

Disruption Tracker: Travel impact rising, GDP impact selective

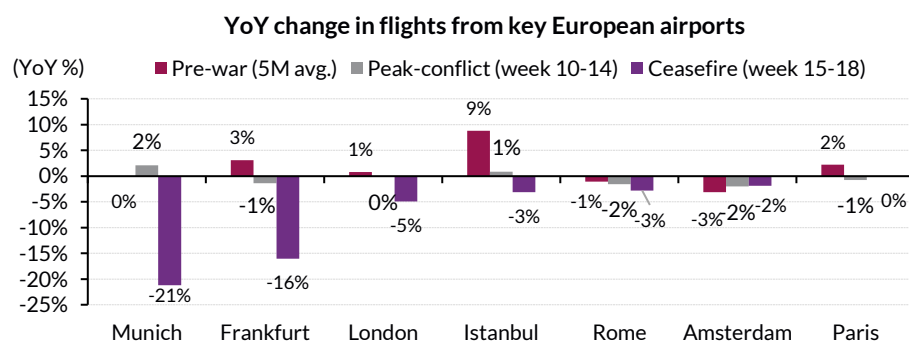
ATF shortages led to a 2.5% YoY decline in global airline capacity in Apr, vs. 5-6% growth pre-war. With the seasonal pick-up in flying ahead, and Europe's jet fuel stocks at a key storage hub down 30% post-war, the fastest 2-month drawdown ever, we expect demand destruction to accelerate. For now, fares are buffered from the 100% rise in ATF by airlines' fuel-price hedges, but these cannot offset physical shortages. Tourism is 3.4% of global GDP, and cross-border share would be smaller (e.g., <1% of GDP in India, where arrivals were down 17% YoY in Apr), likely the reason financial markets are not worried yet. For some EU countries, though, tourism is 8-10% of GDP and can affect growth.

04 May 2026

Growth

Supply Chains

Exhibit 1: European flight disruptions worsened in the four weeks of ceasefire



Source: Eurocontrol; Axis Bank Research.

In this Disruption Tracker (earlier: [22-Apr](#); [28-Apr](#)), as product inventories are a bigger concern, we assess the impact of ATF shortages on the travel/tourism industry.

Capacity cuts worsened in April but mild so far; sharpest on West Asian routes

Jet fuel prices are 100% above pre-war levels (Fig 11). Unlike the 2022 spike (demand rose 40% post-Covid) that reversed quickly as supply responded, the current increase must destroy demand as supply response to wider cracks (+175%, Fig 12) may be limited till the Strait of Hormuz reopens. Airlines' 12-36-month fuel price hedges provide buffers to limit impact on fares but are usually only 80%/60% for 3/12 months and cannot fully offset volume shortages. Capacity reductions driven by the inability to fly to/from West Asia are reversing (Fig 7) but available seat kilometres were down **2.5% YoY in Apr**, vs. 5-6% growth pre-war: weakness broad-based, but West Asia and the Caribbean saw declines (Fig 8-10).

Europe's (ARA) jet fuel stock down 30% -> route changes forced capacity cuts

Inventories, procured at lower levels, have also helped, but are falling sharply: e.g., jet fuel stocks in EU's Amsterdam-Rotterdam-Antwerp (ARA) storage are now 30% below pre-war levels to the lowest since 2014 (Fig 4), with the 2-month drawdown the worst ever (Fig 5). This has accelerated as the flight-count rises seasonally (Fig 2) in Eurocontrol's 42-member network (EU + Israel + Turkey). Global leisure travel peaks during the Northern summer (Fig 13), with Europe leading in: (i) cross-border travel (Fig 16); (ii) occupancy rates (Fig 14).

Post-covid tourism recovery at risk but impact limited

The sharp fall in flights to/from Munich, Frankfurt and London (Fig 1) reflect the disruption due to Europe's ATF shortages (22% of global demand; Fig 6), which could intensify and derail the post-pandemic recovery in global tourism (Fig 15). By itself this may not disrupt financial markets: the [UN estimates](#) tourism's direct contribution at 3.4% of global GDP, of which only some part would be cross-border. But in some EU nations, tourism is ~10% of GDP. International arrivals to India fell 17% ([link](#); Fig 18), but their spending is <1% of GDP.

