



# MIDDLE EAST IMPORTANT NOTICE!

MARCH 30, 2025

## **Update on the ongoing Middle East security situation**

Dear valued customer,

Entering week 4 of the war between the US/Israel and Iran, there are still no signs of an imminent ceasefire. While the operational impact on especially airfreight continues to minimise, it is clear that the effects are widespread and impactful. Much of the attention within the global transportation industry has, in the meantime, shifted to surging oil prices and the pain of same.

### **Warning of global growth contraction**

It is also clear that global economies are suffering from the toll of higher energy prices, impacting growth projections for the remainder of 2026. *"There's a high level of uncertainty around the duration and the magnitude of the current conflict in the Middle East and that means that this outlook is subject to significant downside risks that could result in lower growth and higher inflation,"* said OECD chief Mathias Cormann.

The OECD also stated that the Euro area GDP growth is expected to slow to 0.8% in 2026, driven by higher energy prices, before recovering to 1.2% in 2027, supported by stronger defence spending. This represents a significant downgrade from December, when the OECD had projected growth of 1.2% in 2026 and 1.4% in 2027.

*"In an adverse scenario where energy prices peak higher and stay elevated longer, global growth would be 0.5 percentage points lower by the second year of the shock and inflation would be 0.9 percentage points higher,"* the OECD continues.<sup>1</sup>

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<sup>1</sup> <https://www.reuters.com/world/china/oecd-iran-war-erases-global-growth-upgrade-fans-inflation-2026-03-26>



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## **Alternative routing solutions remain critical**

While available airfreight capacity continues to steadily increase with Middle Eastern Airlines having resumed both passenger and cargo flights, alternative shipment options remain critical. This is the case for both airfreight and ocean freight, where we now have a clear overview in place of all alternative routings and associated transit times.

What is also clear is the fact that disruption is only one missile strike away, which became clear on 28 March when the port of Salalah was hit by Iranian missiles, inflicting damage on, amongst others, a crane, prompting carriers such as Maersk to initially suspend all operations for 48 hours. With this in mind, we recommend constant dialogue for especially urgent shipments, and we remain at your disposal to explore relevant options further.

As always, please contact your designated SGL contact person. We wish to reiterate that, despite the current circumstances, it is possible to get shipments moved through viable alternatives.

## **Oil and fuel prices continue to surge**

Brent crude prices have surged sharply, reaching over USD 110 per barrel. The rise is single-handedly driven by attacks on key oil infrastructure in the UAE, Qatar, Kuwait, Iran and Iraq, particularly targeting production facilities, and as well as the closure of the Strait of Hormuz.



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Source: [Trading Economics](#)

Statements by US President Trump during the latest week concerning evolving peace talks with Iran, temporarily eased market concerns, however, over the weekend President Trump doubled down on his ambition to control Iranian oil production by stating *"To be honest with you, my favorite thing is to take the oil in Iran but some stupid people back in the US say: 'Why are you doing that?' But they're stupid people,"* and added; *"Maybe we take Kharg Island, maybe we don't. We have a lot of options,"* and continued: *"It would also mean we had to be there [in Kharg Island] for a while".<sup>2</sup>*

The interview marks some of Trump's most direct comments about his thinking on what to do with Iran's oil and will do nothing to ease the extreme concerns about a potential full-blown global oil shortage.

Analysts warn that if the situation worsens, oil could hit USD 150 per barrel.

<sup>2</sup> <https://edition.cnn.com/2026/03/29/world/live-news/iran-war-us-israel-trump?t=1774843273354>



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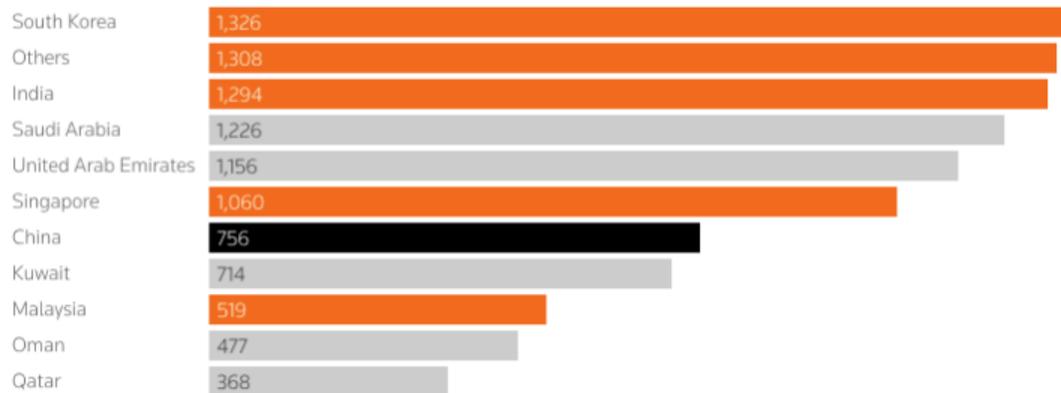
## Emerging fuel shortage is becoming real and severe

In Asia, the fuel shortage is already severe. China is the world's top oil importer and has implemented a ban on exports of diesel, gasoline, and jet fuel to protect domestic availability as global energy markets tighten. The ban is valid at least until the end of March.

