



Middle East Crisis, Kerosene and the Safe-Haven Effect in the Canary Islands

Analysis of energy vulnerability and
strategic repositioning opportunities
for the tourism sector



The affected region has significant tourism weight

The conflict may shift European demand toward destinations perceived as safe and nearby.



Potential safe-haven effect

The conflict zone and its tourism area of influence total 181 million tourists; 46.9 million come from European markets.

181 M

tourists in the conflict zone and area of influence

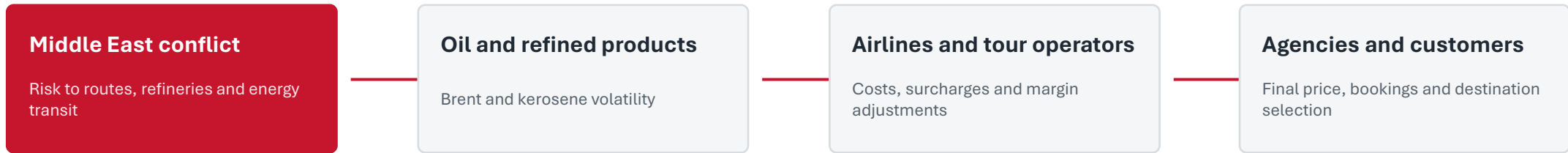
46.9 M

European tourists

- Turkey, Egypt, UAE, Saudi Arabia, Tunisia and Jordan appear as relevant tourism markets.
- Spain can capture demand that prioritizes safety, connectivity and proximity.
- The Canary Islands are well positioned for family tourism, the European winter and sun-and-beach travel.

Transmission channel: from Hormuz to package prices

Geopolitical tension translates into jet fuel costs, surcharges and consumer decisions.



Two opposing effects for Spain and the Canary Islands

Positive impact

- Perceived safety
- Proximity to the European market
- Redirection of tourism flows

