

**XENETA**

Analyst briefing

# Escalation of conflict in Middle East

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The world's leading ocean and air  
**freight market intelligence** platform.

700m+

Rates crowdsourced  
from customer base

15m+

New rates each month

170k+

Port to port pairs

50k+

Vessel arrivals each  
month

Elevated with supply-side and partner data sets:

- ✓ Schedule reliability
- ✓ Capacity / Blanked sailings
- ✓ Delays
- ✓ Surcharges
- ✓ Carbon emissions
- ✓ Transit times

# Conflict in the Middle East

## Overview

- US and Israel commenced a joint military operation targeting Iran on Saturday 28 February 2026.
- Iran has responded with retaliatory military action in the Middle East, including UAE.
- Iran-backed Houthi militia are reported to have threatened to resume attacks on ships in the Red Sea.
- Carriers have responded by diverting ships away from high-risk areas (primarily, the Arabian/Persian Gulf and the Red Sea). Or sheltering in place for many shipments that were already in the vicinity.

# Conflict in the Middle East

## Four key considerations

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- 01** Containers already on the water and immediate disruption

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  - 02** Containers scheduled to be transported in the coming weeks

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  - 03** Impact of conflict escalation on the Red Sea

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  - 04** Longer term procurement strategy for supply chain resilience and cost management in wake of major shocks.
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# Conflict in the Middle East

