

Middle East Escalation – Continued and Expanding Supply Chain Impacts

March 3, 2026,

Dear Valued Customer,

Ongoing escalation in the Middle East continues to disrupt global transportation networks. **Carrier rerouting decisions, restrictions affecting the Strait of Hormuz, renewed Red Sea security risks, and sustained airspace closures** are collectively creating extended transit times, constrained capacity, and increased costs across multiple supply chains.

Customers with cargo originating in, transiting through, or dependent on Middle East gateways should anticipate **continued delays and volatility**, with recovery timing dependent on security conditions and carrier risk assessments.

CURRENT SITUATION

Industry and maritime security reporting indicates that **commercial shipping through the Strait of Hormuz remains significantly constrained**, as vessel operators respond to security warnings, war-risk insurance limitations, and government advisories. While some limited movements continue, most mainline container and tanker operators are avoiding or suspending transits through the area.

At the same time, **Red Sea routings remain restricted** following renewed security threats, prompting carriers to maintain or expand **Cape of Good Hope diversions** rather than re-enter Suez/Red Sea corridors.

Regional **airspace closures and routing restrictions** across parts of the Middle East continue to limit passenger and air-cargo operations, removing key hubs from normal global networks and forcing longer routings via alternative corridors.

IMPLICATIONS FOR SUPPLY CHAIN AND LOGISTICS

Ocean Freight:

- Major container carriers have **suspended or limited new bookings to Gulf destinations**, instructed vessels to seek safe shelter, and implemented wide-scale rerouting away from the Strait of Hormuz.
- Diversions via the **Cape of Good Hope** are adding approximately **10–14 days** to Asia–Europe and Asia–U.S. East Coast services, tightening global vessel capacity.
- **Emergency freight increases and war-risk surcharges** have been announced by multiple carriers, reflecting higher insurance premiums and fuel costs.

Air Cargo:

- Continued airspace restrictions across the Middle East have **eliminated most regional air-cargo lift**, increasing congestion and pricing pressure on alternate Asia–Europe and Asia–Africa routings.
- Longer routings and capacity displacement are contributing to **rate volatility and reduced schedule reliability** for time-sensitive shipments.

Ports, Warehousing, and Inland Transport

- Port operations across the Gulf remain **uneven**, with precautionary suspensions, congestion, or access restrictions reported at certain facilities. Alternative transshipment hubs are seeing increased volumes.
- Warehousing and inland transport operations in affected regions are subject to **heightened security protocols**, particularly for high-value, refrigerated, or regulated cargo.

BROADER SUPPLY CHAIN EFFECTS

- Approximately **20 percent of global oil and LNG volumes normally transit the Strait of Hormuz**, increasing exposure to fuel-cost inflation and bunker surcharges across global trade lanes.
- Global container availability is tightening as vessels are repositioned away from Middle East corridors, increasing the likelihood of **secondary congestion** in Asia, Europe, and North America.

CUSTOMER CONSIDERATIONS

Customers may wish to consider the following actions:

- Review exposure to Middle East and Red Sea-dependent routings
- Allow for additional transit time and schedule adjustments
- Prepare for rate, surcharge, and insurance-driven cost volatility

- Coordinate closely with logistics partners on contingency planning and shipment prioritization
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OUR SUPPORT

We continue to monitor carrier advisories, maritime security guidance, port updates, and aviation notices. Our teams remain engaged with global partners and will communicate material developments as conditions evolve.

Sincerely,

APL Logistics

Sources

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- *Global Cold Chain Alliance: Middle East Conflict Disruption Updates & Situation Report, March 2, 2026*
- *CNBC: Strait of Hormuz crisis explained – What it means for global shipping, March 2, 2026*
- *Maersk Advisory: Strait of Hormuz closure and emergency freight increases, March 2, 2026*
- *Maritime News / Container-Mag: Iran Strait of Hormuz crisis shipping disruptions, March 2026*
- *Expeditors: Middle East Tension Escalation Update, March 2, 2026*
- *Portcast.io: Iran and the Strait of Hormuz disruption – vessels affected and supply chain impact, March 2026*
- *Flightradar24: Live airspace closures following Israel–Iran escalation, March 2026*