Customer Advisory

June 22, 2026

Subject: Operational Update (06) – Middle East Ocean Market Update

Dear Valued Customer,

We would like to inform you of recent developments in the Middle East covering key maritime corridors, including the Strait of Hormuz, Red Sea, Bab al-Mandab, and the wider carrier market environment.

The overall security and operational environment across the region remains elevated. While no confirmed attacks on commercial vessels have been reported in the last 24 hours across the Strait of Hormuz, Red Sea, or Bab al-Mandab, maritime risk continues to be closely monitored by carriers, security agencies, and industry stakeholders.

1. **Strait of Hormuz – Operational Status**

   Despite recent political messaging around a potential framework for the Strait of Hormuz, there is currently no confirmed operational normalization or enforceable framework in place. Restrictions remain active, while vessel movement data has not yet shown a meaningful return to pre-disruption traffic patterns.

   Safety verification and schedule adjustments remain key operational factors and may take several weeks before carriers are able to consider a structured return to normal Gulf rotations.

   As a result, carriers continue to adopt a cautious operating model, with selective Gulf port exposure and risk-adjusted routing decisions.

2. **Red Sea and Bab al-Mandab**

   No new attacks have been reported in the past 24 hours. However, structural risk across the Red Sea and Bab al-Mandab corridor remains high, and many carriers continue to favor Cape of Good Hope routing where required. Cape routing can add approximately 10–14 days compared to traditional Suez routing, depending on the service, port pair, and carrier network.

3. **Carrier and Network Developments**

   Major carriers have not announced a full reinstatement of Gulf rotations at this stage. Current carrier behavior continues to reflect a wait-and-watch approach, with network adjustments being made based on security assessments, port exposure, insurance considerations, and schedule reliability.

   Hapag-Lloyd is also reported to be planning a controlled withdrawal of its remaining vessels from the Persian Gulf, further reflecting the cautious stance currently being taken by carriers.

4. Market and Rate Outlook

Freight rates across Asia–Middle East and Asia–Pakistan corridors remain elevated due to a combination of:

- Reduced effective capacity
- Schedule unreliability
- Ongoing war-risk and contingency surcharges
- General Rate Increase announcements
- Routing and insurance-related cost pressure

Several carriers have already announced or implemented surcharges across relevant trades, including Peak Season Surcharges and GRIs on Far East, Middle East, Indian Subcontinent, and related export corridors.

<u>Given the current market conditions, rate validity may remain short, and quotations may be subject to carrier surcharge revisions, equipment availability, routing changes, and space confirmation at the time of booking.</u>

Our Recommendation

We recommend to plan shipments with additional lead time, particularly for cargo moving to or from the Middle East, Pakistan, Indian Subcontinent, and Red Sea-connected corridors. Where possible:

- Share shipment forecasts early
- Confirm bookings in advance
- Allow additional transit buffers
- Review alternative routing options
- Factor in potential surcharge and schedule changes
- Maintain flexibility on carrier and service selection

ISS Global Forwarding continues to monitor the situation closely and will keep you informed of any changes affecting routing, capacity, pricing, or transit times.

Please do not hesitate to reach out to your Account Manager and/or Customer Service Representative at ISS Global Forwarding for further clarification or assistance.

Regards,

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