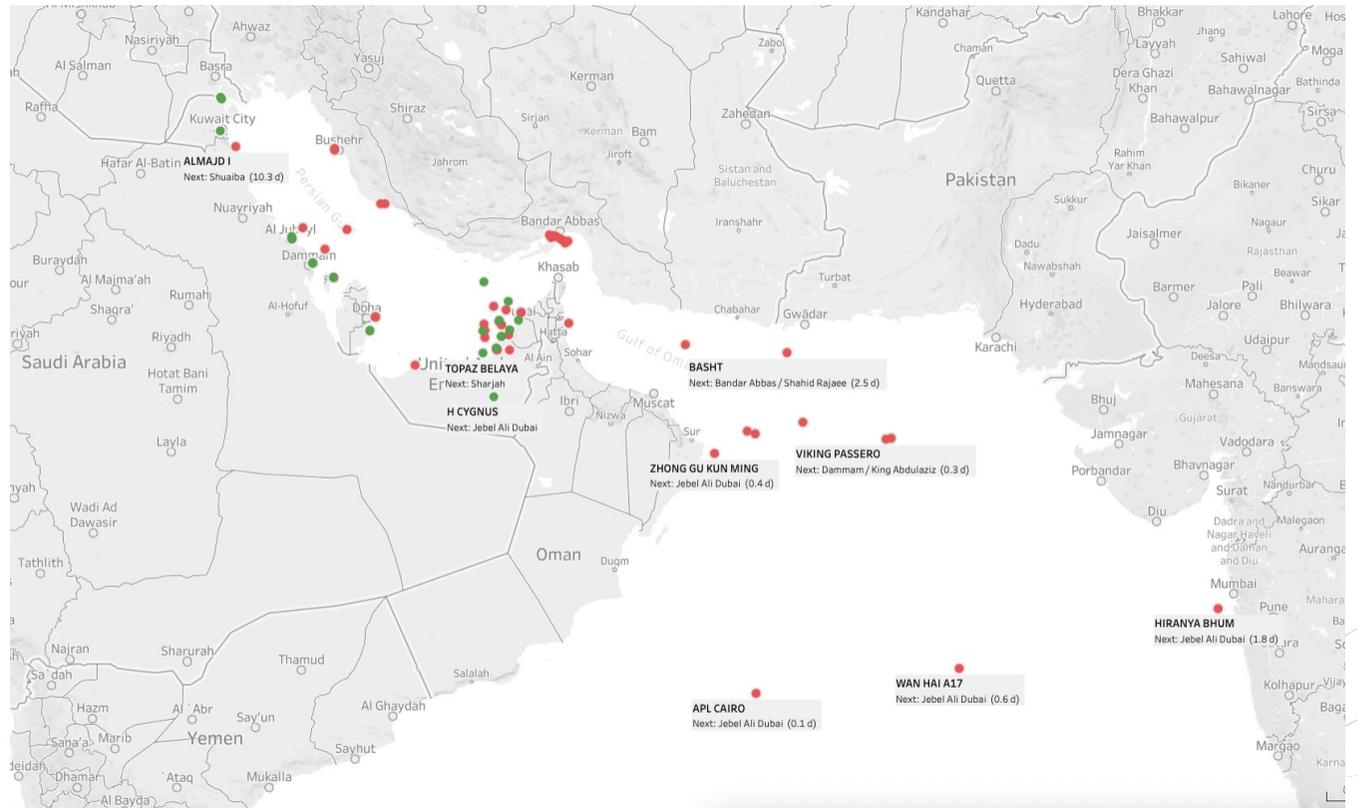
## Middle East ocean container trade

- Around 10m TEU of container demand was shipped into the Middle East in 2025.
- 16.7m TEU in proforma capacity and 13.6m TEU in actual capacity delivered.
- Just over half originated in Far East, just over 20% from Europe and the remainder from other trading nations.
- 125 services call at ports in Arabian Gulf specifically. Majority are inter-regional Middle East services plus a significant percentage are services from the Far East to Middle East.

# Conflict in the Middle East

Current status (as of 4 March 2026)

- 147 container vessels in the region and unable to leave.
- 105 container vessels waiting in the Gulf with another 42 waiting in respective ports.
- Further 12 vessels waiting in immediate vicinity of the Gulf of Oman.
- Shippers with containers on these vessels will be impacted by significant delays.



# Conflict in the Middle East

## What is happening to ocean container schedules?

- It is not possible to say when these vessels will be able to depart the Arabian Gulf.
- Next available move is dependent on military operations and the resources available to escort / secure safe passage for these ships.
- Official carrier schedules will be in a state of flux for a minimum of 2-4 weeks, even in the event of an immediate ceasefire.

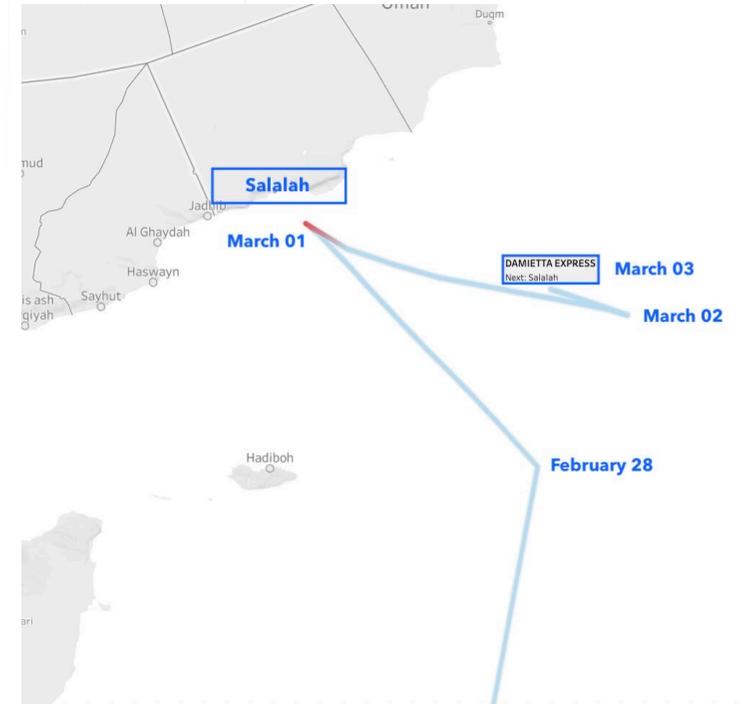
## Advice for shippers:

- Official carrier schedules are in flux and may not reflect the vessels true port calls and ETAs.
- You need to know where cargo on the water is heading and where it will be offloaded (612 ships heading to Jebel Ali in next 90 days – where will they actually end up and when?)
- Xeneta will provide real-time visibility and data on carrier schedule updates and inducements in the coming days and weeks, backed by intelligence from our analysts, so shippers can take decisive action to protect supply chains against the evolving situation.