Negative impact

- Higher fuel prices
- Lower disposable income
- Delayed/cancelled bookings



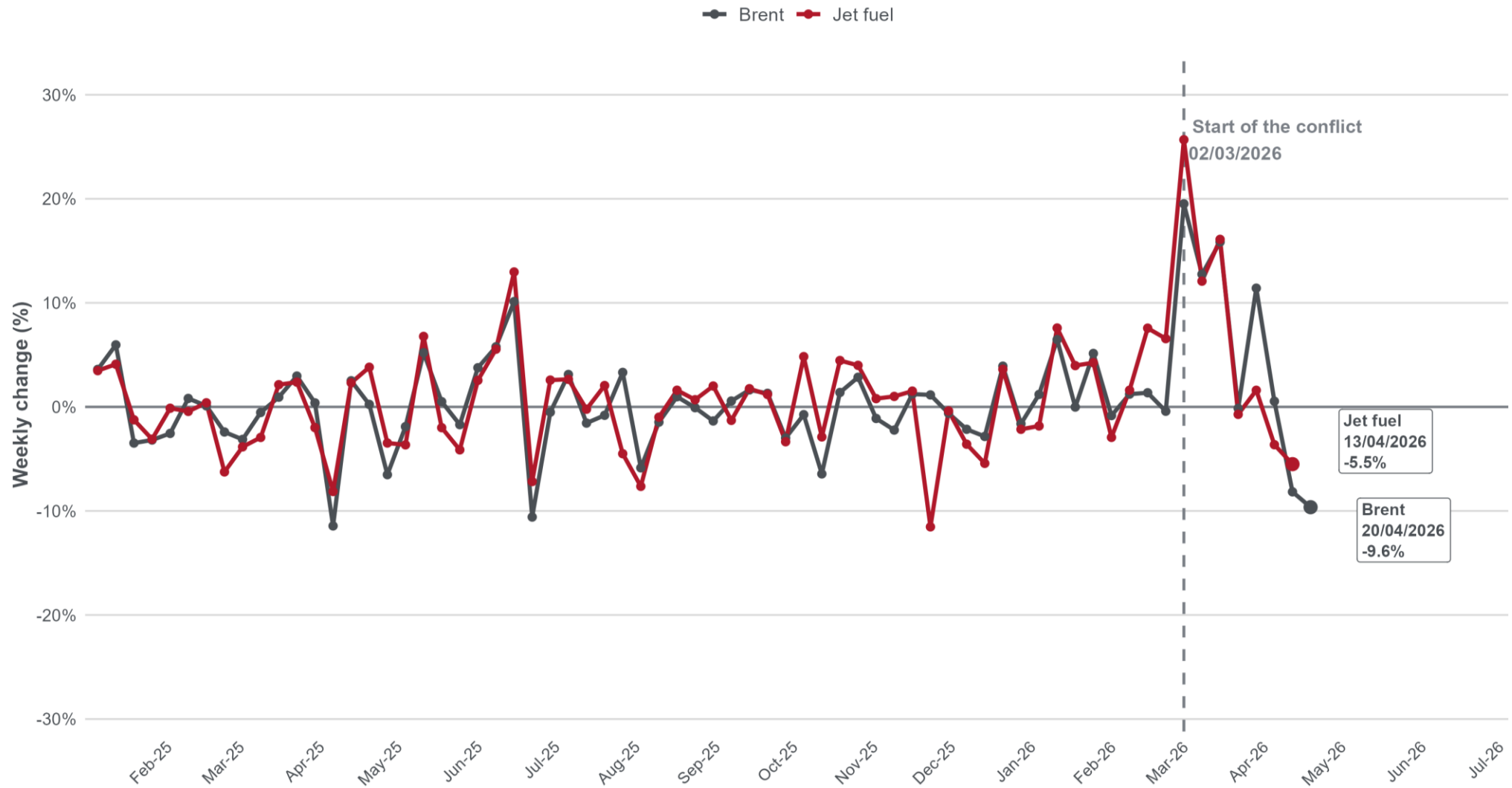
Price per barrel of Brent and kerosene

Volatility, more than the point level, is the issue for fares and margins.



Reference data: jet fuel at USD 155.8/barrel and Brent at USD 103.4/barrel after the start of the conflict marked on 02/03/2026.

Weekly rate of change in Brent and kerosene



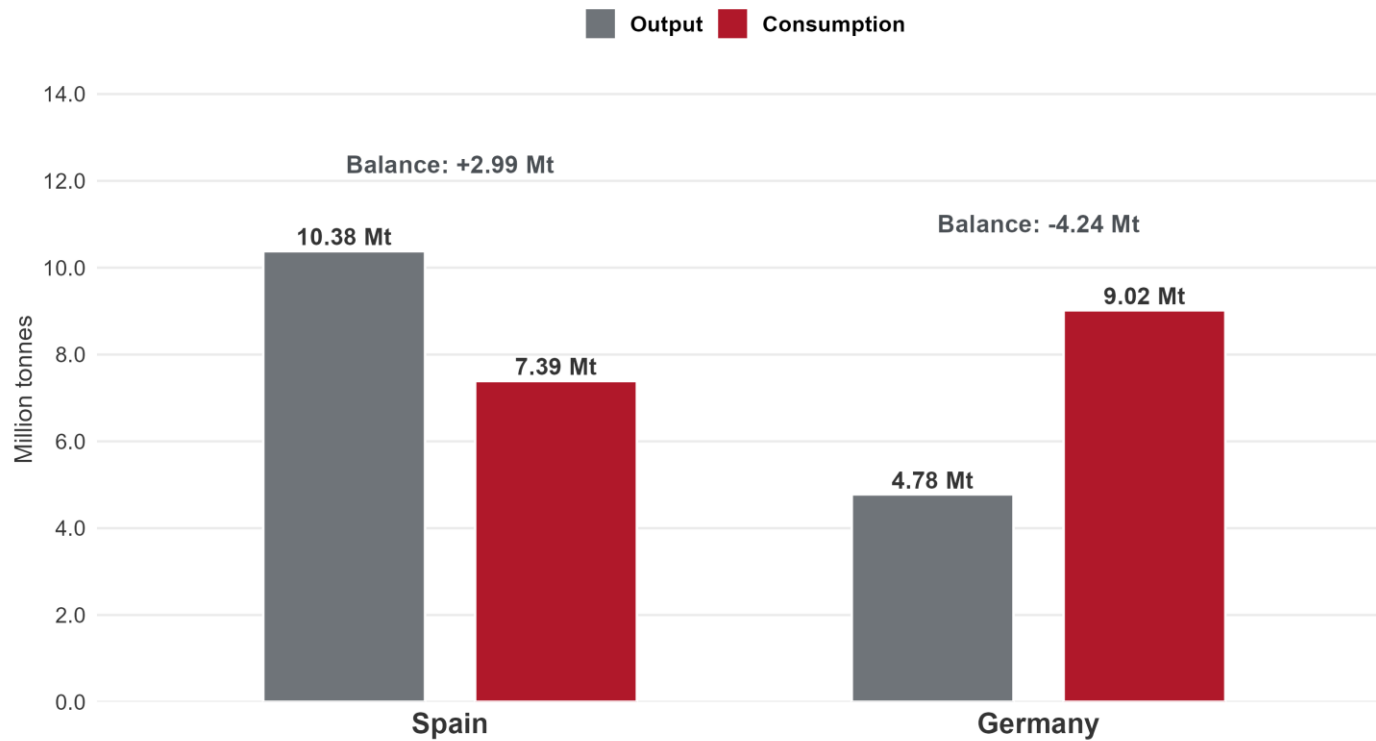
Reference data: jet fuel at USD 155.8/barrel and Brent at USD 103.4/barrel after the start of the conflict marked on 02/03/2026.

