

# Freight Expectations

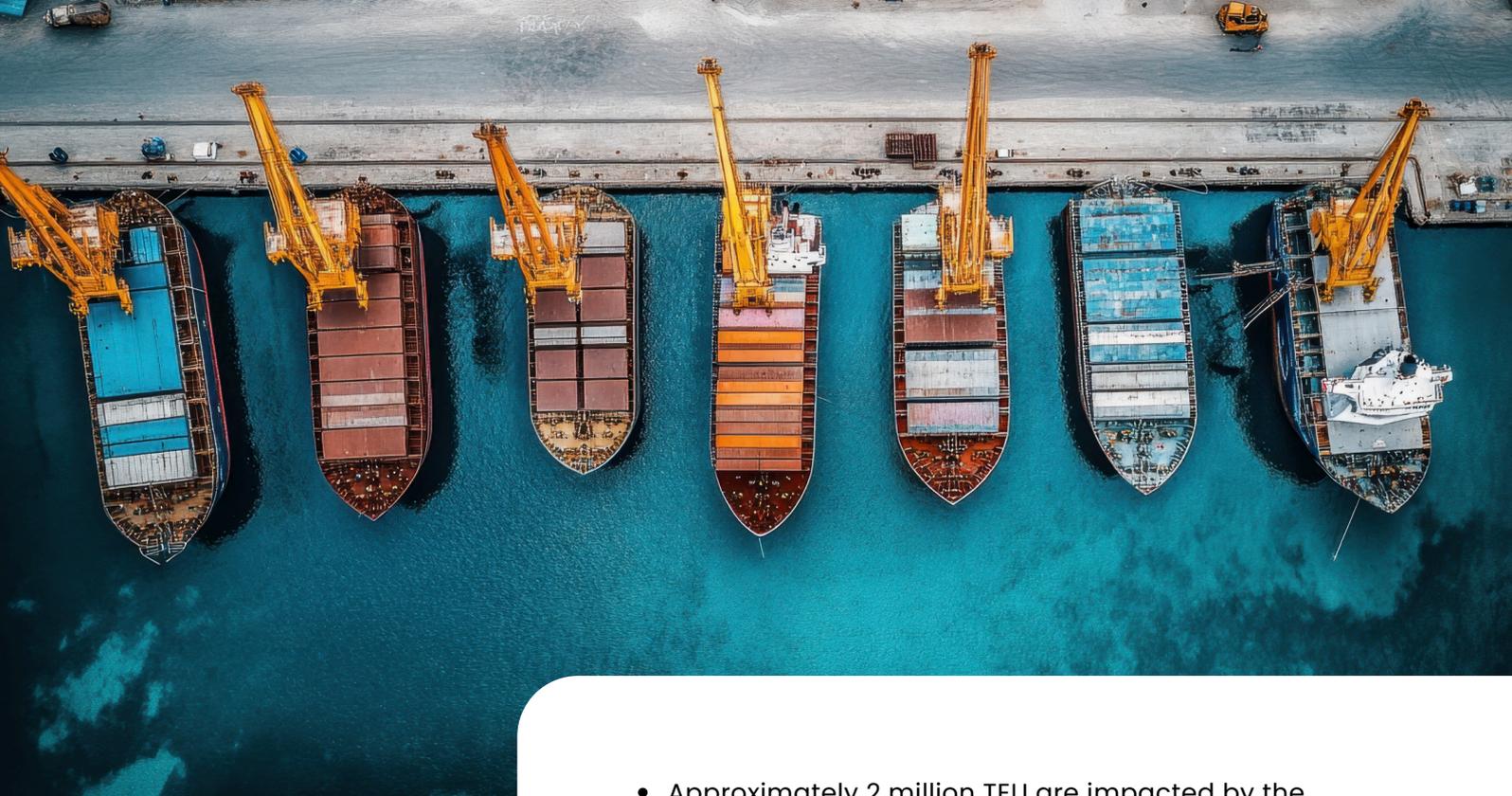


## Supply Chain & Logistics Update

2 million TEU stuck in the Strait of Hormuz

Major ocean carriers have diverted vessels

Fuel surcharges are being assessed weekly due to volatile fuel pricing



# At A Glance Monthly Market Update

- Approximately 2 million TEU are impacted by the war around the Persian Gulf. This includes all cargo booked with a destination in any port in the Gulf on any carrier.
- Fuel surcharges are being assessed weekly due to volatile fuel pricing linked to the conflict in Iran, and will apply to all rates, including previously agreed “all-in” rates.
- Commercial operations in the Gulf are facing disruption as carriers suspend bookings, reroute vessels, and apply conflict-related surcharges.
- Emergency conflict and war-risk surcharges are being applied, ranging from \$1,500 to \$4,000 per container depending on container type and route.
- Available cargo capacity on the Asia–Middle East–Europe corridor falling sharply as carriers abandon traditional Gulf stopovers. The disruptions are forcing airlines to reroute flights, increase transit times, and reconsider operational strategies.
- Join our webinar **Middle East Disruptions: Urgent Supply Chain Impacts** on Monday 9<sup>th</sup> March 2026 at 11:00 AM GMT where we break down the latest developments and share expert insights on the shipping landscape.



# From the Managing Director



The latest developments in the Gulf have delivered another significant shock to global shipping markets. Escalating security concerns, operational disruptions, and rapidly shifting risk assessments are creating real pressure across both ocean and air freight networks. Capacity constraints, rerouting decisions, and rising costs are once again testing supply chain resilience.

While the situation remains fluid, our team is closely monitoring developments in real time. We are in constant dialogue with carriers, partners, and clients to assess risk, identify alternatives, and maintain continuity wherever possible.

Importantly, it is not all challenging news. Next week, our team will be exhibiting at the London Book Fair, where we are looking forward to meeting clients, connecting with publishers, and strengthening relationships across the industry.

At the same time, colleagues will be attending the WCA Worldwide Conference in Singapore, a great opportunity to collaborate with our global partners.