# Conflict in the Middle East

## Schedules in flux – example

- DAMIETTA EXPRESS was headed to Salalah port on 28 February but stopped on 1 March.
- Waited few hours before planning to omit Salalah and turning to Tanjung Pelepas.
- Less than 24 hours later, made a U-turn and changed its next port back to Salalah.
- Previous ETA put the vessel to arrive in Salalah on the evening of 3 March.
- 4 March - 200nm from port due to drone strikes in Salalah.



**Even if your shipment is not destined for a port in the Arabian Gulf or transiting Suez Canal, cargo is not automatically clear of disruption.**

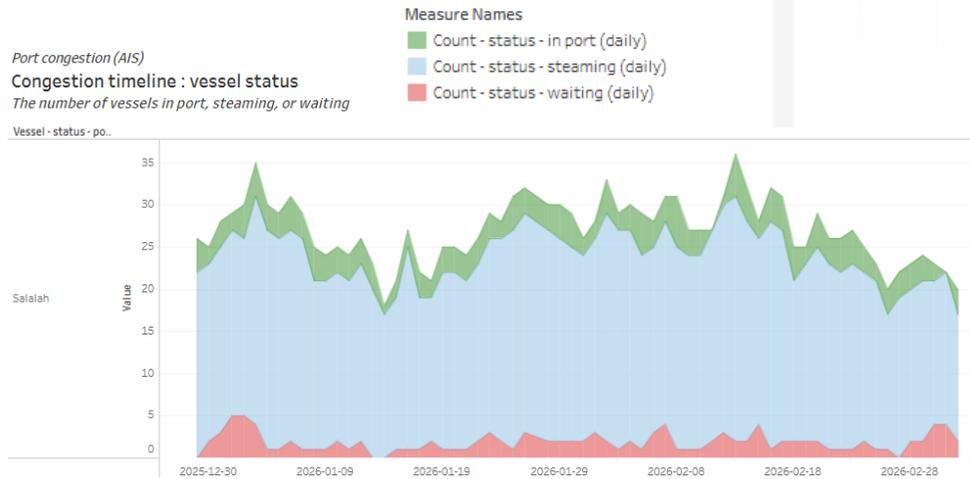
# Conflict in the Middle East

## Port disruption

- Ships will begin offloading containers at the nearest available ports, such as Salalah or further away if conflict zone spreads, for onward road transportation to destinations in Middle East.
- Ports higher up the Gulf of Oman, such as Fujairah or Khor Fakkan, may be too close to the conflict zone.
- Alternative ports may not be fully equipped to deal with increased demand, meaning high yard density and potential for delays and congestion.
- Could also be congestion at main transshipment hubs in Asia, such as Tanjung Pelepas, Singapore and Colombo.
- Containers already at port and booked on services originally destined for ports in the Arabian Gulf will not be loaded onto ships, causing operational disruption / delays.