China is also Asia's 4th-largest exporter of so-called clean fuels, after South Korea, India and Singapore. Australia, Bangladesh, and the Philippines are particularly reliant on Chinese fuel supplies and will have to cover their needs elsewhere.

### China is a major supplier of diesel, gasoline and jet fuel east of Suez

● Disrupted by the war in Iran



Unit: 1,000 barrels per day

Source: Kpler | Ruth Chai

Source: [Reuters](#)



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An example of the consequences is that the Philippines has declared a State of Emergency due to soaring oil prices, as evidenced by fuel prices more than doubling in recent weeks.<sup>3</sup>

Another example is that Australia faces mounting exposure in the jet-fuel supply chain. Current stockpiles are critically low, holding only 29-32 days of jet fuel, far below the International Energy Agency's 90-day requirement<sup>4</sup>, and some airlines have started cancellation of flights due to the shortage.

## **What is in store for Europe and the US?**

According to Shell CEO Wael Sawan, Europe could follow in the footsteps of Asia and face fuel shortages during the month of April.

The Shell chief executive told an oil industry conference audience in Texas that: *"South Asia was first to get that brunt. That's moved to south-east Asia, north-east Asia and then more so into Europe as we get into April."*<sup>5</sup>

Sawan said the crisis, now in its fourth week, had already affected supplies of jet fuel, which has doubled in price since the start of the conflict, and diesel could come under pressure next, followed by petrol as the summer driving season begins in the US and Europe.

The boss of Europe's biggest oil company said it was working with governments to help them address the oil and gas supply crisis, which has already led to energy rationing in Asian countries.

<sup>3</sup> [https://pco.gov.ph/news\\_releases/president-marcos-declares-state-of-national-energy-emergency-activates-uplift-as-whole-of-government-response-framework/](https://pco.gov.ph/news_releases/president-marcos-declares-state-of-national-energy-emergency-activates-uplift-as-whole-of-government-response-framework/)

<sup>4</sup> <https://www.sbs.com.au/news/article/australia-fuel-shortage-2026/zl0grg7ey>

<sup>5</sup> <https://www.theguardian.com/business/2026/mar/25/europe-could-face-iran-war-fuel-rationing-by-april-warns-shell-boss>



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The stark warning echoed Germany's economy minister, Katherina Reiche, who told the same industry conference that energy supply scarcity could occur in late April or May if the conflict continued

The looming threat to Europe's energy supplies could lead to prolonged global economic recession if oil hits \$150 a barrel, according to the boss of the US financial company BlackRock. In an interview with the BBC, Larry Fink, who leads the world's largest asset manager, said if Iran remained a threat and oil prices stayed high, it would have profound implications for the world economy.<sup>6</sup>

Although it is too early to determine the full scale and outcome of the conflict, Fink outlined two scenarios: one in which a full resolution of the conflict allowed oil prices to return to pre-crisis levels of about \$70 a barrel, and another in which the conflict drove prices to record highs.

## **Rising airfreight rates and capacity challenges**

As the Middle East's geopolitical landscape continues to evolve, airfreight operations continue to face a multitude of impacting factors in the form of airspace restrictions, rerouted flights, and surging fuel costs, just to name a few. As shippers across the globe have also experienced in recent weeks, the situation, in addition to operational disruption, also comes along with a hefty price tag in the form of sharp rate increases and, not least, emergency fuel surcharges. Here's the latest update on the situation and its impact on the global airfreight market.

## **Global airfreight rates surge amid tight capacity and geopolitical strains**

Airfreight rates from the Middle East have surged once again, driven by tight capacity and increasing fuel costs. According to recent reports, average

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<sup>6</sup> <https://www.investing.com/news/commodities-news/blackrock-ceo-warns-oil-could-hit-150-amid-iran-threat-concerns-93CH-4579987>



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worldwide spot rates have increased by 12% week-on-week to US\$3.19 per kilo, with notable spikes in key trade lanes such as Asia-Europe and Middle East-South Asia. Rates from MESA (Middle East – South Asia) origins have jumped by 22% to \$4.37 per kilogram, a 58% increase from last year.

Air cargo volumes from MESA origins rebounded by 30% week-on-week after the drop in week 10, when capacity from the region had fallen by 50%. Tonnages from Gulf countries surged by 74% after a 65% drop in week 10, although they're still about 50% below pre-war levels.

While air cargo capacity and traffic showed significant recovery compared to the previous week, due to the partial reopening of certain airports and airspace, as well as alternative routes around restricted areas, services to and from the region remain severely limited. Airfreight operations, especially within Gulf countries, continue to face constraints and are vulnerable to sudden disruptions, delays, and backlogs.