We are also hopeful of bringing home the award for Best European Partner for the fourth consecutive year, which would be a tremendous achievement for our team.

As always, our priority is simple: to provide clarity, steady leadership, and dependable solutions for every client.



*Thomas Kuehn*

MANAGING DIRECTOR



# Middle East Shipping Disruption

**Two million TEU tied up by the Strait of Hormuz disruption. Cargo likely to be diverted to nearby regional ports.**

The closure of the Strait of Hormuz amid the escalating US–Israel–Iran conflict could disrupt roughly 2 million TEU of container cargo that is either already on vessels, heading to Gulf ports, or booked to move there in the next 90 days.

A significant portion of this cargo may now be diverted to alternative ports around the region such as Fujairah, Sohar, Salalah, and Colombo, as carriers attempt to manage the disruption. Some shipments are already being offloaded far earlier than planned, creating backlogs in origin ports and increasing the risk of congestion and additional costs such as demurrage and surcharges.

Despite the short-term chaos, analysts believe the global container market impact may be limited, since the disruption mainly affects cargo destined for Gulf markets rather than the entire global trade network.

## **What we're seeing:**

- War risk premiums starting to rise
- Insurers tightening underwriting posture
- Hapag-Lloyd suspending transits via the Strait
- Vessels pausing, waiting, or reassessing Gulf port calls

## **What shippers should know:**

- Lead times and reliability become less predictable
- Supply chain diversification – such as alternate sourcing and stock buffers – becomes even more critical
- Disruptions or even temporary shutdowns of this corridor would impact the flow of electronics, machinery and finished goods, amplifying delays and pushing up freight costs.
- Supply chain interruptions here would cascade into manufacturing sectors worldwide.



# Gulf Cargo Operations Hit by Suspended Bookings and Vessel Rerouting

*The Middle East shipping landscape is under pressure as carriers reassess the safety and commercial viability of Gulf operations.*



Commercial operations in the Gulf are facing disruption as carriers suspend bookings, reroute vessels, and apply conflict-related surcharges. Shippers should expect delays, congestion, and rising costs, emphasizing the need for careful route planning and risk monitoring.

