

32-Day War Impact on GCC Shipping

Trade Disruptions, Surcharges, and Risk Mitigation—A Comprehensive Playbook for GCC Shippers, Importers & Exporters

The 2026 Iran–GCC conflict (U.S.–Israel–Iran military campaign) closed the Strait of Hormuz and forced mass rerouting of global shipping. This presentation covers what it means for GCC shipping lines, what post-war surcharges to expect, and the precautions and expert advice every shipper should take.

by

Dr Shaik Ibrahim

ABIA Management Consultancy

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Core Disruption: The Strait of Hormuz Closure

The closure of the Strait of Hormuz — through which **97% of GCC containerized exports** normally transit — triggered a cascade of disruptions across every dimension of GCC trade. Over **142+ container ships** were diverted around Africa, adding 9,000 NM via the Cape of Good Hope.

Strait of Hormuz

Closed after Iran strikes; 9,000 NM added via Cape of Good Hope. 97% of GCC containerized exports blocked or severely restricted.

Vessel Diversions

142+ container ships diverted around Africa. 12–18 days extra transit time on Asia–Europe routes; 38–44% more fuel per voyage.

Port Operations

Jebel Ali, Khalifa Port, Dammam, and Sitra disrupted. Berth delays, reduced calls, congestion, longer dwell times (e.g., Salalah: 2.1 → 8.7 days).

Insurance

Waters reclassified as high-risk; premiums up 20–40%. War risk premium: 0.28% of hull value per voyage vs. 0.035% pre-war.

Freight Rates

Emergency surcharges \$1,500–\$4,000/container. Asia–Europe rates up 50–65%; total cost ~\$6,935/FEU vs. ~\$3,500 base.

Impact on GCC Exports

Rerouting & Transit

Primary export routes to Asia, Europe, and intra-GCC now must detour via Cape of Good Hope, or use feeder + land bridge (e.g., Muscat/Salalah → overland to Dubai/Riyadh → rail). Transit times are typically **+ 10 – 18 days** depending on origin and destination.

Capacity & Equipment Shortages

Container shortages have emerged as empties are trapped on diverted ships. Fewer vessel calls at GCC ports mean lower slot availability, especially for refrigerated and project cargo. Small and mid-sized exporters bear disproportionate costs due to weaker bargaining power with carriers.

Cost Escalation

Exporters face war risk premiums, emergency conflict surcharges, and higher bunker costs passed through as freight increases. The combined effect is a dramatic compression of export margins, particularly for commodity and perishable goods shippers.

Impact on GCC Imports

Imports from Asia (China, India, SE Asia)

Rerouted via Cape of Good Hope; 10–15 day delays are common. Port congestion at Jebel Ali, Khor Fakkan, Fujairah, and Dammam increases dwell time and demurrage charges significantly.

Food & Essential Goods

The UAE shifted some traffic to Khor Fakkan and Fujairah to keep food supply chains moving. Risk of panic buying and temporary shortages emerged, particularly for pulses and staples.

Manufacturing & JIT Inputs

Automotive, electronics, and construction materials face 24–28 day lead-time extensions globally, hitting GCC manufacturers reliant on just-in-time components especially hard.

Cost Impact on Importers

Importers pay higher ocean freight, war surcharges, and increased demurrage/detention due to delays. The compounding effect of multiple surcharge types creates significant cash flow pressure across the import supply chain.

Expected Post-War Surcharges

Even after active hostilities ease, surcharges typically do not disappear immediately. Carriers may continue dynamic, lane-specific surcharges tied to real-time risk, not fixed schedules.

Surcharge Type	During Conflict	Post-War Estimate	Notes
War Risk Surcharge (WRS)	\$1,500–\$4,000/TEU (reefer up to \$4,000)	\$600–\$1,200/TEU	Depends on how long Hormuz remains "elevated risk" and insurance classifications
Emergency Conflict Surcharge	\$500–\$1,000/FEU	\$200–\$500/FEU	Phased out as route normalizes
Bunker Adjustment Factor (BAF)	+\$800/FEU due to longer route	+\$300–\$500/FEU	Still higher than pre-war if Cape routing remains common temporarily
Port Congestion / Delay Surcharge	\$300–\$800/TEU	\$100–\$300/TEU	Persists until port throughput recovers
Detention / Demurrage	Higher due to long dwell (e.g., 8.7 days at Salalah)	Gradual normalization	Depends on customs efficiency and port capacity

\$6,935

Total Cost During Conflict

Per FEU (base + war + emergency + bunker + EU ETS)

\$5,500

Post-War Initial Cost

Per FEU estimated range \$4,500–\$5,500 initially

\$3,500

Pre-War Base Rate

Per FEU before conflict; target for full normalization

Precautions:

Contractual & Commercial Safeguards

1 Review Force Majeure and War Clauses

Check if your contracts explicitly cover war, terrorism, port closure, strait closure, rerouting, and delay. Ensure you can claim extensions for delivery deadlines or renegotiate prices if surcharges exceed a defined threshold.