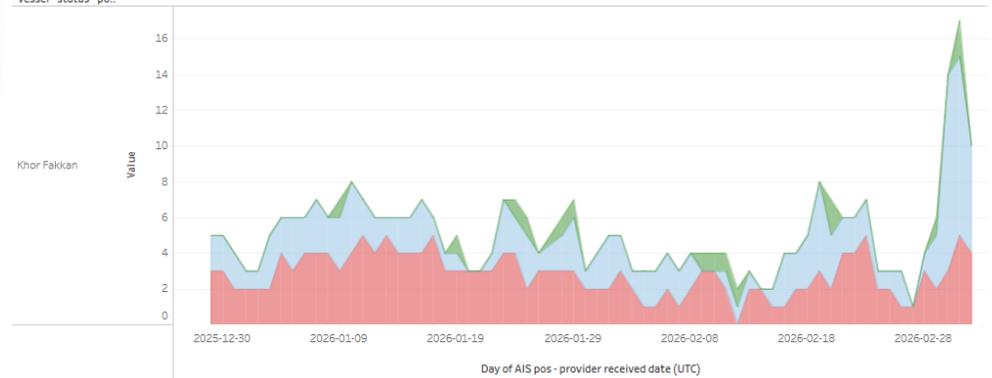
# Conflict in the Middle East

## Port congestion



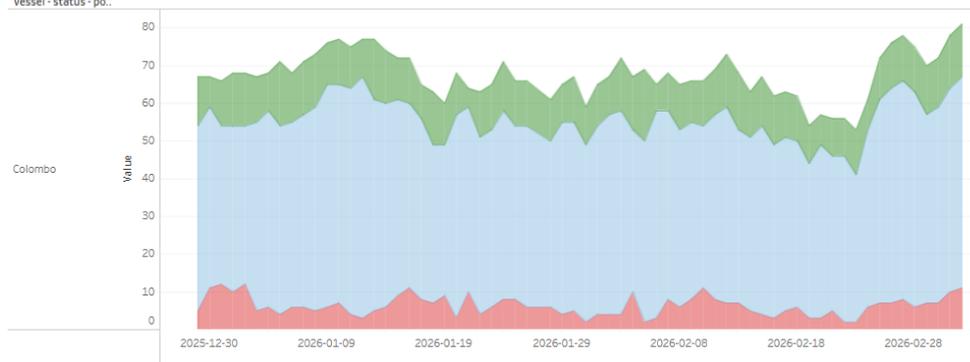
Port congestion (AIS)  
Congestion timeline : vessel status  
The number of vessels in port, steaming, or waiting

Vessel - status - po..



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## Advice for shippers:

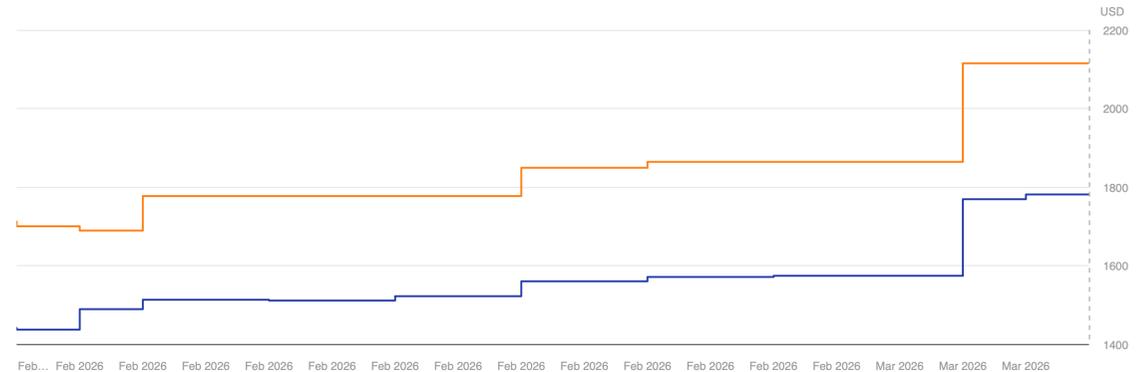
Monitor congestion to work actively and in partnership with your LSP to get cargo to the least disruptive port based on your supply chain set-up and onward journey requirements.

# Conflict in the Middle East

## Impact on rates

- Average spot rates from China to UAE Main up 19% from 14 February at USD 1785 per FEU (40ft equivalent container).
- Average spot rates from China to Khor Fakkan, UAE (just outside Arabian Gulf) up 24% since 14 February at USD 2 115 per FEU.
- Trades indirectly impacted by the conflict due to congestion at ports such as Singapore may also see a spike in freight rates.

Market Average<sup>+</sup> for Short-term<sup>+</sup> contracts, 40' DC<sup>+</sup> container type and THC Origin<sup>+</sup> from China Main<sup>+</sup> to UAE Main, Khor al Fakkan (AEKLF)<sup>+</sup> trade lane  
Feb 14, 2026 - Mar 03, 2026 (CUST)



Market rate	Origin - Destination	Feb 14, 2026	Mar 03, 2026	Change
Average - Short-term	China Main - UAE Main	\$1,437	\$1,781	+23.94%
Average - Short-term	China Main - Khor al Fakkan	\$1,700	\$2,115	+24.41%

# Conflict in the Middle East

## Rate forecast for 2026 - impact of Red Sea

- Largescale return of container shipping to the Red Sea in 2026 is now unlikely.
- Carriers announced services scheduled to transit Suez Canal will sail around Cape of Good Hope (diversions absorb around 2.5 million TEU of global container shipping capacity).
- Freight rates on major global trades will continue to soften in 2026 but will not fall as hard as previously expected.