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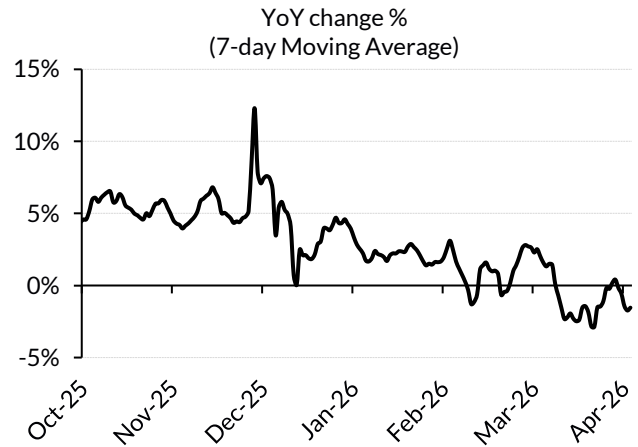
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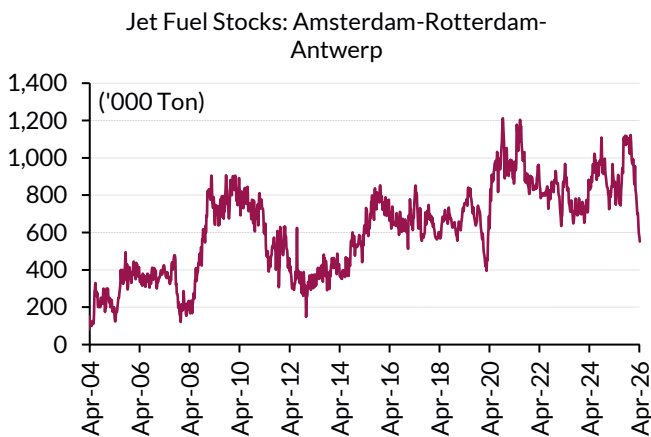
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Exhibit 2: Flights in the European Network Area (42 member countries) are rising WoW due to seasonality

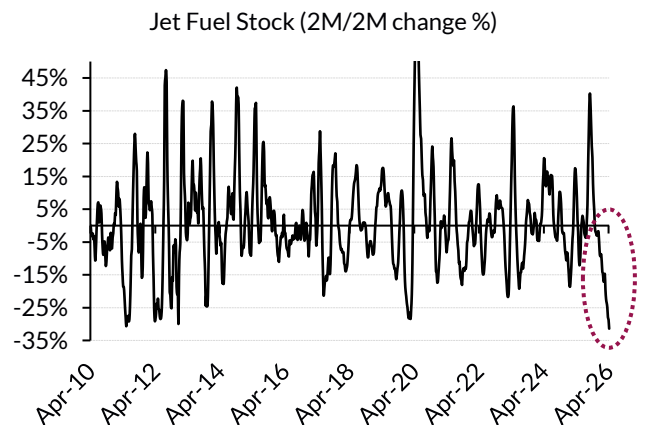

Source: Eurocontrol; Axis Bank Research

Exhibit 3: In April-2026, flights are just ~2% below corresponding weeks of 2025, masking true disruption


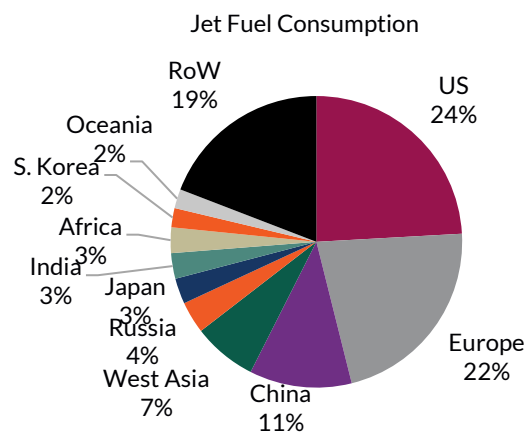
Source: Eurocontrol; Axis Bank Research

Exhibit 4: European jet fuel stocks had been falling even before the US-Iran war broke out


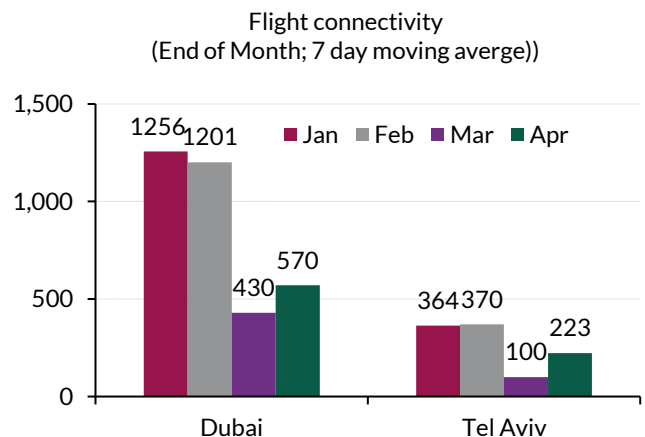
Source: Refinitiv; Axis Bank Research

Exhibit 5: This is already one of the worst stock drawdowns over a 2-month period (-30% pre-war)