3 Use Multi-Year Contracts with Flexibility

Include rate review clauses every 3–6 months and options to switch carriers or routes without penalty if risk zones change.

2 Negotiate Surcharge Caps and Cost-Sharing

For key lanes, aim for a cap on war/congestion surcharges (e.g., max 20–30% above base freight) or cost-sharing where carrier and shipper split unexpected surcharges. Large shippers should leverage volume; SMEs can band together via freight forwarders.

4 Diversify Carriers and Routes

Don't rely on a single carrier or port. Maintain relationships with at least 2–3 carriers per key lane and multiple port options: Jebel Ali, Khor Fakkan, Fujairah, Salalah, Dammam, and King Abdulaziz Port.

Precautions: Operational & Routing

Plan for Longer Lead Times

Add buffer stock by increasing safety stock by **10–20 days** for critical imports (spare parts, raw materials, food). Adjust production schedules and sales forecasts to reflect + 10–18 days transit variability.

Prefer Multimodal Alternatives

For certain corridors, consider feeder + overland + rail (e.g., via Oman–Saudi–Jordan land bridge) or India–UAE rail/truck combinations if economically viable. Use forwarders with strong multimodal orchestration and real-time tracking capabilities.

Avoid High-Risk Ports When Possible

If your cargo doesn't strictly need Jebel Ali, consider: **Fujairah** (on the Gulf of Oman, outside Hormuz), **Salalah** (Oman) as a transshipment hub, or **Saudi Red Sea ports** (Jeddah, King Abdulaziz) for Europe/Red Sea destinations.

Monitor Carrier Route Announcements Closely

Track carrier bulletins on Hormuz transits, Lloyd's Joint War Committee zone designations, and OFAC and local authority advisories. Be ready to rebook or divert quickly if a carrier suspends a lane.

Precautions:

Insurance & Financial Risk Management



Upgrade War Risk & Contingent Coverage

Ensure marine cargo war risk insurance explicitly covers rerouting, delay due to political instability, and strikes and blockade scenarios. Consider **parametric insurance** with payouts triggered by objective metrics (e.g., port dwell >72 hours, deviation >1,200 NM).



Budget for Volatility

Create a contingency budget line for surcharges, extra fuel, demurrage / detention, and insurance premium spikes. Use scenario planning: **Base case** (Hormuz partially open), **Stress case** (Hormuz closed 2–3 months), **Worst case** (prolonged conflict + Red Sea issues continue).



Cash Flow Protection

Delayed shipments tie up cash — goods stuck at port generate demurrage with no revenue. Use letters of credit with flexible shipment dates and supply chain finance to bridge cash gaps during extended delays.

Precautions:

Compliance & Documentation

Prepare for Stricter Customs Security Checks

Expect multiple certifications (origin, GCC conformity, ISO chain-of-custody) and longer clearance times — some ports spent **~37 hours on admin alone**. Actions to take:

- Keep complete, accurate documentation: commercial invoice, packing list, certificate of origin, compliance certs
- Use electronic e-CDF/e-manifest systems where available
- Work with brokers experienced in GCC post-conflict compliance

Track Sanction & Regulatory Updates

Continuously monitor the following authorities and advisories:

- **OFAC advisories** (U.S.) for sanctions and restricted parties
- **UAE Federal Transport Authority** directives
- **GCC standardization requirements** as they evolve post-conflict

Avoid using Iranian-flagged tugs or pilots even in neutral waters if restricted under applicable sanctions regimes.

Non-compliance can result in cargo seizure, fines, and blacklisting from key trade lanes.

