

Jet fuel price hike puts pressure on country's airlines, triggers fare increase

- Ahmed Tanvir Shams

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Dhaka : A steep rise in jet fuel prices in Bangladesh is putting significant strain on the country's aviation sector, with airlines already increasing ticket fares and warning of broader consequences for both operators and passengers.

Under the latest revision, the price of jet fuel for domestic flights has jumped from BDT 112.41 to BDT 202.29 per liter. For international operations, the rate has risen from USD 0.7385 to USD 1.3216 per liter - marking an increase of almost 80 percent overall.

The immediate impact is being felt by passengers. Airlines have already adjusted fares, with ticket prices on domestic routes rising by as much as BDT 1,200.

Industry stakeholders said the sudden hike has created a challenging

environment for local carriers.

While talking to The Bangladesh Monitor, Kamrul Islam, General Manager (Public Relations) of US-Bangla Airlines, described the move as a major burden on domestic operators.



Kamrul Islam

He noted that local airlines are already at a disadvantage in international markets, where foreign carriers control almost 80 percent of passenger traffic to and from Dhaka, leaving only around 20 percent to Bangladeshi airlines such as US-Bangla and Biman. According to him, the higher fuel costs could further weaken the competitive position of local carriers.

He also pointed out that neighboring aviation markets have not seen

such sharp increases. Cities like Kolkata and Kathmandu have yet to raise jet fuel prices, while countries like Pakistan and the Maldives have implemented comparatively modest hikes of around 24 percent and 18 percent respectively.



Mesbahul Islam

In contrast, Bangladesh has increased prices twice so far, resulting in a cumulative rise of almost 115 percent - something he warned could have serious implications for the sector.

Concerns are also being raised about declining passenger demand.

While talking to The Bangladesh Monitor, Mesbahul Islam, Chief Commercial Officer of Air Astra, said the fare increase has already begun to affect traveler behavior.

With ticket prices #going up by around BDT 1,200 on domestic routes, many passengers are feeling discouraged from flying, which could lead to a drop in overall passenger numbers.

He added that a more gradual adjustment in fuel prices could have helped airlines better absorb the impact. Instead, the sharp, one-time increase has created uncertainty and made it harder for carriers to plan and operate efficiently.

Overall, the jet fuel price hike is emerging as a major challenge for Bangladesh's aviation industry. With rising operational costs, reduced competitiveness, and the risk of falling passenger demand, airlines now face a period of pressure and uncertainty that could reshape the sector in the months ahead.