Source: Refinitiv; Axis Bank Research

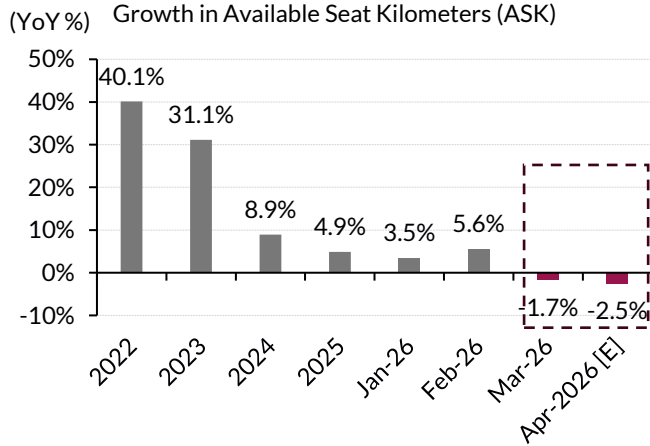
Exhibit 6: Europe (22%) + Eurasia (4%) and the US (24%) consume over half of the global jet fuel annually


Source: IEA; Axis Bank Research

Exhibit 7: Airspaces in conflict zones have become navigable, helping improve the WoW flight count


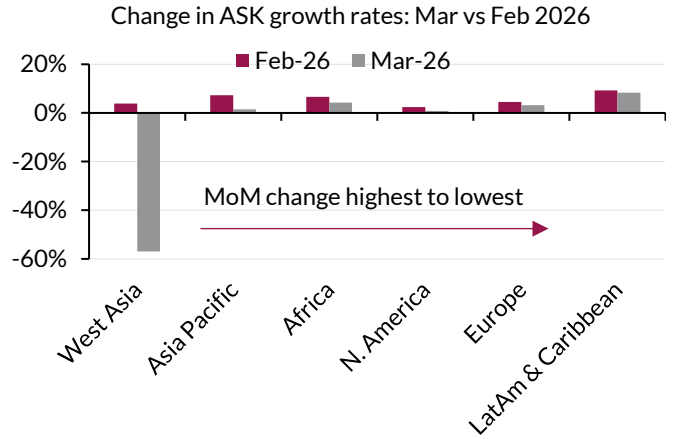
Source: Flightaware, Eurocontrol; Axis Bank Research

Exhibit 8: In Mar-2026, Available Seat-Kilometers fell 1.7% YoY; we estimate April was worse (-2.5% YoY)



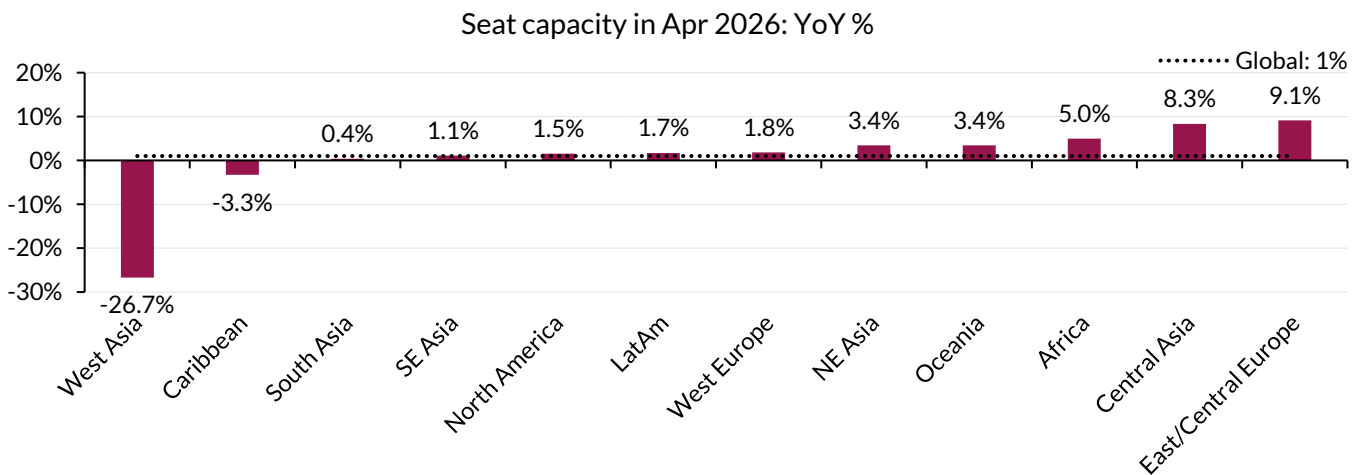
Source: IATA; Axis Bank Research; [E] Apr-2026 is Axis Bank estimate