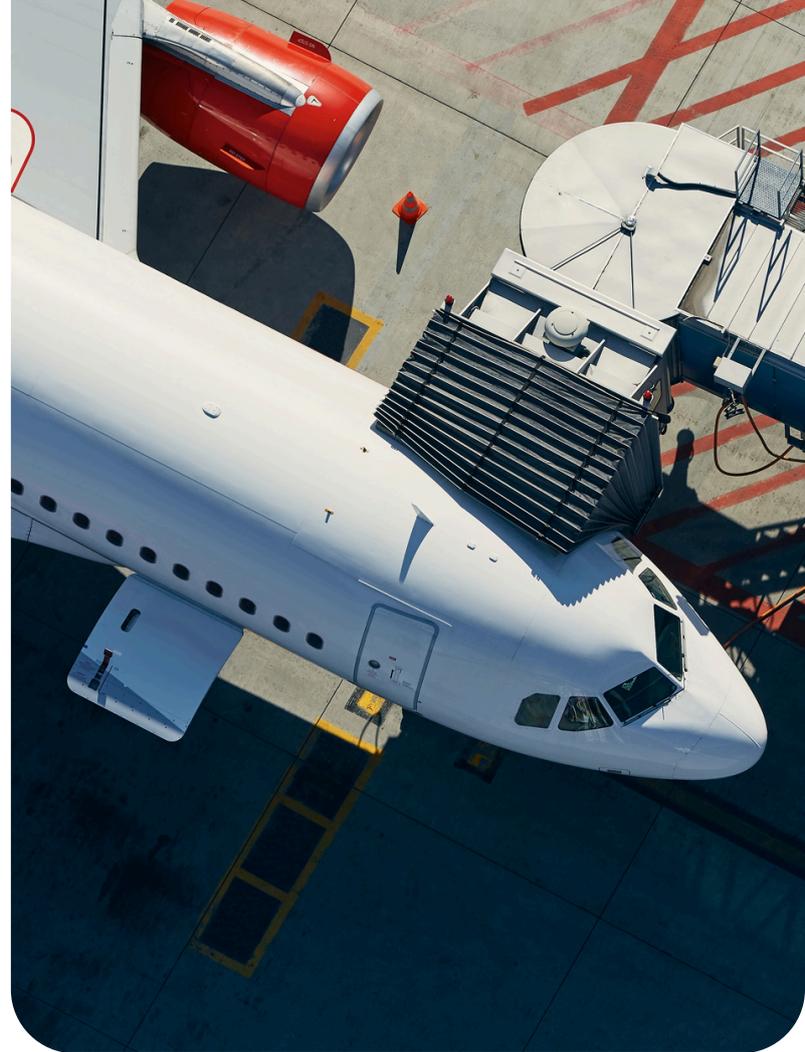
## **Key information:**

- Multiple major ocean carriers—including CMA CGM, Cosco, HMM, MSC, ONE, OOCL, PIL, and Wan Hai—have suspended cargo bookings for Middle East routes, particularly those transiting the Strait of Hormuz.
- Evergreen has made adjustments to vessels already in transit, while Maersk and CMA CGM are rerouting ships away from traditional Gulf passages, opting for alternative routes around Africa.
- Emergency conflict and war-risk surcharges are being applied, ranging from \$1,500 to \$4,000 per container depending on container type and route.
- Cargo is increasingly being discharged at alternative ports such as Salalah, Khor Fakkan, Sohar, Duqm, and Colombo, creating congestion and delays in onward shipments.
- Insurers are tightening underwriting, and carriers are operating with heightened caution, reflecting a sharp increase in perceived risk in the region.

## AIR FREIGHT

# Airlines Reroute Flights as Gulf Closures Disrupt

*With airspace in Qatar, the UAE, Kuwait, Bahrain, Iraq, Iran, and Israel closed, airlines have rapidly reconfigured operations.*



Air cargo operations between Asia and Europe are facing unprecedented disruption following widespread Middle East airspace closures. The impact has been immediate and severe, with available cargo capacity on the Asia–Middle East–Europe corridor falling sharply as carriers abandon traditional Gulf stopovers. The disruptions are forcing airlines to reroute flights, increase transit times, and reconsider operational strategies.

