

Infrastructure Situation Report

Jet Fuel Exposure in the Iran Conflict Raising Travel Costs and Weakening Operational Reliability

March 17, 2026



Bottom Line Up Front

- As of March 17, aviation across the Gulf remains operational but uneven, with partial airspace reopening and continued signs of disruption across airline schedules, airport operations, and traveler support.
- The March 16 drone attack on a jet fuel storage tank near Dubai International Airport (IATA: DXB) is a significant development because it shows that the conflict's aviation impact extends beyond airspace restrictions to jet-fuel storage and refueling systems.
- The combination of constrained flight operations, airport fuel-system exposure, and elevated jet-fuel prices is reducing airline reliability and increasing travel costs. Airlines are already responding with fare increases and fuel surcharges.
- The disruption is affecting a wider set of regions than the Gulf itself, especially Europe–Asia long-haul travel, South Asia–Gulf traffic, Asia-Pacific pricing, and Africa-linked itineraries that depend on Gulf transfer hubs.

Risks and Vulnerabilities Summary

- **Hub and route reliability degradation:** Major Gulf hubs, especially Dubai, Abu Dhabi, Doha, and Bahrain, remain operational but less reliable for commercial transfers, executive travel, and premium cargo. This matters because disruption at these hubs can affect Europe–Asia, Africa-linked, and South Asia routes that depend on Gulf connectivity.
- **Aviation fuel and operating-capacity exposure:** The March 16 drone attack that impacted fuel storage near Dubai International Airport indicates that fuel farms, storage tanks, and refueling systems are credible points of disruption. Even without a full airport closure, fuel-related disruption can reduce turnaround efficiency, constrain operating capacity, and slow schedule recovery.
- **Jet-fuel cost and fare pressure:** Elevated jet-fuel prices are increasing airline costs and are likely to continue feeding into fares, surcharges, and route economics. This is a near-term business continuity concern because it affects travel budgets, short-notice mobility, and planning for internationally exposed firms.
- **South Asia and long-haul network exposure:** India–Gulf, Europe–Asia, and Africa-linked itineraries are among the most exposed because they rely heavily on Gulf transfer hubs and remain sensitive to schedule disruption and fuel-related repricing. This creates risk for labor movement, project travel, technical deployments, and urgent cross-regional shipments.
- **Air cargo and time-sensitive logistics disruption:** High-value and time-sensitive cargo moving through Gulf aviation networks faces greater risk of delay, reprioritization, and higher transport costs. This can affect sectors such as energy, pharmaceuticals, electronics, and specialized industrial supply chains that depend on fast airfreight.
- **Traveler safety and contingency limitations:** Personnel moving through affected hubs may face longer dwell times, short-notice itinerary changes, and fewer recovery options if disruption worsens. This increases duty-of-care demands for companies responsible for traveler tracking, emergency support, and continuity planning.

Outlook and Assessment

- Gulf aviation will likely remain operational but uneven over the next one to two weeks, with schedule instability persisting even where airports remain open.
 - **Confidence: High.** Current conditions point to continued disruption through reduced schedules, delays, and lower recovery capacity rather than widespread closure. The main uncertainty is whether additional security incidents or regulatory actions trigger new short-notice restrictions.
- Travel costs will likely continue to rise on Gulf-linked and long-haul routes, even without a major new escalation.
 - **Confidence: Moderate.** Fuel prices remain elevated, and some carriers have already adjusted fares or surcharges, supporting a continued upward pricing trend. The pace and scale of additional increases will vary by carrier, route mix, and fuel hedging.
- The most likely business impact is reduced planning confidence across travel, logistics, and staffing rather than a broad breakdown in regional air connectivity.
 - **Confidence: High.** The current disruption is more likely to create recurring delays, weaker hub reliability, and fewer fallback options than a complete network stoppage. The key uncertainty is how quickly operators can restore schedule resilience if conditions stabilize.
- Spillover effects will likely continue across South Asia, Europe–Asia, and Africa-linked travel flows that depend on Gulf transfer hubs.
 - **Confidence: Moderate.** These routes remain exposed because they rely heavily on Gulf connectivity and have less flexibility when hub performance weakens. The main uncertainty is whether some carriers shift capacity or routings quickly enough to reduce downstream disruption.

Potential indicators of escalation: renewed or expanded airspace restrictions, additional incidents affecting airport fuel storage or refueling systems, wider airline schedule cuts, prolonged airport disruption notices, and another sharp increase in jet-fuel prices.

Potential indicators of de-escalation: narrower airspace advisories, clearer schedule normalization at major Gulf hubs, fewer cancellation notices, reduced reliance on assisted departures, and stabilization or decline in jet-fuel prices.

Business implications: Companies should plan for a near-term environment of higher travel costs, lower schedule reliability, and less dependable Gulf hub transfers. Firms with frequent regional travel, tight project timelines, or time-sensitive cargo should build in more time, more flexibility, and higher contingency costs.

High	Moderate	Low
This judgment is based on strong, credible, and typically corroborated reporting, supported by a clear analytic basis and relevant precedent or observable indicators. Some uncertainty may remain, but it is unlikely to change the core assessment.	This judgment is based on a reasonable body of reporting and sound analytic reasoning, but important gaps, conflicting information, or a fluid environment leave meaningful uncertainty. New information could materially refine or alter the assessment.	This judgment is based on limited, fragmentary, weakly corroborated, or highly uncertain reporting, or on a scenario with several unresolved variables. The assessment is plausible, but it should be treated with caution because new information could significantly change it.

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