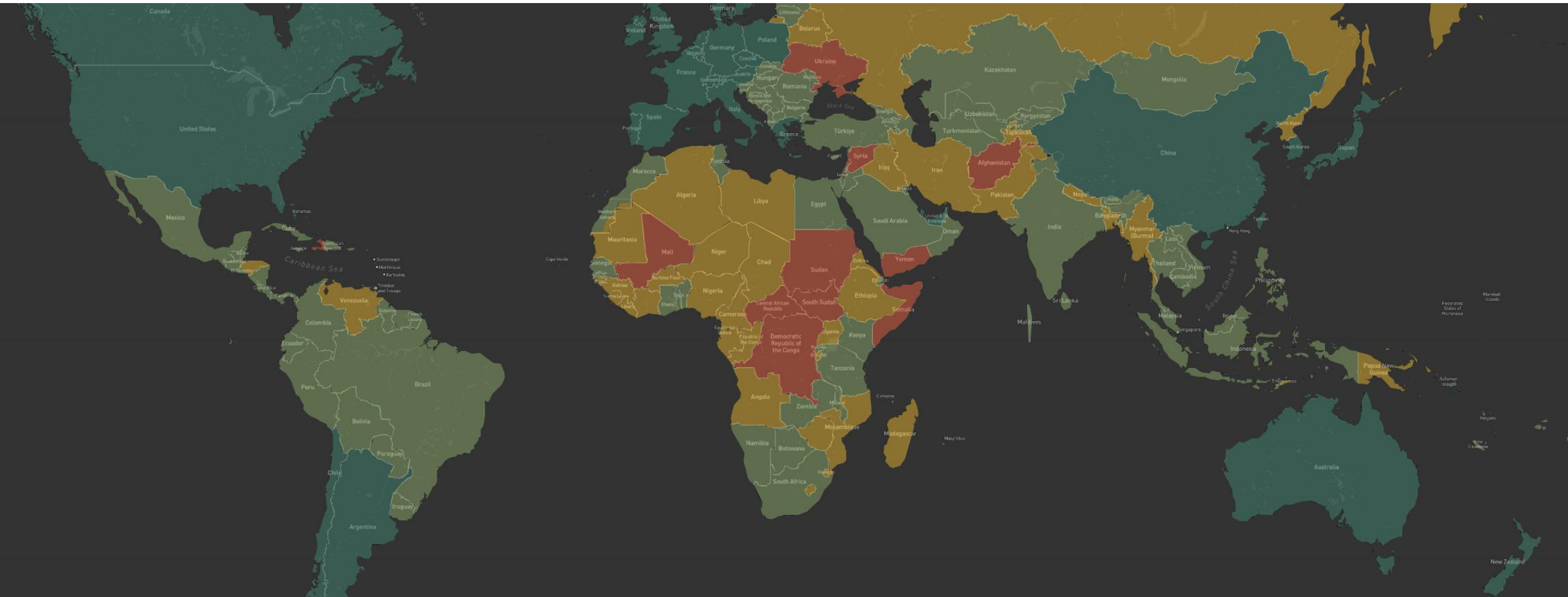
- Wizz Air’s profit warning that was issued 4.3 is based on 1/3 of the impact on route cancellations to the middle east and the rest on current fuel levels persisting for the remainder of the year
- Finnair’s fuel hedging is in-line with peers
- Air Baltic and Icelandair the airlines most exposed to price volatility