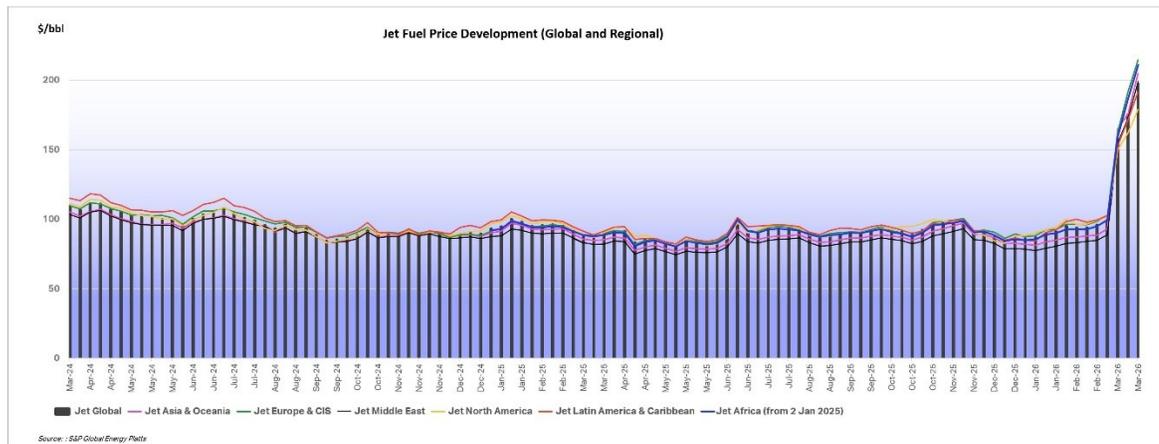
## **Air fuel costs skyrocket**

One of the key factors fuelling the surge in airfreight rates is the dramatic increase in fuel prices. Jet fuel is produced by refining crude oil, so its price includes both the cost of crude oil and the refinery process. Both components have risen sharply in recent weeks.



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Source: [IATA](#)

In fact, jet fuel costs have nearly doubled compared to pre-conflict levels, driven in part by the blockade of the Strait of Hormuz and attacks on regional fuel depots. These disruptions have caused a fuel shortage, forcing airlines to implement emergency surcharges on airfreight shipments.

For instance, Cathay Pacific tripled its surcharge in mid-March, while other airlines, such as Singapore Airlines and Lufthansa Cargo, have either introduced or increased fuel surcharges. These surcharges are being reviewed and adjusted regularly, with Cathay Pacific planning to update its surcharge every two weeks until the situation stabilises. *"This increased frequency of review is intended as a temporary measure and will be revisited when the Middle East situation stabilises"*, the carrier said.<sup>7</sup>

According to The Hong Kong Association of Freight Forwarders (HAFFA), one major airline has raised fuel surcharges on long-haul routes by more than fourfold, while short-haul routes have seen nearly quadruple increases. HAFFA chairman Gary Lau said: *"This reckless escalation is nothing more than forcing an*

<sup>7</sup> <https://www.cathaypacific.com/cx/it.IT/latest-news/other-news/fuel-surcharge-updates.html>



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*unbearable burden onto freight forwarders, and it will trigger a disastrous domino effect, with airlines likely to follow suit, driving overall logistics costs out of control. Ultimately, this massive extra expense will be passed directly to ultimate consumers, potentially destabilising supply chains, disrupting cargo flows.” He further stated that: “Airlines should provide clear and transparent explanations of how surcharges are calculated and justified and establish a public mechanism that links adjustments to actual operating costs.”<sup>8</sup>*

## **Airlines reroute traffic as Middle East operations face uncertainty**

Middle Eastern airspace remains significantly impacted by the ongoing geopolitical tensions, with major airports facing severe operational restrictions.

There are full airspace closures in Iraq and Kuwait that remain in effect until further notice. Also, airports in Bahrain, Oman, Jordan, Lebanon, Saudi Arabia and the UAE are operating under significant disruption due to airport shutdowns and heavy restrictions.

Airlines have significantly scaled back operations in the Middle East. Multiple carriers have fully suspended services without providing a timeline for resumption. These carriers include Cargolux, Gulf Air, Virgin Atlantic, Philippine Airlines, Singapore Airlines, and AF-KLM. Others are operating reduced or conditional schedules, including Emirates, Etihad, Qatar Airways, Turkish Airlines, Saudia, FlyDubai, Air Arabia, Egypt Air, Oman Air, and SilkWay. Additionally, some routes have been temporarily cancelled or limited, such as Lufthansa suspending its Saudi routes and British Airways reducing operations. As a result, the number of flights operating out of the region has been drastically reduced.