Strategic Long-Term Adjustments

- 1** **Reevaluate Supply Chain Architecture**

Consider nearshoring or regionalizing suppliers (e.g., more sourcing from India, Turkey, intra-GCC), dual-sourcing critical items from different geopolitical zones, and building strategic reserves of key commodities in GCC free zones.
- 2** **Invest in Visibility & Risk Intelligence**

Use platforms that provide real-time vessel tracking, port congestion metrics, and geopolitical risk scores. Integrate this data into your S&OP and procurement processes for proactive decision-making.
- 3** **Build Antifragile Supply Chains**

Design networks that gain intelligence from disruptions, automatically reroute via pre-approved alternatives, and use dynamic contracting and AI-driven scenario simulation to respond faster than competitors.



Action Checklist: Immediate (Next 1–2 Weeks)

These actions should be initiated immediately to protect your business from ongoing and residual disruption.

→ Review All Active Shipping Contracts

Audit for war and force majeure clauses. Identify gaps in coverage for strait closure, rerouting, and delay scenarios.

→ Identify Critical Imports/Exports & Quantify Exposure

Map value, volume, and lead time for all critical shipments. Prioritize those with the highest financial and operational exposure.

→ Contact Carriers and Forwarders

Confirm current routing, estimated transit times, and all applicable surcharges. Get written confirmation of any verbal commitments.

→ Increase Safety Stock for Critical Items

Boost safety stock by 10–20 days for spare parts, raw materials, and food items to buffer against ongoing transit variability.

→ Ensure War Risk Insurance is in Place

Verify that your marine cargo war risk insurance covers rerouting and delay. Close any gaps immediately with your broker.

Action Checklist: Short & Medium-to-Long Term

SHORT TERM: 1–3 MONTHS

- **Diversify carriers and ports** for all key lanes to reduce single-point-of-failure risk.
- **Negotiate surcharge caps** or cost-sharing arrangements for major contracts.
- **Implement weekly monitoring** of Hormuz status, carrier advisories, and port congestion data.
- **Train procurement and logistics teams** on new compliance requirements and documentation standards.

MEDIUM–LONG TERM: 3–12 MONTHS

- **Redesign supply chains** to reduce dependency on single chokepoints (Hormuz, Suez).
- **Evaluate multimodal land bridges** and regional sourcing options (India, Turkey, intra-GCC).
- **Build contingency budgets and scenario plans** into annual planning cycles.
- **Invest in visibility tools** and risk intelligence platforms integrated into S&OP and procurement.

Key Takeaways

Scale of Disruption

The Hormuz closure is the most significant GCC trade disruption in decades — 97% of containerized exports affected, 142+ ships diverted, and freight costs nearly doubling to ~\$6,935/FEU.

Surcharges Persist Post-War

Expect total costs of \$4,500–\$5,500/FEU in the immediate post-war period, declining slowly as Hormuz confidence returns and port congestion clears.

Act Now on Contracts & Insurance

Review force majeure clauses, negotiate surcharge caps, and ensure war risk insurance covers rerouting and delay — these are the highest-priority immediate actions.

Build Long-Term Resilience

The 32-day war is a wake-up call to redesign supply chains for antifragility — diversified carriers, multimodal routes, regional sourcing, and AI-driven risk intelligence are the path forward.



A Message to Business Owners

ABIA MANAGEMENT CONSULTANCY & HUMAN RESOURCES

Disclaimer: This document is based solely on secondary information. It is not supported or verified by any statutory records, government data, or official authorities. The content is intended only for general advisory purposes. This note is part of the ongoing work Dr. Ibrahim has been doing to support business owners throughout the various crises since 2002.

Our Purpose

To support business owners with additional insights and practical guidance — helping them become their best in all situations, no matter the challenge.

Our Philosophy

Every crisis brings its difficulties, but it also opens the door to new opportunities. We cannot choose the crises we face — but we can choose how we respond to them.

Our Strength

As business owners, our strength lies in focusing on the opportunities ahead rather than the worries around us. When we look for the positive side, we find ways to adapt, grow, and move forward with confidence.

"This situation is unexpected and not ideal, but we cannot choose the crises we face. When we look for the positive side, we find ways to adapt, grow, and move forward with confidence."

— **Dr. Shaik Ibrahim**, ABIA Management Consultancy & Human Resources

Dr. Shaik Ibrahim

+91-9810081845

+971-502279694

dribrahim@abiaconsultancy.com

About ABIA

ABIA Management Consultancy & Human Resources has been a trusted partner for business owners navigating complex and challenging environments since 2002. Dr. Ibrahim's work spans multiple global crises, providing actionable advisory support to help businesses not just survive — but thrive.