

Cathay to raise fuel surcharge by 34%

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Dhaka: Cathay Pacific will raise fuel surcharges on all flights by 34% due to rising oil costs stemming from the Middle East war.

"The price of jet fuel comprises both the crude oil component and the refinery component, both of which have increased significantly in recent weeks," said the airline in a statement on Thursday, March 26.

Short-haul flights will see a surcharge increase of 34.1%, while medium- and long-haul flights will face an increase of exactly 34%. The revised fees will apply to tickets from April 1.

According to data from the International Air Transport Association (IATA), average jet fuel prices rose globally to USD 197 per barrel last week, up from USD 95.50 a month earlier.

Cathay warned that if the steep increase in fuel costs cannot be effectively mitigated, sustaining its network operations would not be

possible. The airline had previously doubled fuel surcharges on most routes and extended flight suspensions to and from Dubai and Riyadh until May 31.

To offset reduced capacity in the Middle East, Cathay announced extra flights to London, Paris, and Zurich to meet surging demand for Europe.

The Hong Kong-based airline said it will review and revise its fuel surcharge every two weeks as fuel prices remain volatile. Cathay noted its hedging covers only around 30% of the crude oil component and does not apply to the refinery component — insufficient given the scale of the recent surge.

Many global airlines have implemented similar fuel surcharges in response to the spike in oil costs.

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