



## SHREE RAM GUM CHEMICALS PVT. LTD.

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### **Market Update: Supply Chain Disruptions Due to Middle East Conflict**

We would like to share an important update received from our Freight Forwarder regarding the current global supply chain situation arising from the ongoing geopolitical tensions in the Middle East involving Iran, Israel, and the United States.

Please note that this assessment is based on the events till date and can change as events unfold in the area of conflict.

This situation is significantly impacting international shipping operations, and we believe it is important to keep you informed for better planning and decision-making.

#### **\*\*1. Vessel Movement\*\***

Vessel operations to and from India are continuing; however, services have become highly irregular. Shipping lines are operating selectively, and frequent schedule disruptions, blank sailings, and port omissions are being observed. As a result, vessel reliability has reduced considerably.

#### **\*\*2. Freight Rates\*\***

Ocean freight rates have increased sharply across multiple trade lanes. This is primarily due to:

- \* War risk surcharges of USD1500 to USD2000/20ft container and USD2500 to USD3000/40ft container
- \* Increased fuel costs
- \* Higher insurance premiums
- \* Mainly impacting Middle east, Europe, Mediterranean, USA, South America, Latin America, Caribbean

Rates are highly volatile at present and are subject to change with very short validity.

#### **\*\*3. Equipment Availability\*\***

There is a noticeable shortage of containers, due to imbalance caused by disrupted vessel rotations and congestion at key transshipment hubs. This is leading to delays in equipment availability for exports.

#### **\*\*4. Routing Changes\*\***

Shipping lines are avoiding high-risk zones such as the Strait of Hormuz and nearby regions. Many services are being rerouted via longer alternative routes, including the Cape of Good Hope, resulting in extended transit times and increased operational costs.



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### **\*\*5. Transit Time Impact\*\***

Transit times have increased significantly across various sectors:

- \* Middle East, Europe, and Mediterranean routes are experiencing delays of 7–20 days or more
- \* Schedule reliability remains unpredictable, with frequent rollovers

### **\*\*6. Operational Challenges\*\***

- \* Increased congestion at major ports
- \* Last-minute changes in vessel schedules
- \* Cargo rerouting and transshipment delays

### **\*\*Our Advisory to Customers\*\***

In light of the above situation, we strongly recommend:

- \* Planning orders well in advance
- \* Allowing flexibility in delivery timelines
- \* Confirming bookings at the earliest to secure space and equipment

We are closely monitoring the situation and shall keep you updated

***Make and informed decision***

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