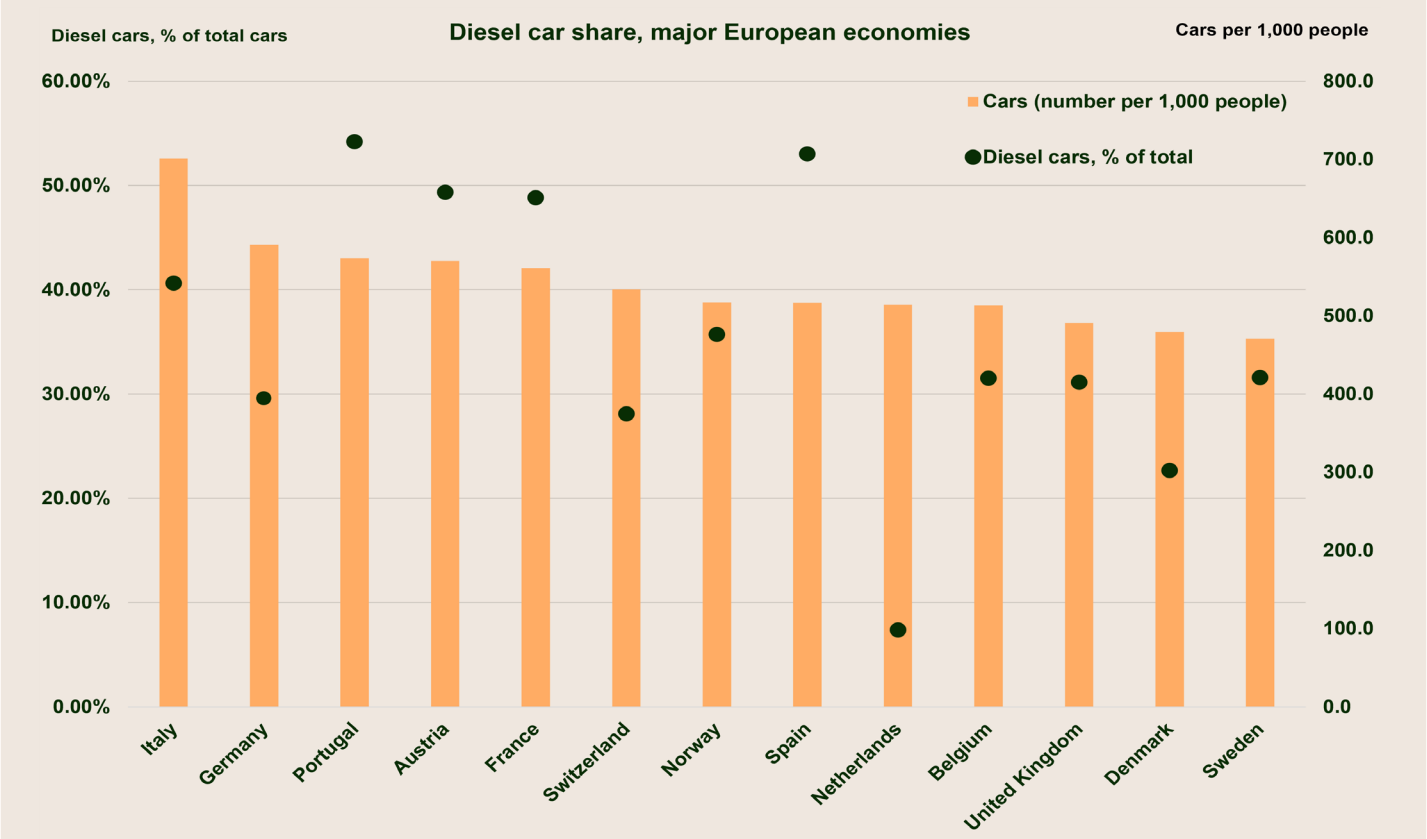
Magellan
Global Listed Infrastructure

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Infrastructure in focus: October 2026

The fuel price drag continues

More than six months into the Middle East conflict, fuel prices are taking a new leg higher. Most notably, retail petrol and diesel prices have hit record high levels and risen at a faster clip than for crudes[1]. With refining capacity stretched, this looks set to persist, especially for diesel. This hints at an overhang on road traffic, which could take time to resolve.



Source: OECD, Eurostat, Magellan, accessed October 2026. Data is the latest available for all economies (2024).

- The fuel price run-up hits differently from country to country. Economies where diesel motors make up a larger share of passenger vehicles (such as France, Portugal, Austria and Spain), and where car usage rates are relatively high (again, France, Portugal and Austria) can be expected to feel the spike in diesel prices most acutely. We see this in weakening toll road traffic volumes[2] for France, where the cost to fill an average passenger car tank is now ~EUR 120[3].
- There are some offsets. Fuel subsidies in Spain and Portugal, and the removal of Australia's fuel excise, provide an immediate buffer for household fuel and travel spend. Earlier electric and hybrid uptake also supports road traffic, as these vehicles are unaffected by pump prices. Household wealth and incomes add resilience too, since fuel cost alone doesn't predict travel volumes. Many markets, including Australia, have so far shown surprising resilience to rising petrol costs.
- Despite these factors, road traffic faces clear headwinds in some markets, especially heading into the Northern Hemisphere winter. In countries like France, high fiscal pressure limits governments' ability to support prices at the pump. Outright fuel shortages are also a risk, and in the worst case could mean further price spikes or rationing until conditions normalise.
- The outlook is not disastrous, but the current leg of the fuel shock could go some way to explaining recent traffic patterns, and differences between markets, in major economies globally. In the long run, we could see households transition further away from diesel and petrol vehicles, with this year's energy shock a catalyst. The acceleration in electric vehicle registrations in the European Union this year illustrates this, with registrations up 54% in August and 33.3% year-to-date, which compares to 29.7% growth in 2025[4]. In the interim, we will monitor the fuel price/traffic dynamic with interest.

[1] Magellan analysis, Bloomberg data
[2] Vinci company data
[3] Cost estimate assumes a 50-litre tank filled at the average retail petrol price in France, as reported by Google and Bloomberg
[4] 2026 figures sourced from Reuters, September 2026. 2025 figures from Eurostat.

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