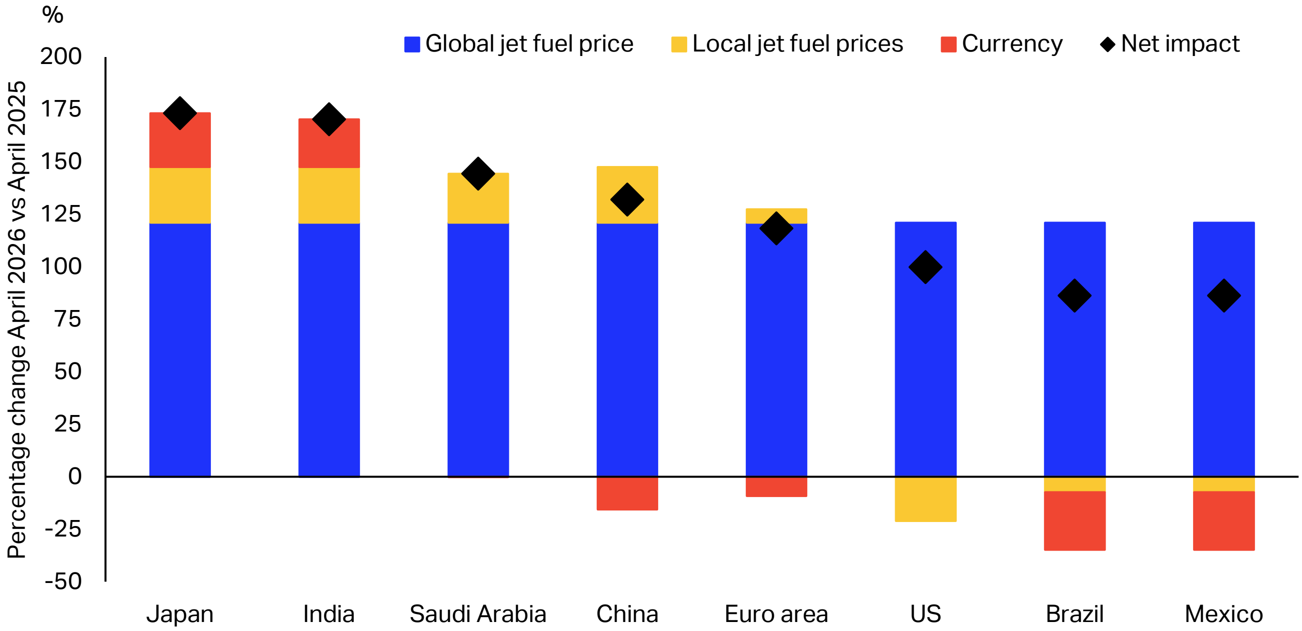
Chart of the Week

28 August 2026

The Jet Fuel Shock: Regional Prices and Currencies

Local-currency regional jet fuel price increases, April 2026 (peak month) versus April 2025, % change and percentage point



Source: IATA Sustainability and Economics, S&P Global, Macrobond.
Note: Saudi Arabia's currency is pegged to the US dollar.

- Global jet fuel prices rose by 121% year-on-year between April 2025 and their April 2026 peak, but not all airlines faced the same increase in their fuel costs. Because jet fuel is priced predominantly in US dollars while many airlines earn most of their revenues in a range of other currencies, exchange-rate movements either amplified or mitigated the impact. In addition, differences in regional jet fuel benchmarks meant that fuel prices did not rise by the same amount everywhere. As a result, the same global jet fuel shock translated into different outcomes across airline markets.
- The largest jet fuel cost increases were recorded in markets where the regional jet fuel prices rose strongly, and where currencies weakened against the US dollar. Japan was among the most severely impacted, with an increase of 173% in the local currency price of jet fuel, driven by a 148% rise in the regional jet fuel price, and a 10% depreciation of the Japanese Yen. Similarly, the local jet fuel price jumped by 170% in India, because of an above-average local jet fuel price and currency depreciation.
- On the other hand, several markets were partially shielded from the shock thanks to currency appreciation. The Brazilian real and the Mexican peso both appreciated by roughly 15% against the US dollar, which, together with a less severe increase in the regional jet fuel price limited the rise in the local currency price of jet fuel to 86%. In the euro area, a stronger euro helped reduce the increase to 118%. China was an exception: despite a stronger renminbi against the dollar, above-average regional fuel price increases left airlines facing a local currency fuel price increase of 132%.

IATA Sustainability & Economics
economics@iata.org