

## Middle East Situation – Supply Chain Disruptions Persist, Cost Pressures Escalate

March 12, 2026,

Dear Valued Customer,

The Middle East situation **deteriorated further in the last 48 hours** following **multiple new attacks on commercial vessels on March 11**, reinforcing a materially higher risk environment for Gulf-adjacent shipping lanes. Major carriers continue to maintain **indefinite withdrawal or severe restrictions** impacting Gulf access, while **secondary effects are now increasingly visible** in Asia–Europe networks through schedule instability, equipment imbalance, and tightening capacity at key transshipment hubs.

Customers with cargo to/from the Arabian Gulf, Red Sea-connected routings, and transshipment-dependent Asia–Europe flows should plan for **extended disruption, elevated rollover risk, and continued cost escalation**.

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### CURRENT SITUATION

- **Strait of Hormuz disruption persists.** Vessel traffic through the strait remains severely constrained, with carriers maintaining diversions or limiting routine crossings due to security risks and the withdrawal or repricing of war-risk insurance. Major energy and shipping analysts continue to confirm the strait’s status as a critical choke point, normally handling roughly **20% of global oil flows**, amplifying global cost pressure.
- **Ocean rerouting sustained.** Carriers continue widescale rerouting away from Suez and the Red Sea via the **Cape of Good Hope**, adding **10–20 days** to certain Asia–Europe and Asia–Americas services. These diversions are reinforcing congestion and equipment imbalance risk globally.
- **Air cargo capacity remains constrained.** While select repositioning and limited freighter flights are operating under regulatory approvals, airspace restrictions across Iran, Qatar, Israel, Bahrain, and surrounding areas continue to suppress uplift. Industry estimates indicate that **double-digit percentages of global air cargo capacity** remain displaced during peak disruption periods.

- **Energy-driven cost escalation.** Global crude prices surged sharply in recent days, exceeding **USD 100 per barrel**, with volatility driven by prolonged regional instability. This is increasing the likelihood of **additional fuel- and bunker-related surcharges** across both air and ocean transport.
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## IMMEDIATE OPERATIONAL IMPACTS

### Ocean Freight

- Schedule reliability remains low due to Hormuz restrictions and extended rerouting.
- Longer voyage times are tightening effective vessel capacity and delaying equipment repositioning across non-Middle East trade lanes.

### Air Cargo

- Limited Middle East hub connectivity continues to force longer routings, increasing congestion and rate volatility on Asia–Europe and Asia–Africa corridors.
  - Space constraints remain likely for time-critical shipments.
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## NEAR-TERM CUSTOMER OUTLOOK (NEXT 7–14 DAYS)

Customers should expect:

- **No immediate normalization** of Middle East air or ocean networks
  - **Extended lead times** and irregular schedules
  - **Heightened rate volatility**, including war-risk and fuel surcharges
  - **Reduced flexibility** to shift urgent shipments from ocean to air due to limited uplift
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## CUSTOMER CONSIDERATIONS

Customers may wish to:

- Reconfirm serviceability **prior to tendering new shipments**
  - Build additional buffer into **inventory and delivery planning**
  - Anticipate **additional cost adjustments** tied to fuel and insurance exposure
  - Engage logistics partners early on **alternative routings or prioritization of critical cargo**
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## OUR SUPPORT

APL Logistics continues to monitor carrier advisories, port/terminal operating status, and maritime security updates. Where shipments are impacted, customers will be contacted with options for rerouting, prioritization, and recovery planning.

Sincerely,  
APL Logistics

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### Sources

- *Kintetsu World Express: Customer Advisory 2026\_20 – Update: Middle East Service Disruption, updated March 10, 2026 [kwe.com]*
- *DSV: Middle East Supply Chain Situation Advisory, updated March 11, 2026 [dsv.com]*
- *DHL Global Forwarding: Middle East Crisis – Situation Updates, updated March 9, 2026 [dhl.com]*
- *Reuters: Global shipping and energy disruptions linked to Strait of Hormuz chokepoint, March 2026 [kwe.com]*
- *Reuters / CNBC: Oil price volatility and fuel-cost implications tied to Middle East escalation, March 2026*
- *Journal of Commerce (S&P Global): Carrier rerouting, capacity displacement, and equipment impacts stemming from Middle East conflict, March 2026*