Source: Company reports, Bloomberg

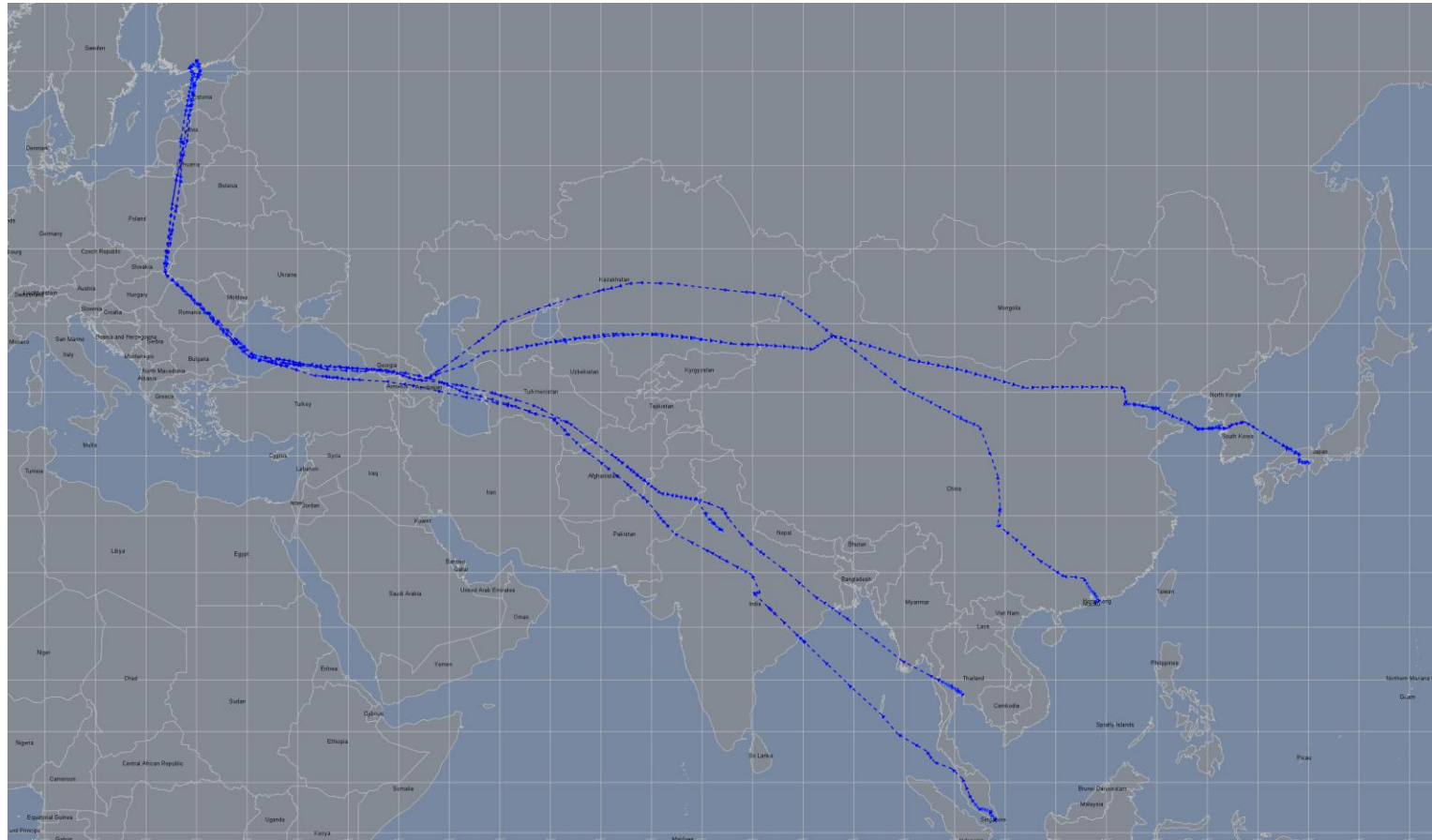
<sup>1</sup> SAS hedged at 0% in 2025 following their emergence from Ch.11 but has a policy of 40-80% and most likely re-instated hedging. As they are no longer publicly traded, they have not publicized their hedging for 2026, but it is likely in the policy range