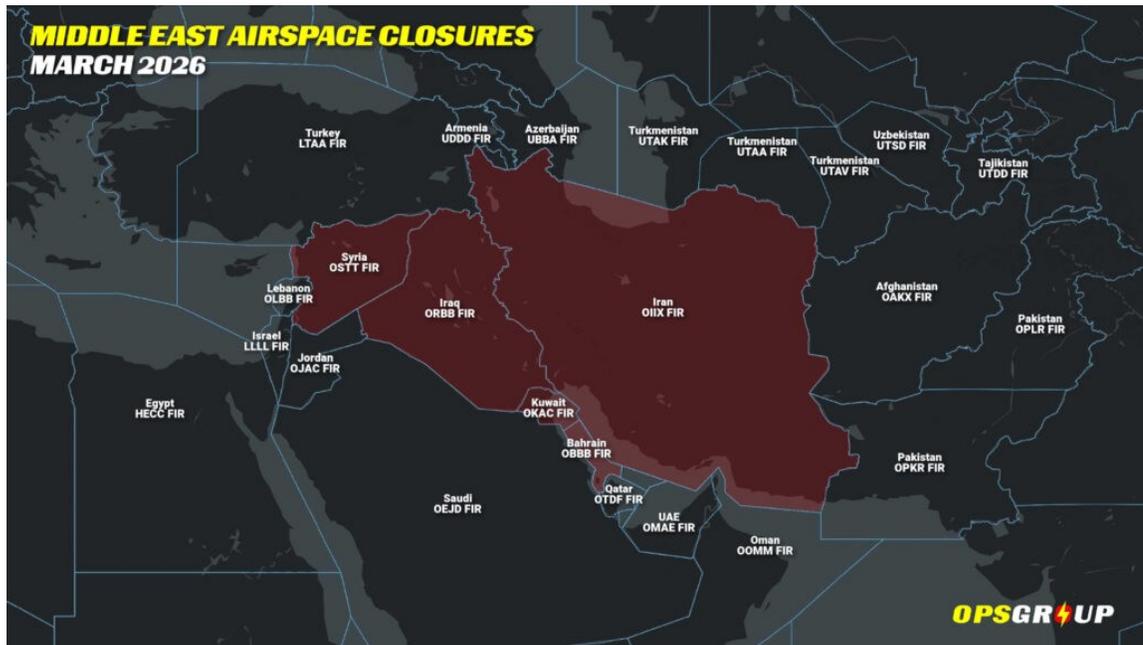
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<sup>8</sup> <https://www.aircargonews.net/freight-forwarder/2026/03/hong-kong-forwarders-hit-out-at-soaring-cargo-fuel-surcharges/>



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Source: [OPS Group](#)

With about 30% of Asia-Europe air cargo typically routed through the Middle East, the recent closure of airspace in the Persian Gulf has caused a scramble for available capacity on both freighters and passenger aircraft. Airlines like Cathay Pacific and Singapore Airlines have been redirecting capacity from cancelled Middle Eastern routes to European hubs like London, Paris, and Zurich. However, despite these efforts, demand for space on these rerouted services is growing quickly, and capacity on these new routes is becoming increasingly limited.

The shift in trade lanes has had a significant ripple effect across the airfreight landscape. As airlines reroute flights to bypass the Middle East, demand for direct Asia-Europe services has surged, putting additional strain on alternative routes. This shift is not only increasing competition for available capacity but is also disrupting established logistics networks. As more airlines adapt to the changing



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conditions, this ripple effect is likely to be felt across other regions and trade lanes, creating further uncertainty and challenges in an already volatile market.

## **Ocean freight is facing the effects of trapped vessels in the Strait of Hormuz**

The International Maritime Organization (IMO), the UN's shipping agency, has raised concerns over the 20,000 seafarers stranded in the Gulf, enduring difficult conditions and facing ever-dwindling supplies.

Despite this, data shows that a small number of vessels are still attempting the journey, with many opting for an alternative route through Iranian waters.

On Tuesday, Tehran informed the IMO and the UN that it would allow "non-hostile vessels", defined as those not involved in or supporting acts of aggression against Iran, and excluding vessels from the US or Israel to pass through the Strait of Hormuz.<sup>9</sup>

Iran has sought to redirect vessels from the main shipping lane through the strait to a "safe corridor" within its territorial waters. This route, which runs closer to the Iranian coastline, takes vessels between Larak Island and the mainland.