Germany has an aviation kerosene deficit

Germany's vulnerability stems from consuming much more kerosene than it produces.

Kerosene comparison: output vs consumption

Spain and Germany | Million tonnes



Source: Spain: CORES, petroleum products balance 2024. Germany: BAFA, Amtliche Mineralöl-daten, December 2024. Own elaboration.

Structural balance

+2.99 Mt

Spain: kerosene surplus

-4.24 Mt

Germany: kerosene deficit

Implications for German agencies

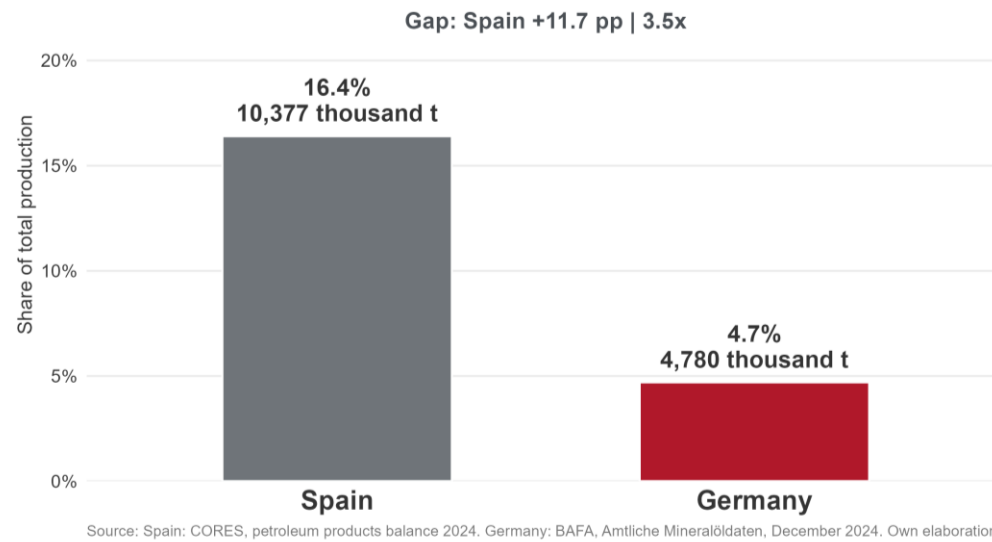
- Greater exposure to international jet fuel prices.
- Need to compete for alternative cargoes if the market tightens.
- More pressure on airlines and outbound tourism packages from Germany.

Spain produces more kerosene in relative terms

The Spanish refinery mix favors kerosene more than the German one.