### **Key Points:**

- Available cargo tonne-kilometres (ACTK) on Asia–Middle East–Europe routes fell by approximately 26% over a single weekend.
- Airspace closures affect Qatar, UAE, Kuwait, Bahrain, Iraq, Iran, and Israel, prompting carriers to fly direct long-haul sectors or divert via Central Asia.
- Direct Asia–Europe capacity has risen 13–14% as airlines avoid Gulf hubs like Doha, Dubai, and Abu Dhabi.
- Gulf stopover capacity has plunged by as much as 75%, highlighting the region’s centrality to global air cargo flows.
- India and South Asia have experienced capacity drops exceeding 60%, emphasising their reliance on Gulf links.
- Forwarders are limiting bookings and advising shippers to hold cargo at origin as the network adjusts.
- Overall global air cargo lift has declined by up to 18% week-on-week, with 13% of international widebody and freighter capacity now at risk.

Airlines are rerouting flights, capacity is constrained, and the disruption is creating potential backlogs and upward pressure on freight rates. Shippers should closely monitor developments and consider alternative routing and contingency plans to maintain supply chain continuity.

AIR FREIGHT

# Asia–Europe Air Cargo Capacity Drops 40%

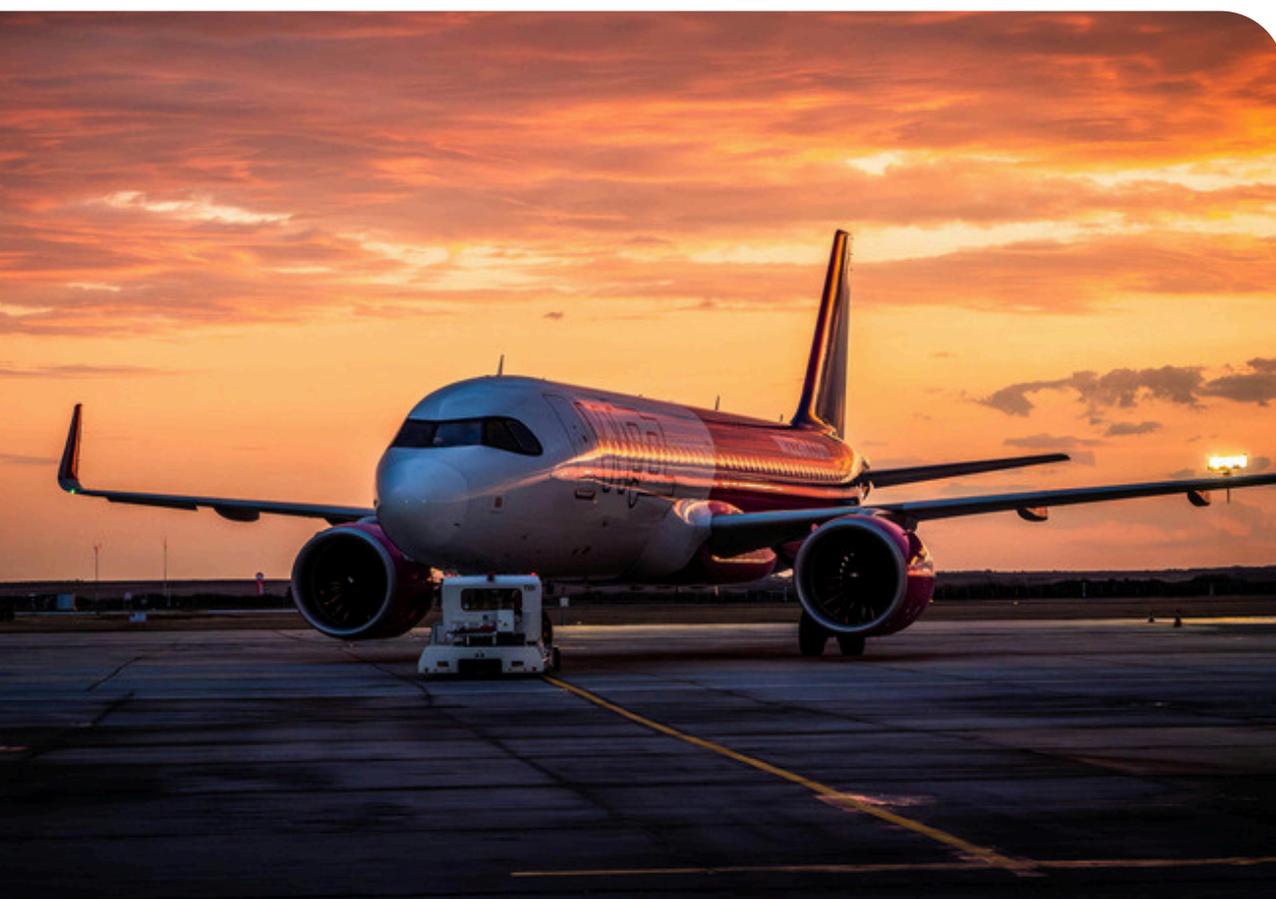
***Air cargo capacity across the vital Asia–Europe trade corridor has collapsed as widespread Middle East airspace closures send shockwaves through global freight networks.***

