

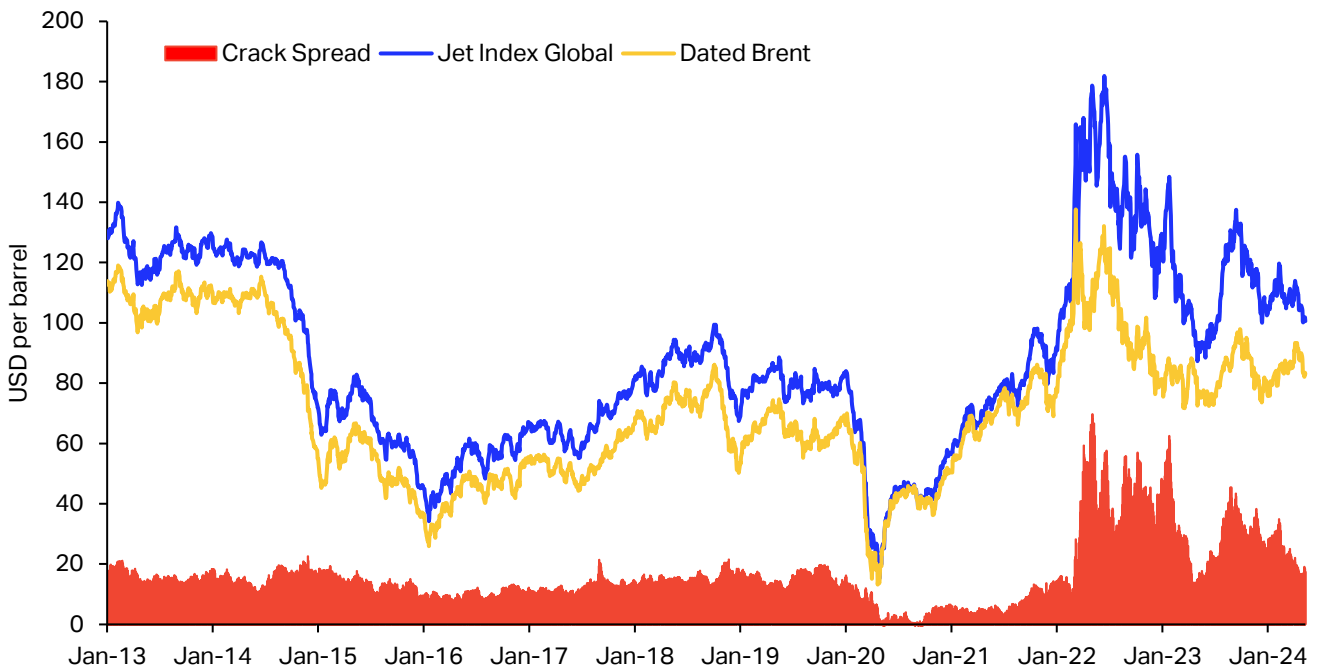


# Fuel

## Fact Sheet

- The average crude oil price in 2023 ended up at USD 82.5 per barrel with the crack spread remaining high at USD 30 per barrel, reflecting tightness in supply amid a recovery in demand. For our 2024 airline financial forecast, we assume that crude oil prices will remain high between USD 85-90 per barrel. The price development will depend on the evolution of the geopolitical situation in the Middle East, and on the production decisions of OPEC in the second half of the year. If OPEC lifts output targets to meet the growing demand, the price could drop. Slower global GDP growth could also push the price lower. In our central scenario, the crack spread should narrow to 30%, down from 36% in 2023, equivalent to USD 26 per barrel. Although the jet crack spread has declined in recent months to 20%, it may rebound in the second half of the year, partially driven by demand pick-up during the summer season.
- According to our estimates, the airline industry consumed between 450,000 and 500,000 tons of sustainable aviation fuel (SAF) at USD 2,500 per ton (or 2.8x jet fuel) in 2023, adding an extra USD 756 million to the industry fuel bill. We estimate that SAF production could rise to 0.5% of airlines' total fuel consumption in 2024, adding USD 2.4 billion to this year's fuel bill.

### Oil and Jet Fuel prices, USD/bbl



**Source:** IATA Sustainability and Economics, S&P Global Commodity Insights

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