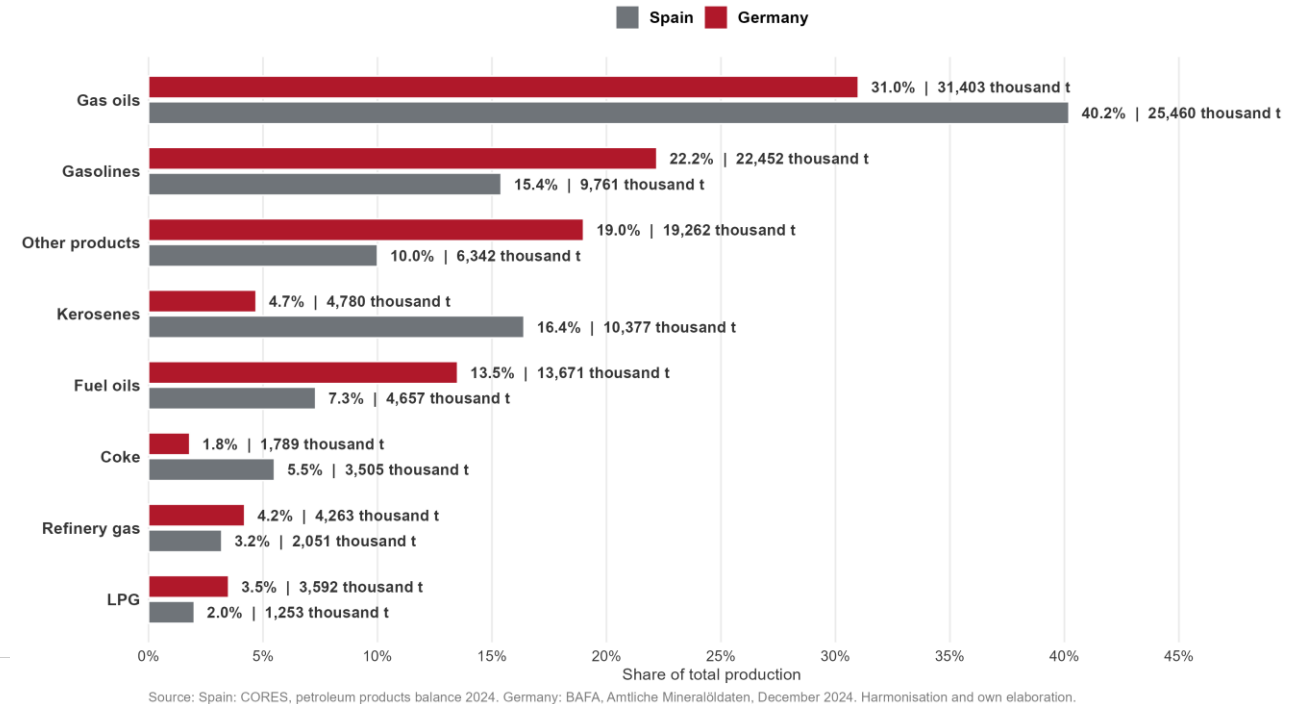
Comparison of kerosene output

Share of kerosene in total refinery output



Comparison of petroleum product output

Spain vs Germany. Harmonised comparison across equivalent product categories
Total output Spain: 63,406 thousand t | Germany: 101,213 thousand t



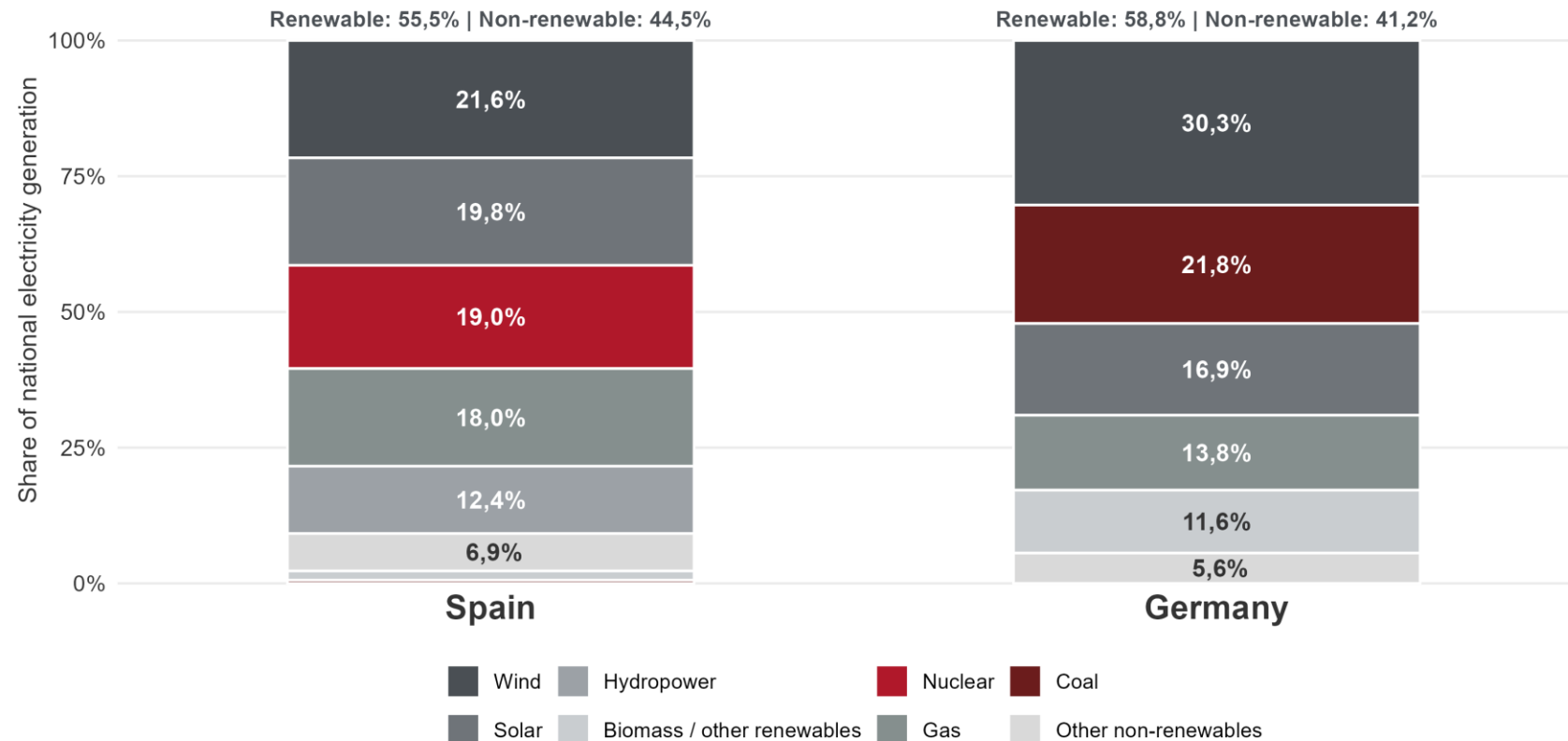
Spain allocates 16.4% of its petroleum production to kerosene, compared with Germany's 4.7%. This improves its relative availability position, although it does not eliminate price risk.

