



**LOGISTICS UK**

# Middle East conflict and logistics

22 April 2026

*Disruption is adding time, cost and uncertainty across supply chains*



- Strait of Hormuz normally handles around 20% of global oil and gas
- Asia-Europe diversions via the Cape of Good Hope add around 6,000 km and 10-14 days
- The Middle East accounted for 13.2% of world air cargo in January 2026.
- Members are seeing delays, rerouting, higher insurance and additional surcharges
- Affected goods include raw materials, household goods and seasonal products

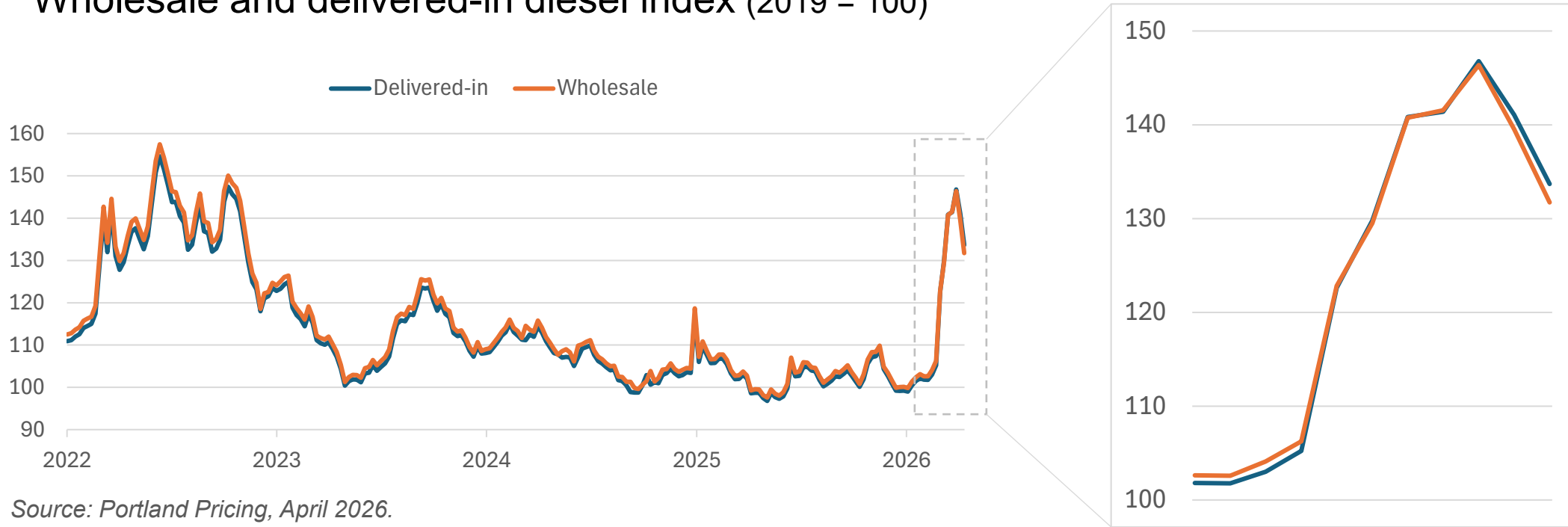
*The immediate issue is cost and reassurance - not evidence of widespread shortage*

- The issue remains one of price not supply.
- Businesses report relatively strong confidence on fuel supply.
- The government is clear that fuel production and imports are continuing as usual.



# Fuel price changes

### Wholesale and delivered-in diesel index (2019 = 100)



Source: Portland Pricing, April 2026.

- On 2 April, wholesale diesel peaked at 54.5% higher than the beginning of 2026.
- This peak was lower than the 2022 high.
- Since the recent peak, wholesale diesel has decreased by 11.4%.
- Since 16 February, delivered-in diesel prices have moved above wholesale prices.
- The gap between these two prices has increased over the last two weeks.

## Cost of diesel

- Fuel costs are causing the most immediate pressure for logistics businesses, with the cost of filling up a large HGV having risen by £229 to over £1013 between 23 February and 20 April.
- Total weekly fuel spend by road freight operators is up by 33%, to £266 million over the same timeframe.

## Cost of other commodities

- 25% of the world's Polypropylene and Polyethylene comes from the Middle East, increasing the price of key packaging products significantly worldwide.
- The price of jet fuel increased by over 110% from 23 February to its peak on 30 March. This was higher than the 2022 high point.