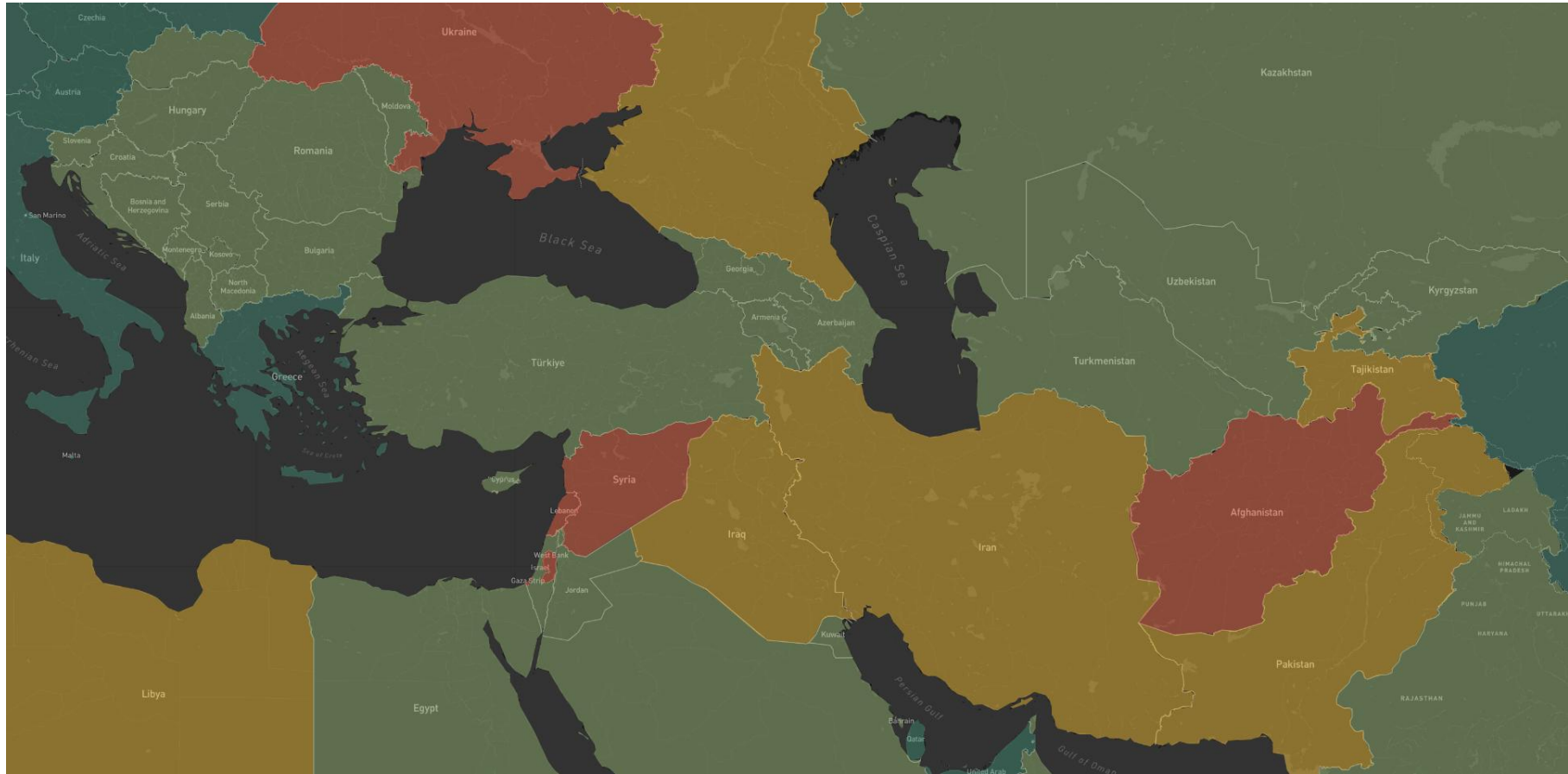
<sup>2</sup> Air Baltic based on Q3 2025 Year-to-go as FY 2025 report has not yet been published

# Conflict zones map



# Asian route planning





***FINNAIR***