Energy mix: important, but no substitute for kerosene

Spain and Germany have a high share of renewables, although aviation still depends on liquid fuels.

Energy mix comparison: Spain vs Germany

Harmonised distribution of electricity generation by technology



Source: Red Eléctrica de España and Bundesnetzagentur / SMARD. Own elaboration.

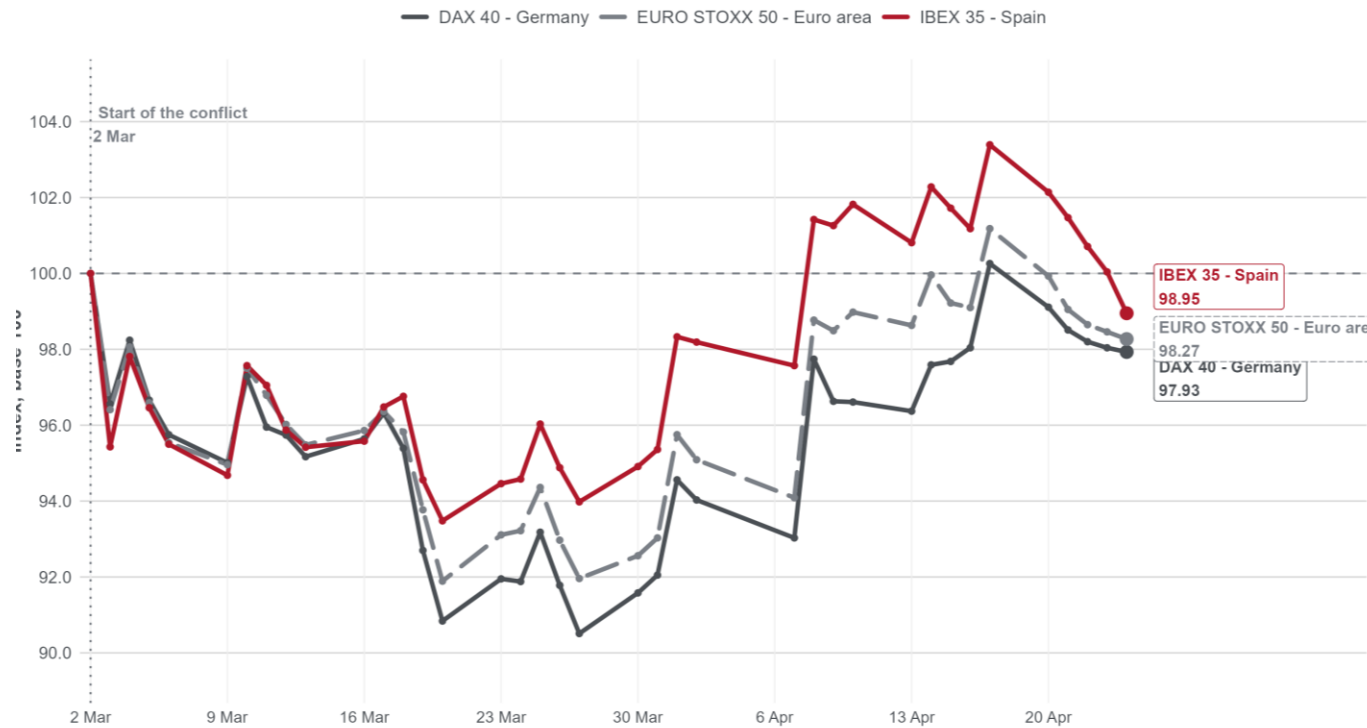
The electricity mix improves the position in the face of a general energy shock, but it does not resolve the specific jet fuel risk.

Markets are pricing in concern, not collapse

European indices show a moderate correction since the start of the conflict.

Evolution of major stock market indices since the start of the conflict

Base 100 = 02/03/2026



Source: own elaboration based on the data provided. The horizontal dashed line marks the base level of 100.