Market Average<sup>+</sup> for Short-term<sup>+</sup> contracts, 40' DC<sup>+</sup> container type and THC None<sup>+</sup> from China Main<sup>+</sup> to North Europe Main, Mediterranean Main<sup>+</sup> trade lane  
Dec 01, 2023 - Mar 03, 2026 (CUST)



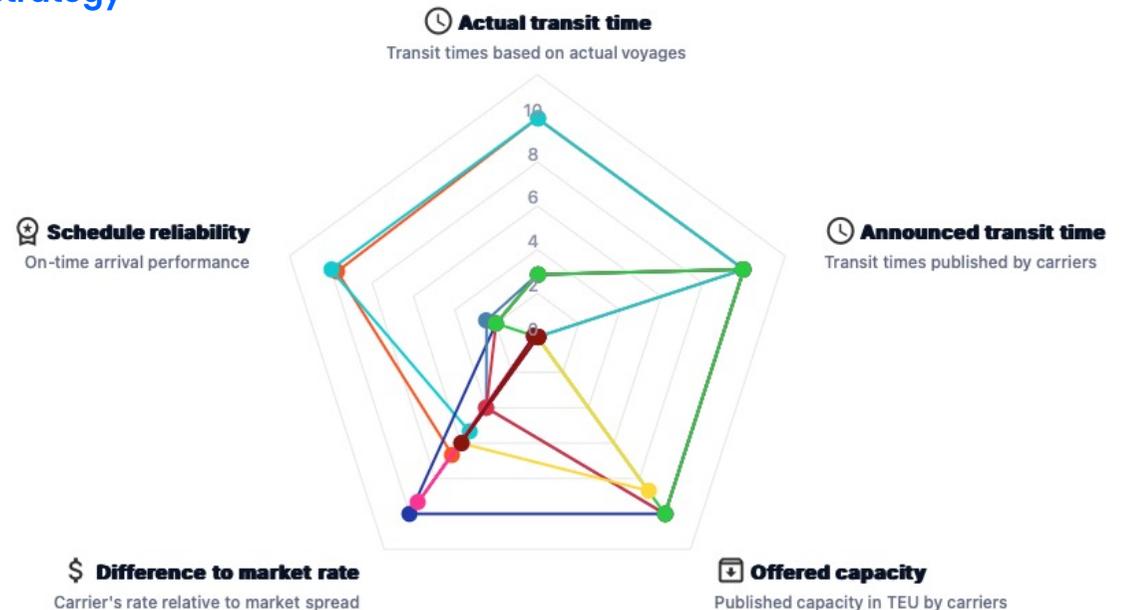
Market rate	Origin - Destination	Dec 01, 2023	Mar 03, 2026	Change
<b>Average - Short-term</b>	China Main - North Europe Main	\$1,433	\$2,258	+57.57%
<b>Average - Short-term</b>	China Main - Mediterranean Main	\$1,770	\$3,514	+98.53%

# Conflict in the Middle East

## Impact on rates and longer-term freight procurement strategy

### Advice for shippers:

- Outlooks change quickly – you need an agile freight procurement strategy that factors cost and supply chain resilience.
- Assess carrier performance, particularly those with track record of managing reliability on services directly impacted by Red Sea and Cape of Good Hope diversions.
- Xeneta in-platform Carrier Scorecard (pictured) allows shippers to identify the right partner by factoring freight cost and supply chain resilience (example: China to North Europe).
- Another example of why so many shippers are turning to index-linked contracts



# Conflict in the Middle East

## Summary advice

- Official carrier **schedules in flux** and may not reflect the vessels true port calls and ETAs.
- Xeneta will provide **real-time visibility and data on carrier schedule updates** and inducements, backed by **intelligence from our analysts**.
- **Monitor congestion** to work actively and **in partnership with your LSP** to get cargo to the least disruptive port.
- Assess carrier performance **balancing cost and supply chain resilience** for an agile freight procurement strategy.
- Consider moving towards **index-linked contracts**.

**See Freight Risks Before They Impact You – learn more about how Xeneta helps our customers with supply chain risk management [HERE](#).**

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# Thank you

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