The closure of key Middle Eastern airspace has significantly disrupted global air freight networks, with capacity on major Asia–Europe cargo corridors falling by nearly 40%. The reduction reflects the sudden shutdown of major Gulf transit hubs, including Dubai, Doha and Abu Dhabi, which play a central role in east–west cargo connectivity.

Gulf carriers such as Emirates SkyCargo, Qatar Airways Cargo and Etihad Cargo, which together represent a substantial share of global air freight capacity, have been forced to suspend or reroute services as a result of the restrictions.

While some airlines have responded by increasing direct Asia–Europe services, bypassing the Middle East entirely, these longer routes cannot fully replace the connectivity normally provided by the region's hub-and-spoke networks.

The disruption is particularly challenging for exporters in South and Southeast Asia, where many shipments traditionally rely on Gulf hubs for onward connections to Europe and other western markets. As capacity tightens, shippers are already facing delays and increased competition for available lift.



MUST WATCH WEBINAR

# Middle East Disruptions: Urgent Supply Chain Impacts

The Middle East is sending shockwaves through global shipping—and your supply chain could be next. Ocean routes are rerouting, air freight schedules are shifting, carriers are updating surcharges, and delays are mounting.

Join our Procurement Manager, Cesar Caicedo, and Air Freight Heathrow Branch Manager, Mick Patterson, for a live session where they'll break down the latest developments and share expert insights on the shipping landscape.

Whether you ship by sea or air, this webinar equips you to act fast, plan smarter, and stay ahead of the curve.

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## What you will take away from this free webinar?

- Understand how Middle East disruptions are reshaping ocean and air freight routes, and what carriers are doing in response.
- Get clarity on new fees, surcharges, and pricing shifts so you can plan budgets and avoid unexpected costs.
- Learn practical steps from our Procurement Manager and Head of Air Freight Operations to minimize delays and keep your shipments moving.

**Monday 9<sup>th</sup>  
March 2026**

[Click here to register](#)

[Don't miss it—register early to secure your spot.](#)