Stock indices rebased to 100 since the start of the conflict

97.93

DAX 40 · Germany

98.27

EURO STOXX 50

98.95

IBEX 35 · Spain

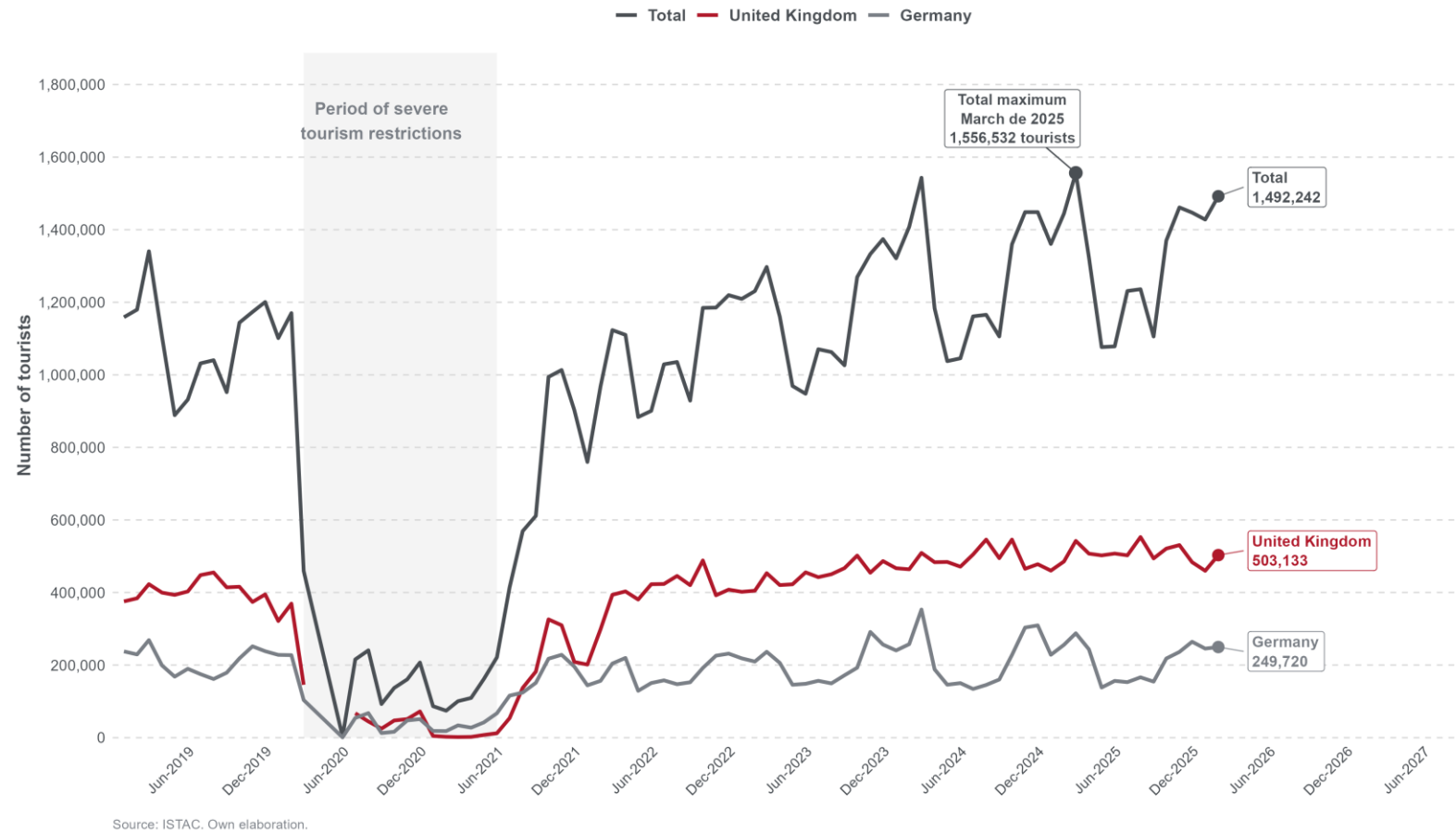
The financial signal is consistent with elevated uncertainty, but not with widespread economic disruption. The risk increases if the conflict is prolonged.

Canary Islands: German market with repositioning potential

German demand is weakening, but the destination retains safety and proximity attributes.