Exhibit 9: In Mar-2026, West Asia, Asia Pacific and Africa were the worst affected; West Asia recovering



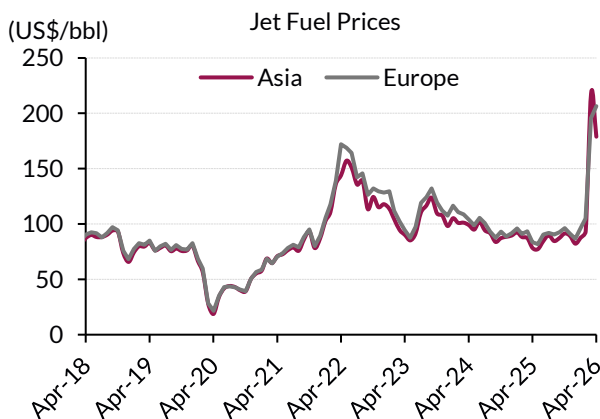
Source: IATA; Axis Bank Research

Exhibit 10: April seat reductions still led by West Asia; Caribbean hit too



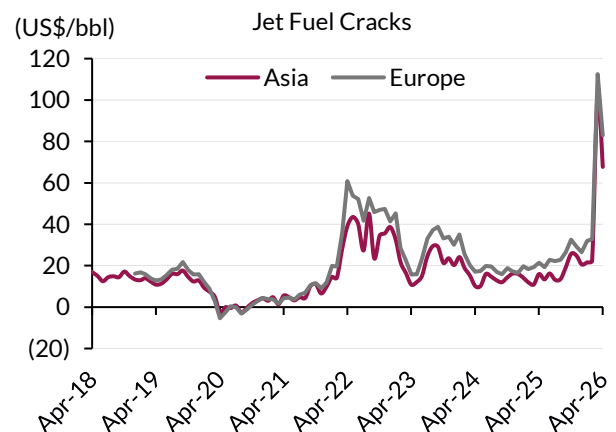
Source: OAG; Axis Bank Research

Exhibit 11: Jet fuel prices have eased from their recent peak but historically high at 100% above pre-war level



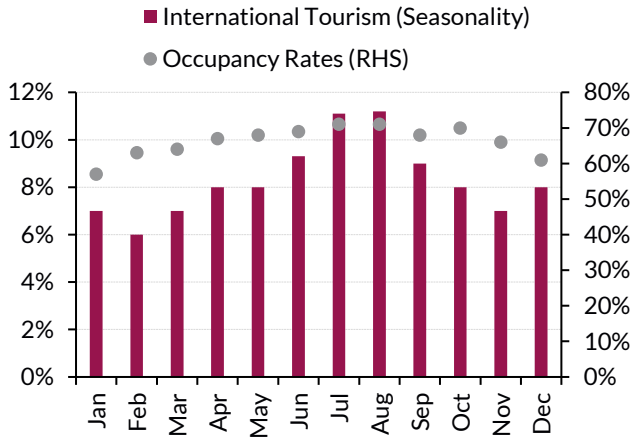
Source: CEIC; Axis Bank Research

Exhibit 12: Jet fuel cracks have eased to 175% above the pre-war level, down from 300% in Mar-2026



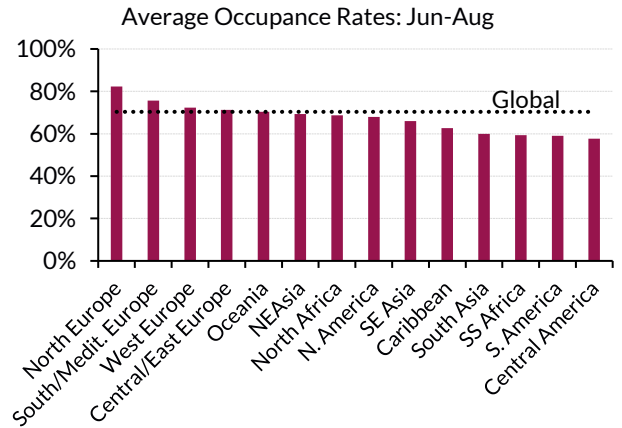
Source: CEIC; Axis Bank Research

Exhibit 13: Global tourism peaks in the summer season (Northern Hemisphere)