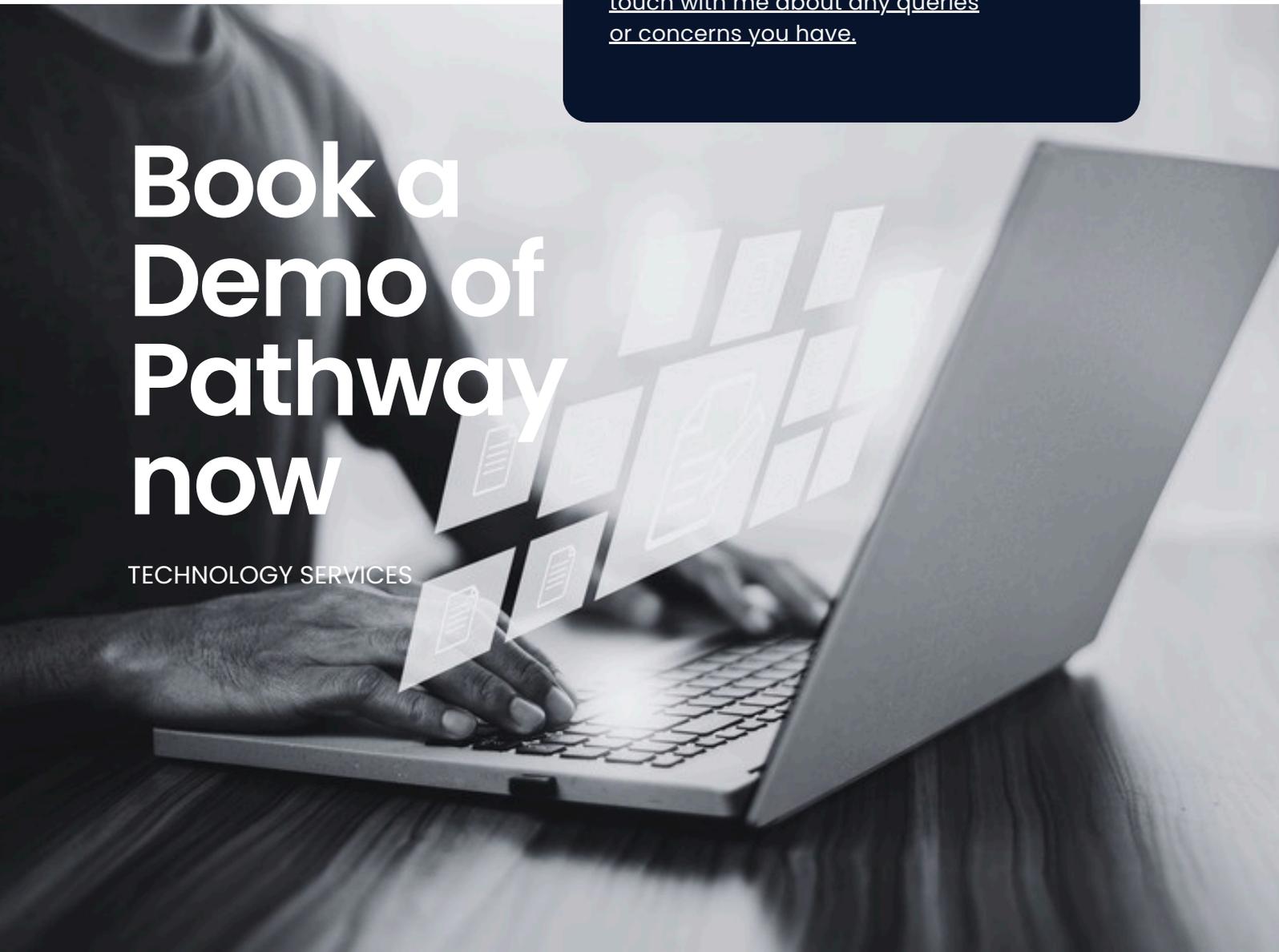
# Take Control of Your Supply Chain Today

No two logistics challenges are the same. I understand this and I'm here to tailor solutions to meet your specific needs. I can work closely with you to develop strategies that address your unique challenges effectively and efficiently, offering guidance that allows you to plan and adjust logistics strategies accordingly.



**Want to get in touch.**

[Click here if you want to get in touch with me about any queries or concerns you have.](#)

A grayscale photograph of a person's hands typing on a laptop keyboard. Several semi-transparent, glowing rectangular panels with icons (like a document, a bar chart, and a line graph) are floating in the air above the laptop, suggesting data analysis or a software interface.

## Book a Demo of Pathway now

TECHNOLOGY SERVICES