Canary Islands: monthly tourist arrivals

Total, United Kingdom and Germany | January 2019 - February 2026



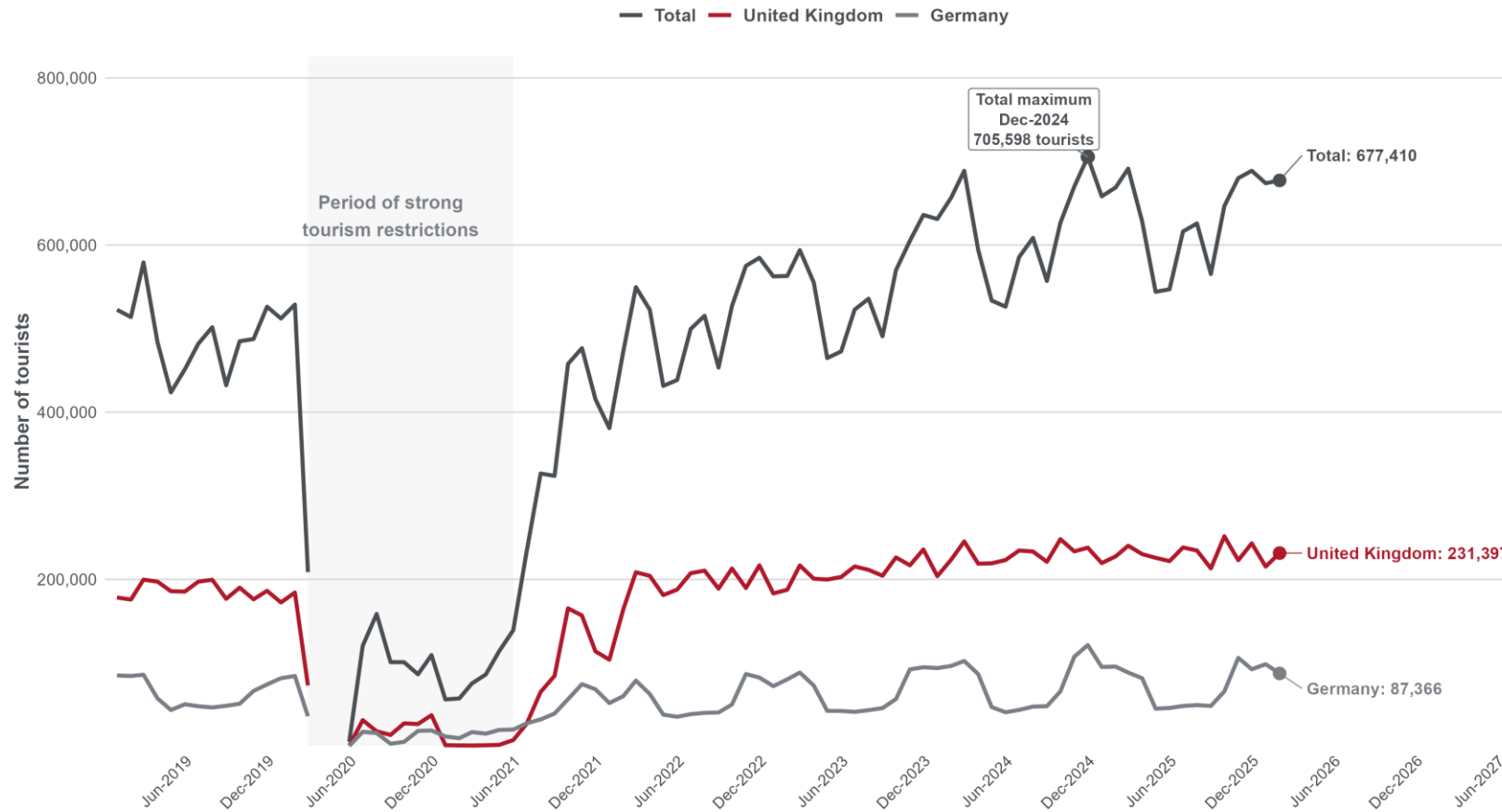
Latest data: 261,229 German tourists in the Canary Islands in February 2026 (-2.7% year-on-year). Additional capture will depend on perceived safety, connectivity and final price.

Canary Islands: German market with repositioning potential

German demand is weakening, but the destination retains safety and proximity attributes.

Tenerife: monthly tourist arrivals

Total, United Kingdom and Germany | January 2019 - February 2026



Source: ISTAC. Own elaboration.

Latest data: 261,229 German tourists in the Canary Islands in February 2026 (-2.7% year-on-year). Additional capture will depend on perceived safety, connectivity and final price.

Hypothesis: impact on average spending by German tourists in the Canary Islands

Transport accounts for almost 3 out of every 10 euros of average spending per German tourist.

€1,650.32

average spending per German tourist in the Canary Islands, Q4 2025

€494.08

domestic / international transport per tourist

29.94%

transport share of total average spending



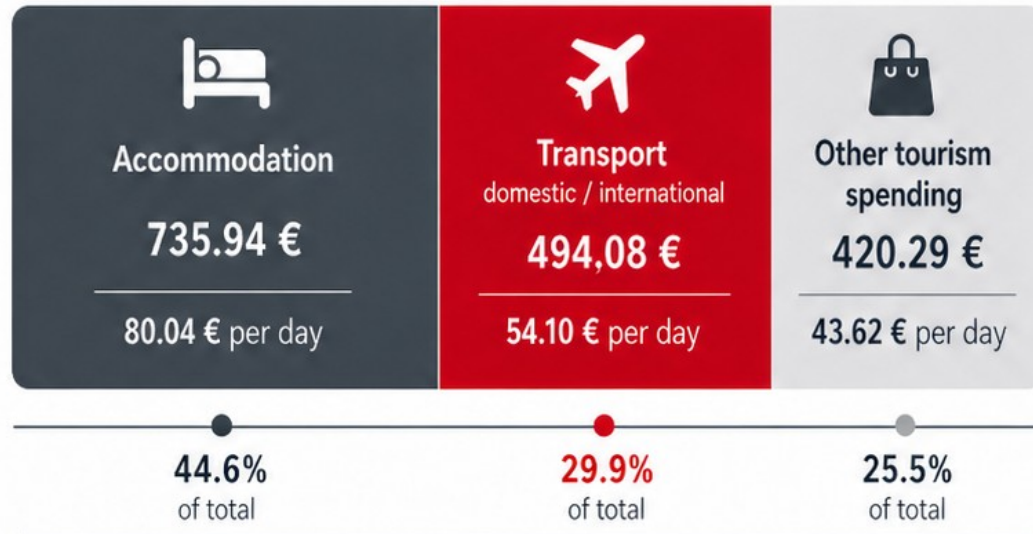
Share of transport in total spending

494.08 € / 1,650.32 € = **29.94%**

Nearly 3 out of every 10 euros of average spending correspond to transport.