## How the sector is feeling cost impacts

---

**The following insights are taken from Logistics UK's Logistics Performance Tracker survey (the survey was launched w/c 6 April and is in its fourth week in the field):**

### Costs

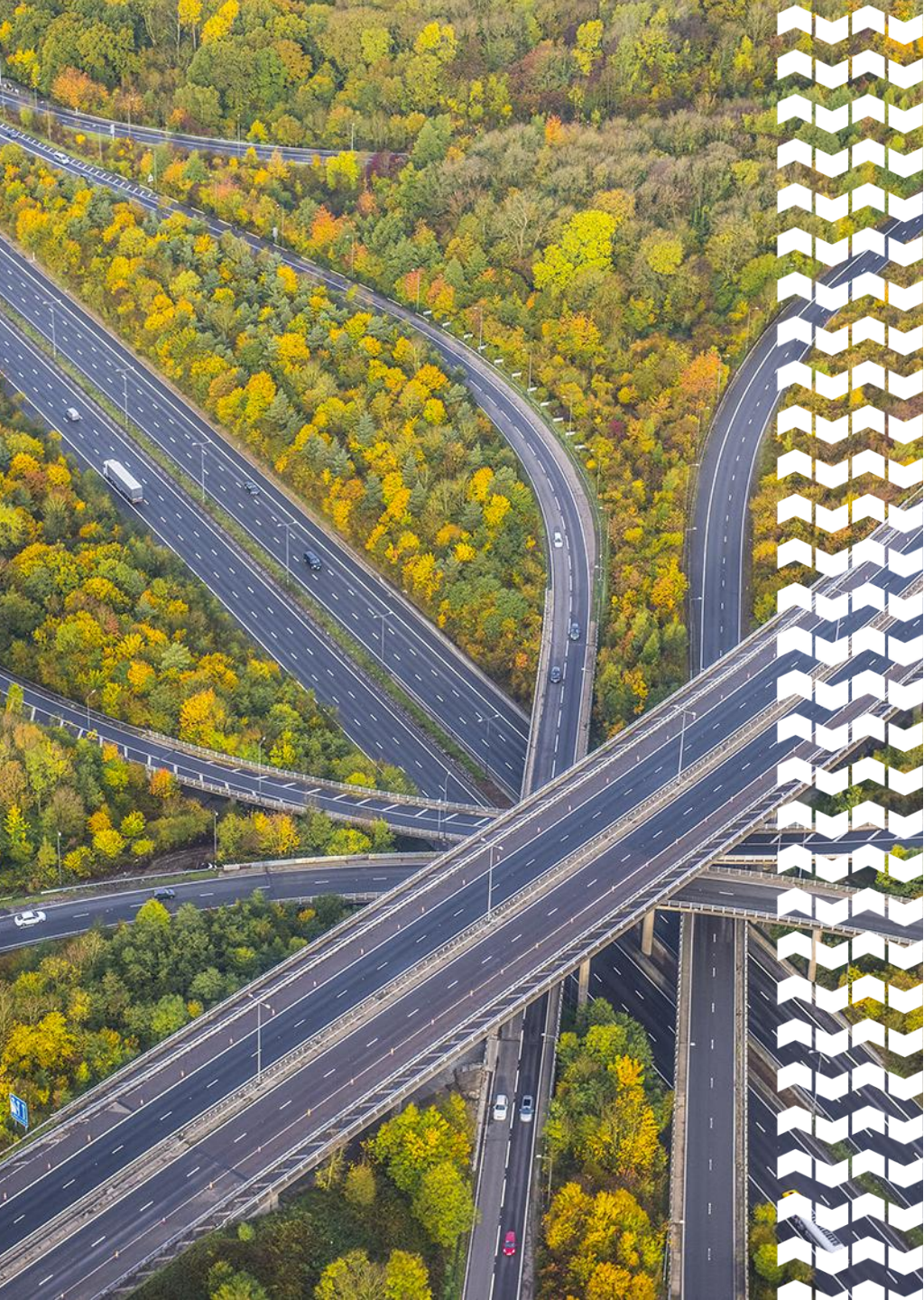
- Almost all SMEs report that costs have increased a great deal.
- Overall, 55% of respondents report passing on a significant proportion of the increase, while 45% are passing on little or none.
- Over 58.7% of respondents report that the price of other inputs, such as plastic strapping, pallets, and wrap, has increased by a moderate amount or more.

### Resilience and supply

- Thirteen per cent of respondents report using less bunker fuel, indicating a preference to retain reserves in anticipation of future price rises or supply disruptions.

### Wider economic impact

- 40.9% of companies reporting that rising fuel costs are already influencing investment plans.



**LOGISTICS UK**

**What we are saying to  
government**

- Acute pressure on logistics businesses risks pushing up the cost of living and harming the economy.
- Government support is needed to:
  - Help reduce the cost of doing business.
  - Support logistics decarbonisation, to increase the UK's energy independence.
  - Ensure the logistics sector is regarded as an essential part of the economy in its fuel supply contingency planning.

Logistics UK is urging the Chancellor to focus on bolstering business confidence and supply chain resilience, including by taking action on:

- Fuel duty.
- Electricity costs.
- The cost of leasing zero-emission commercial vehicles.
- Low carbon fuel costs.
- Business rates.
- Formally recognising logistics as a priority fuel user within its resilience planning.