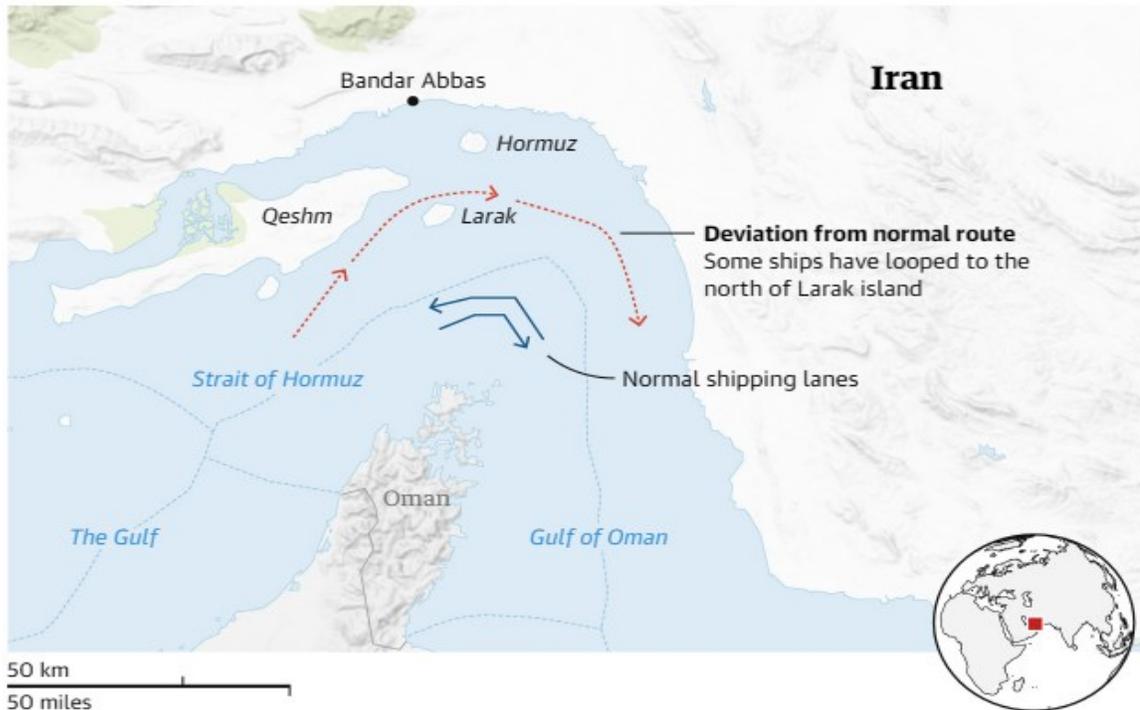
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<sup>9</sup> <https://www.reuters.com/world/middle-east/iran-says-non-hostile-ships-can-transit-strait-hormuz-ft-reports-2026-03-24/>



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Guardian graphic. Source: International Maritime Organisation, Lloyd's List. Note: blue dotted lines are exclusive economic zone boundaries

Source: [The Guardian](#)

The alternative route, known as Iran's "safe corridor," allows Iranian authorities, including the Revolutionary Guards (IRGC), to visually "verify" vessels and grant approval for them to continue. Shipping analysts at Lloyd's List have dubbed it "Tehran's tollbooth," seeing it as Iran's method of exerting control over traffic in the Strait of Hormuz.

It remains unclear whether Iran is formally charging for safe passage, but at least two vessels have reportedly paid for transit. According to Lloyd's List analysts,



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one payment was as high as \$2 million (£1.5 million) for a Very Large Crude Carrier (VLCC).<sup>10</sup>

## **Elevated freight rates and emergency fuel surcharges dominate the ocean freight headlines**

Rates, surcharges and extra costs remain a key focus for all parties in the industry. Surcharges are introduced under different names and methodologies, providing additional uncertainty.

Summing up the situation in terms of financial impact, it is now clear that the Emergency Fuel Surcharge (EBS) is applicable across all trade lanes. EBS is applied to both long and short-term contracts, including contracts that are regulated through indices due to extraordinary circumstances.

War risk surcharges remain in play on Middle East destinations/origins, and it is the expectation that this will continue for the foreseeable future.

Aiming to pre-empt shipper concerns over potential double-charging of surcharges, Hapag-Lloyd CEO, Rolf Habben-Jansen chose to address the surcharge topic head-on by saying that shippers will be compensated if they are charged double fees due to emergency surcharges related to the war in Iran; *"We think it is reasonable that we can now pass on a portion of it [costs] to customers, and in return, we will then pass on less at a later date."* The CEO highlighted that the company's aim is not to overcharge, despite rising costs of up to 80% due to the closure of the Strait of Hormuz and skyrocketing fuel prices.

*"Normally, our calculation models have allowed us to cover the extra costs,"* says Hapag Lloyd's CEO, *"Now we find ourselves in an unusual situation because the*

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<sup>10</sup> <https://www.theguardian.com/world/2026/mar/26/strait-of-hormuz-visual-guide-trickle-of-ships-iran>



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*increase is so steep. Therefore, we think it is reasonable that we accelerate part of this adjustment."*

We wish to reiterate our commitment to minimise financial impact stemming from the current situation. It is also clear that the situation is extraordinary by nature. The current jump in Brent crude oil price represents the biggest monthly gain on record, with a 51 % increase since the start of March, beating the previous monthly record of 46% in September 1990, after Saddam Hussein invaded Kuwait, leading to the first Gulf War.

We strive for full transparency, including early and proactive communication on the application of potential surcharges.

The information is given to the best of our knowledge, but the situation can change by the minute, so we encourage a close dialogue with your SGL Contact.