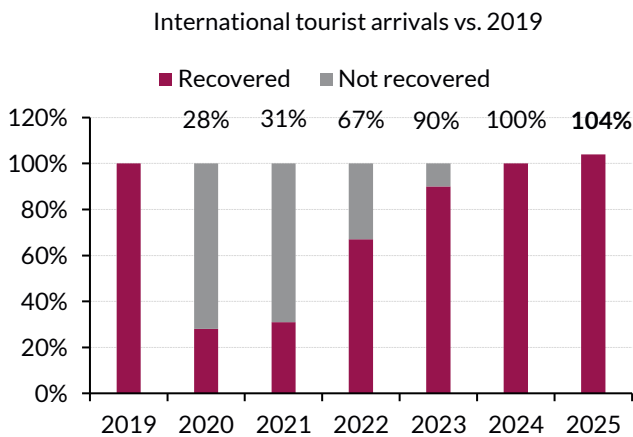
Source: UN Tourism; Axis Bank Research

Exhibit 14: Between Jun-Aug (peak season), occupancy rates are the highest in Europe



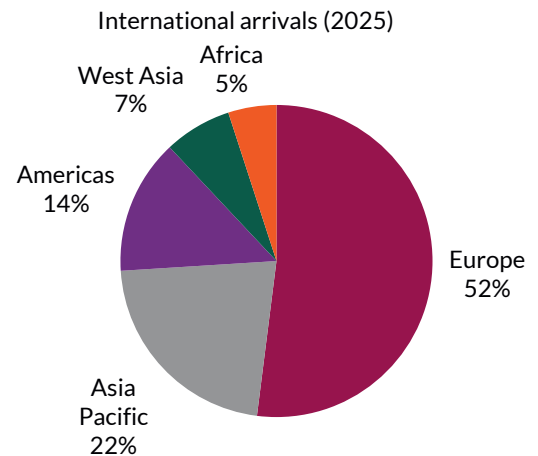
Source: UN Tourism; Axis Bank Research

Exhibit 15: In CY2025, global tourist arrivals finally breached 2019 levels: post-pandemic recovery at risk?



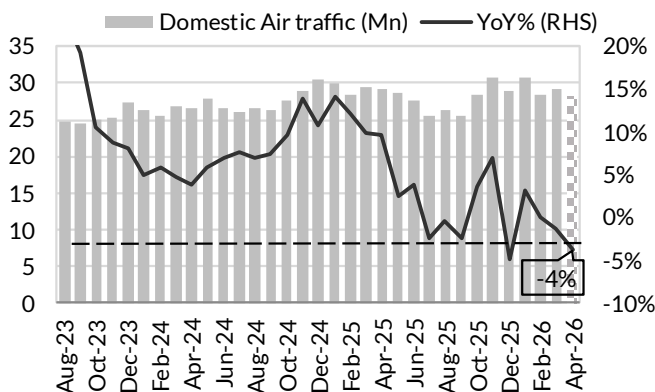
Source: UN Tourism; Axis Bank Research

Exhibit 16: Europe accounts for 52% of international tourist arrivals



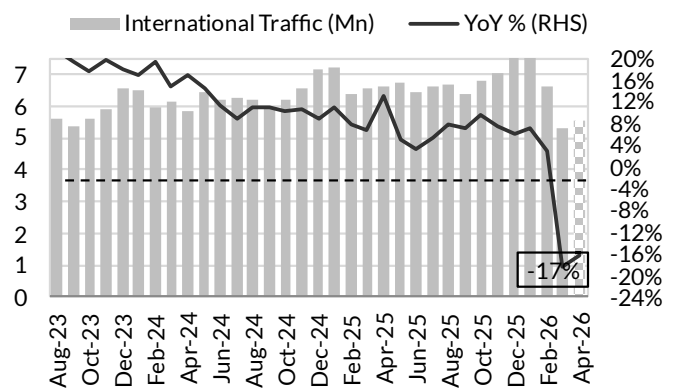
Source: UN Tourism; Axis Bank Research

Exhibit 17: in April-2026, India's domestic air traffic fell 4% YoY...



Source: CMIE; Axis Capital

Exhibit 18: ...international arrivals fell much more by 17% YoY



Source: CMIE; Axis Capital

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