LOW-COST AIRLINES SUFFER MORE SEVERELY FROM THE SHARP JET FUEL PRICE INCREASE

Fuel costs climbing fast - Middle East unrest behind the surge - are hitting budget carriers hardest, forcing some to scrap flights or shift timings just as holiday seasons ramp up. Travelers may face delays when least expected, all because thin-profit operators struggle to absorb sudden price jumps at the pump.

Soaring jet fuel prices, worsened by war-related turmoil and blocked shipping lanes including the Strait of Hormuz, weigh heavily on low-cost airlines. Because they depend on rock-bottom ticket rates to draw travelers, these carriers struggle more than major airlines when fuel bills climb. Their thin profit margins leave little room to handle rising costs. **Around one-third of worldwide air travel today falls under the low-cost model.**

Surprisingly, Ryanair’s chief executive, Michael O’Leary, expressed irritation during a chat with reporters from Italy. Fuel scarcity worries have got passengers pausing before they book trips. He pointed out that folks seem to be waiting instead of reserving flights right away. Although travel interest was solid at the start of the year, these delays now pinch low-cost carriers financially. The money flow slows when uncertainty lingers around energy supply.

Financial analyst Dudley Shanley observed that while seasonal schedule tweaks are common, sustained high fuel prices will necessitate deeper cuts at low-cost airlines. "If kerosene prices remain at these levels, there will have to be further cuts," he predicted. European Energy Commissioner Dan Jørgensen echoed industry concerns, warning: "Unfortunately, it is likely that many people's holidays will be affected, either by flight cancellations or by very, very high ticket prices."

Low-Cost Airlines Face Biggest Challenges

When fuel costs rise, budget airlines feel the pressure fast - they run on small profits. Because fuel takes up such a big part of expenses, sudden jumps hit hard. During high-demand seasons like summer, some routes barely break even. With tensions limiting access to oil and kerosene from Gulf suppliers, keeping all these flights going becomes harder. Carriers who locked in fuel prices earlier face less risk. This strategy, known as hedging, shows up more often in Europe than in other regions.

Adjustments by Low-Cost Airlines

Ryanair: The Irish giant has not directly blamed fuel prices for all changes but cited "stupid taxation" in Germany as the reason for halving its flight schedule from Berlin, effective in October. It is also reducing flights from Dublin by 10% this summer, pointing to airport capacity constraints. O'Leary acknowledged that business had been "booming" until late February developments in the Middle East shifted the outlook.

Transavia: As part of the Air France-KLM group, the low-cost carrier announced the cancellation of around 2% of its flights in May and June. In contrast, mainline KLM limited its European cancellations to less than 1%. Affected passengers are being offered rebooking options, vouchers, or full refunds.

Volotea: The Spanish airline began trimming its schedule early, announcing on April 1 the cancellation of nearly 1% of its flights over the subsequent six months.

Lufthansa Group: In one of the sector's most significant moves, the German carrier announced the cancellation of 20,000 short-haul flights through October, alongside the closure of its regional subsidiary CityLine. The cuts focus on unprofitable routes and are expected to save around 40,000 metric tons of jet fuel.

Wizz Air: CEO Jozsef Varadi took a more defiant stance, stating the airline is not cutting capacity because "others will be cutting it." He expressed confidence that the market will adjust through competitors' reductions.

Other carriers have also acted: Canada's **Air Transat** trimmed its flight plan between May and October by six percent. At the same time, Thailand's **AirAsia** X dropped certain trips - some entire paths disappeared, such as the link from Bangkok Don Muang to Shanghai.

What This Means for Travelers

Summer travel plans might shift - adjustments differ by size and schedule, yet one point stands out. Disruptions loom large despite scattered changes across time and scope. Flights can vanish without warning; others run less often than before due to shifting airline strategies. Higher ticket costs appear more common now, pushed forward as carriers transfer rising expenses elsewhere. **Profitable paths draw stronger attention, leaving thinner service on quieter lines.** Some protection exists through market tactics meant to ease immediate pressure. Yet if steep rates hold too long, fewer seats may fly overall. Weaker companies risk deeper trouble should conditions stay tight.

Still unfolding, the scenario sees leaders such as O'Leary and Varadi presenting subtly different views on upcoming supply concerns. At this stage, those planning trips should secure reservations ahead of time, keep close watch on arrangements, while staying ready to adapt - fuel-related pressures continue shaping airline operations.

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