Best regards,

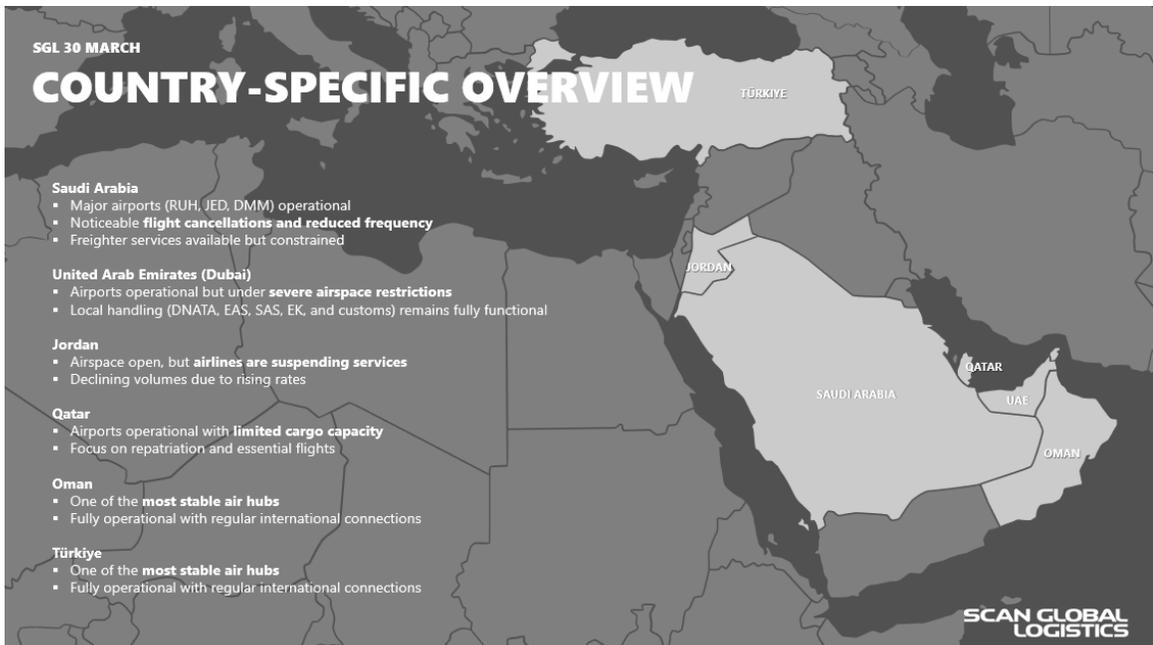
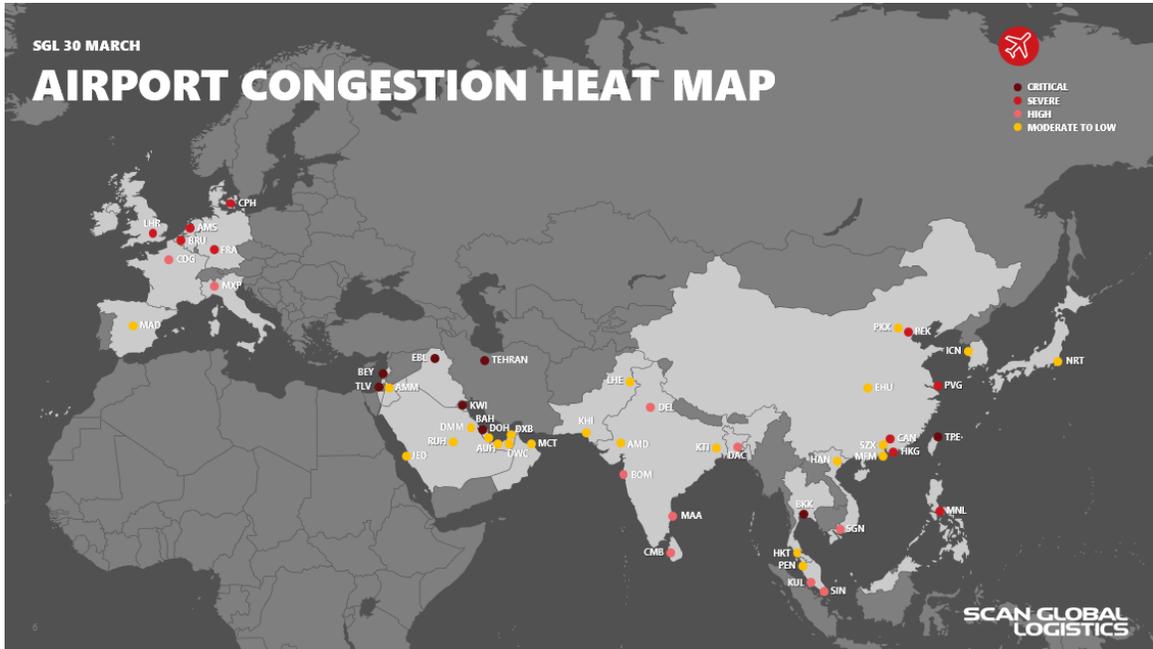
Mads Drejer  
Global CCO



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## Middle East Airfreight import & export





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## INBOUND TO UAE

**OPTION #1 – DIRECT**

- Direct to **DXB** – freighter and passenger services to DXB/DWC
- Direct via **AUH** – freighter and passenger services to AUH and onwards trucking into DXB/DWC

**OPTION #2 – VIA AN OPERATIONAL GCC AIRPORT**

- Via **JED / RUH** – Air-Land services
- Via **MCT** – Air-Land services
- Via **IST** – Air-Land services