COMPOSITION OF AVERAGE SPENDING PER GERMAN TOURIST

Amount and average daily spending · Fourth quarter of 2025



Accommodation accounts for 44.6% of total average spending, followed by transport (29.9%) and other tourism spending (25.5%).

Under a high +45% fuel assumption, the average cost could rise by €48.91 to €66.70 per tourist, equivalent to 2.96%–4.04% of total average spending.



Portion of spending potentially associated with fuel

Low assumption (22%)	108.70 €	6.59% of total spending
High assumption (30%)	148.22 €	8.98% of total spending



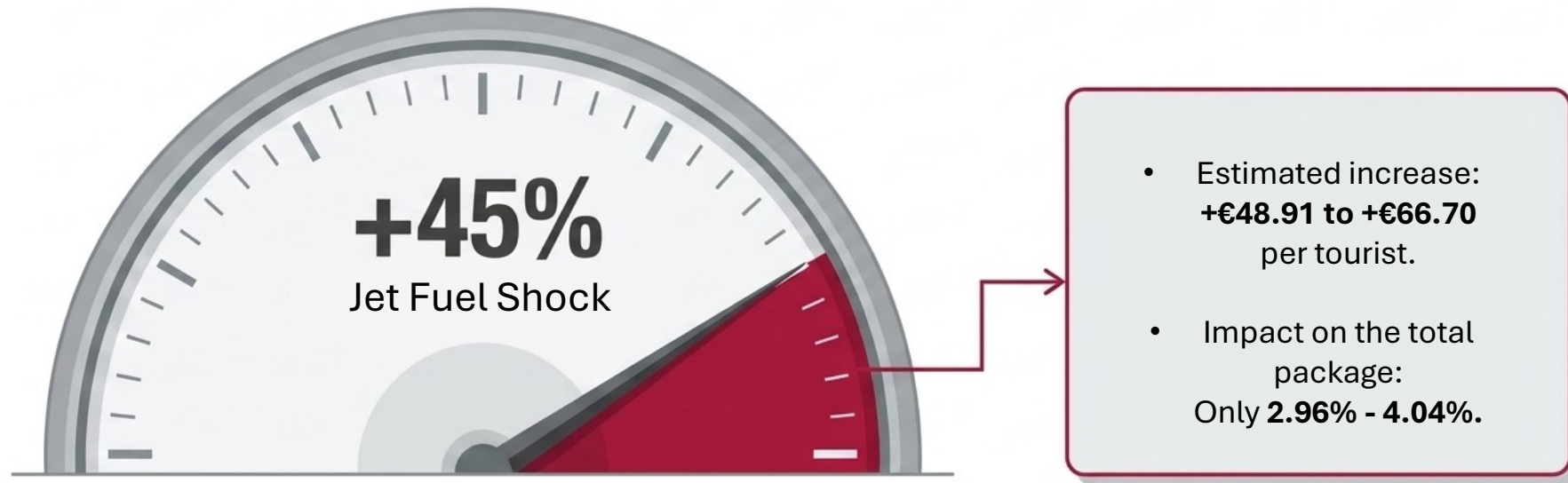
Potential impact on average spending per tourist

If the increase in fuel costs were fully passed on to the ticket

Fuel price increase	Increase in average spending per tourist (low assumption – high assumption)	% of total average spending
↑ +10%	10.87 € – 14.82 €	0.66% – 0.90%
↑ +20%	21.74 € – 29.64 €	1.32% – 1.80%
↑ +30%	32.61 € – 44.47 €	1.98% – 2.69%
↑ +45%	48.91 € – 66.70 €	2.96% – 4.04%

Hypothesis: impact on average spending by German tourists in the Canary Islands

Transport accounts for almost 3 out of every 10 euros of average spending per German tourist.



Even if kerosene prices rise by 45% and the increase is passed on fully to the customer, the absolute increase does not destroy the German tourist's purchasing decision when choosing their main holiday destination.

Risk Scenario:

1. Controlled Tension

Stabilisation of flows.
Impact: Price volatility and temporary surcharges.

2. Prolonged Crisis

Sustained pressure on refined products.
Impact: Persistent increase in fares and preference for European destinations.

3. Severe Disruption

Restriction of energy routes.
Impact: Capacity adjustments and sharp cost increases.

Strategic Note

The central recommendation is to operate under Scenario 2, planning margin protection without falling into alarmist assumptions about supply shortages.



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