**OPTION #3 – AIR-AIR SERVICES**

- Via **JED / RUH** – Air-Air services
- Via **MCT** – Air-Air services

**INBOUND ROUTES**

**SCAN GLOBAL LOGISTICS**

**SGL 30 MARCH**

## OUTBOUND EX-UAE

**OPTION #1 – DIRECT**

- Direct – freighter and passenger services ex- DXB/DWC
- Direct via **AUH** – freighter and passenger services ex- AUH. Shipments can be handed over at DXB/DWC

**OPTIONS #2 – VIA AN OPERATIONAL GCC AIRPORT**

- Via **JED / RUH** - Land-Air services  
Shipments can be handed over at DXB/DWC
- Via **MCT** - Land-Air services  
Shipments can be handed over at DXB/DWC

**OUTBOUND ROUTES**

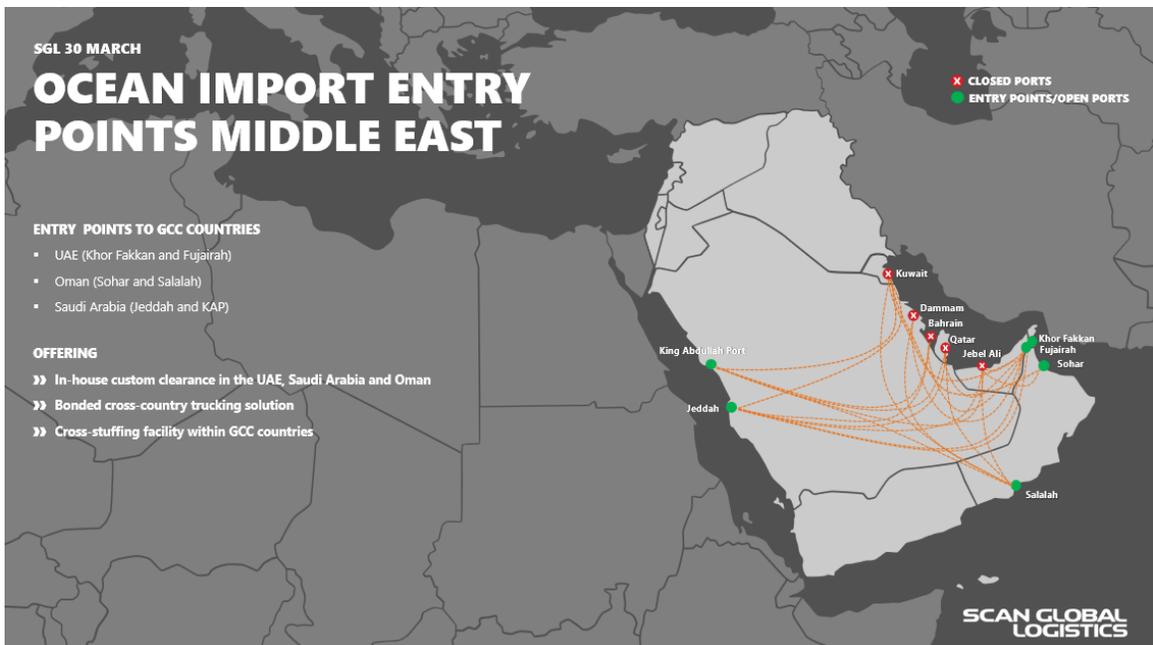
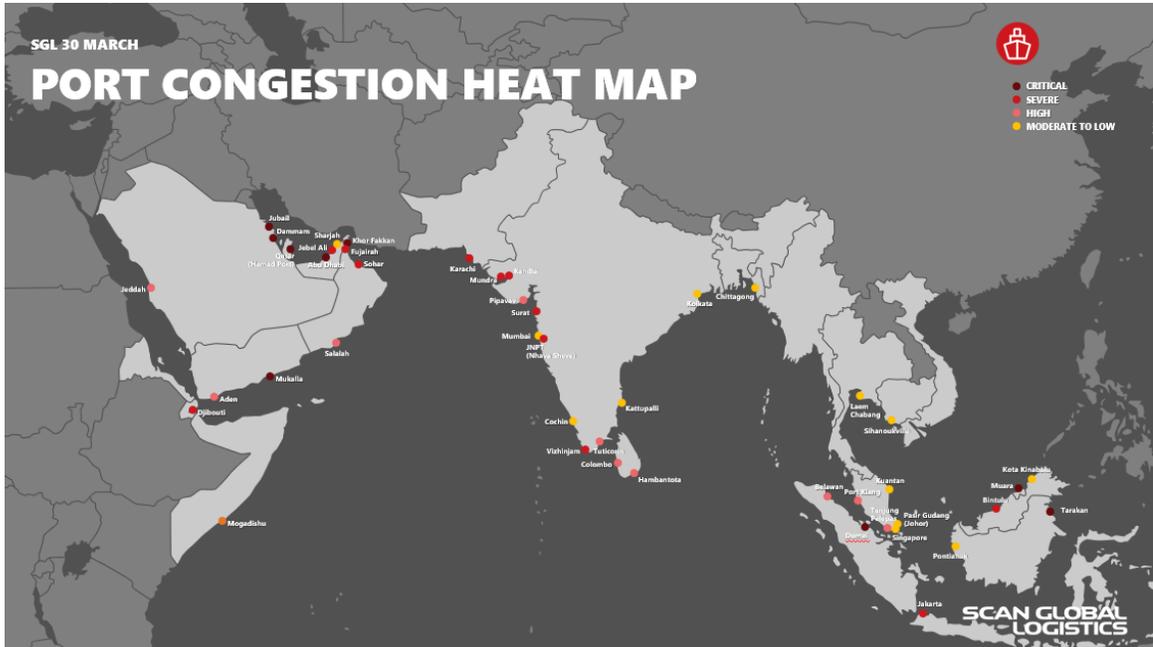
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## Middle East Ocean Freight import & export





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## OCEAN EXPORT EXIT POINTS MIDDLE EAST

**EXIT POINTS FROM GCC TO ROW**

- Oman (Sohar and Salalah)
- Saudi Arabia (Jeddah and KAP)

**WHAT WE OFFER**

- » In-house custom clearance in the UAE, Saudi Arabia and Oman
- » Bonded cross-country trucking solution
- » Cross-stuffing facility within GCC countries

**SCAN GLOBAL LOGISTICS**

## Sea-Air alternative solutions

**SGL 30 MARCH**

## SEA-AIR ASIA - EUROPE / LATAM VIA LOS ANGELES

| TRADE-LANE   | TRANSFER SEAPORT OPERATION | GAIRFREIGHT CAPACITY | RATE DEVELOPMENT | SEA-AIR TRANSIT TIME |
|--------------|----------------------------|----------------------|------------------|----------------------|
| LAX – Europe | ■                          | ■                    | ■                | 16-18 days           |
| LAX – LATAM  | ■                          | ■                    | ■                | 16-18 days           |

**COMMENTS**

- Prioritise early bookings to secure space.
- Airline capacity is adequate, but it can come under pressure.
- Expect rate increases from April.



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## SEA-AIR ASIA - EUROPE / USA VIA SINGAPORE

| TRADE-LANE         | TRANSFER SEAPORT OPERATION | GATEWAY AIRFREIGHT CAPACITY | RATE DEVELOPMENT | SEA-AIR TRANSIT TIME |
|--------------------|----------------------------|-----------------------------|------------------|----------------------|
| Singapore – Europe | ■                          | ■                           | ■                | 12-14 days           |
| Singapore – US     | ■                          | ■                           | ■                | 14-16 days           |

**COMMENTS**

- Prioritize **early bookings** to secure space.
- **Allotments possible to negotiate**
- Maintain **flexible routing and planning**.
- Expect **rate fluctuations** on a shipment-by-shipment basis

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## SEA-AIR ASIA - EUROPE / USA VIA COLOMBO / MALDIVES

| TRADE-LANE       | TRANSFER SEAPORT OPERATION | GATEWAY AIRFREIGHT CAPACITY | RATE DEVELOPMENT | SEA-AIR TRANSIT TIME |
|------------------|----------------------------|-----------------------------|------------------|----------------------|
| Colombo – Europe | ■                          | ■                           | ■                | 16-20 days           |
| Colombo – US     | ■                          | ■                           | ■                | 18-22 days           |

**COMMENTS**

- Prioritize **early bookings** to secure space.
- **Ad-hoc charter space** available at a price
- Maintain **flexible routing and planning**.
- Focus on **critical shipments first**.
- Expect **rate fluctuations** on a shipment-by-shipment basis



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## Trucking Türkiye alternative solutions

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### OCEAN IMPORT AND EXPORT VIA TÜRKIYE FOR GULF COUNTRIES

**SOLUTION OVERVIEW**

- Cargo can be routed via Türkiye for both import and export
- Import routing: Origin -> Türkiye -> Syria -> Jordan -> KSA -> GCC
- Transit Shipments handled through Turkish ports or bonded warehouses
- Consolidated to trucks in Türkiye and onward transportation to the Gulf region
- Door-to-door delivery to all cities
- Solutions are available for reefer cargo, heavy transport, box trailers and tautliner (Curtain-Sider) trailers

SCAN GLOBAL LOGISTICS

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### TRUCKING IMPORT AND EXPORT VIA TÜRKIYE FOR GULF COUNTRIES

**SOLUTION OVERVIEW**

- Türkiye acts as a strategic transit and consolidation hub for imports and exports
- Import routing: Europe -> Türkiye -> Syria -> Jordan -> KSA -> GCC
- Transit Shipments handled through Turkish bonded warehouses
- Consolidated trucks for onward transportation to the Gulf region
- Door-to-door delivery to all cities and countries
- Solutions are available for reefer cargo, heavy transport, box trailers and tautliner (Curtain-Sider) trailers

SCAN GLOBAL LOGISTICS