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R E S E A R C H R E P O R T

Rebuilding the Route: What Procurement Should Learn from the Red Sea Diversion

A practitioner case study covering the Maersk-led diversion, industry-specific impacts, the Strait of Hormuz escalation, and actionable lessons for procurement teams

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Executive Summary

In January 2024, A.P. Moller – Maersk formally suspended its Red Sea and Gulf of Aden transits following sustained Houthi attacks on commercial shipping, redirecting vessels around the Cape of Good Hope. What began as a short-term security response has since reshaped Asia–Europe container logistics for more than two years, disrupted production lines from Berlin to Shenzhen, and forced procurement functions across every sector to confront hard questions about contract resilience, inventory posture, and carrier dependency.

This report examines what happened, who was affected, and what procurement teams should do about it — drawing exclusively on sourced, verifiable evidence from Maersk’s own communications, freight indices, industry research from J.P. Morgan, Sea-Intelligence, and UNCTAD, and documented cases from Tesla, Stellantis, IKEA, and others. Where we offer our own analytical interpretation, it is clearly labelled as a Procurement Spectrum editorial view.

The report also addresses the Strait of Hormuz escalation that began in February 2026, which has compounded the Red Sea disruption into what Container Magazine has described as a “dual chokepoint crisis without precedent in modern container shipping.” For procurement practitioners, this is no longer a logistics problem. It is a strategic one.

Background and Context

Houthi attacks on commercial vessels in the Red Sea began in October/November 2023, in response to the Israel–Gaza conflict. On 19 November 2023, the Houthis hijacked the *Galaxy Leader*; dozens more attacks followed. By late December, the US Defense Intelligence Agency reported a roughly 90% decrease in container shipping through the Red Sea.

Sources: Wilson Center, Timeline: Houthi Attacks; Wikipedia, Red Sea crisis; CNN, 2 Jan 2024.

Maersk first paused Red Sea transits on 15 December 2023, briefly resumed after the announcement of Operation Prosperity Guardian, then fully suspended operations on 2 January 2024 following the attack on the *Maersk Hangzhou*. All vessels were diverted around the Cape of Good Hope for the “foreseeable future.”

Sources: Maersk, Operations through Red Sea / Gulf of Aden, 15 Dec 2023; CNN, 2 Jan 2024.

The diversion added approximately 3,500 nautical miles and 10–14 days to typical Asia–Northern Europe transit times. Fuel consumption rose approximately 33% on the longer route, and CO₂ emissions from rerouted ships increased by 31% on Asia–Northern Europe voyages

and 66% on Asia–Mediterranean voyages. Approximately 13.6 million tonnes of additional CO₂ were emitted between December 2023 and April 2024 alone — equivalent to around 9 million cars over the same period.

Sources: Hillebrand Gori; Pangea Network; World Economic Forum, Mar 2024; Dockflow.

Suez Canal transits fell from over 26,000 ships in 2023 to 13,213 in 2024 — a 50% decline. Egypt reported over \$7 billion in lost Suez Canal revenue, a decline of more than 60%.

Sources: Euronews, 17 Apr 2025; Business Today Egypt, citing IMF; Ahram Online.

Freight Rates and Commercial Impact

The Shanghai Containerized Freight Index (SCFI) rose from 1,230 points in December 2023 to 2,130 points in January 2024 — a 73% increase in a single month. By July 2024 it reached 3,650 points, approximately 274% above January 2023 levels. Asia–Europe spot container rates rose roughly five-fold during 2024 relative to pre-crisis baselines.

Sources: Cello Square, SCFI analysis; Shanghai Shipping Exchange; Euromonitor.

Maersk introduced a Transit Disruption Surcharge (TDS) of approximately USD 200 per TEU / USD 450 per FEU, effective 21 December 2023, citing Clauses 20(a) and 22(a) of its Terms for Carriage and House Bill of Lading respectively. Air freight rates on the Middle East–Europe corridor rose approximately 35% to USD 2.03/kg between mid-December 2023 and mid-January 2024 as shippers shifted modes for time-sensitive cargo.

Sources: Maersk, 21 Dec 2023; International Trade Insights, Jan 2024; Dockflow.

Global schedule reliability dropped to and remained within a 50–55% range through most of 2024 and into early 2025, according to Sea-Intelligence. Maersk was the most reliable top-13 carrier in January 2025 at 55.0%, improving to 78.1% by November 2025. Global reliability recovered to 64.1% by November 2025 and began 2026 at 62.4%.

Sources: Sea-Intelligence, press rooms 311, 364, and 373.

Industry-Specific Impacts

The disruption was not abstract. It shut production lines, emptied shelves, and moved commodity prices.

Automotive

Tesla suspended most production at its Gigafactory Berlin-Brandenburg from 29 January to 11 February 2024 due to component shortages. Batteries shipped from China were particularly affected. Approximately 5,000–7,000 vehicles were not built during the two-week shutdown. More broadly, approximately 70% of components in the European automotive industry are transported from Asia via the Red Sea, and major automakers including Toyota, Hyundai, and Kia experienced up to 21 extra days on component shipments. Stellantis resorted to air-freighting parts to EU factories at significantly higher cost.

Sources: Fortune, 12 Jan 2024; Yahoo Finance; S&P Global, Feb 2024; TGL.

Retail and Consumer Goods

Retailers including IKEA, Walmart, Home Depot, and Amazon experienced delivery delays. Seasonal items — spring clothing, footwear, home goods, patio furniture — were particularly affected. Mass-market retailers operating on thin margins faced a 25–35% sustained increase in Asia–Europe shipping costs, forcing many to raise consumer prices or accept reduced profitability.

Sources: Resilinc, Jan 2024; Infor.

Food and Agriculture

Wheat shipments fell by almost 40% in the first half of January 2024. Robusta coffee prices rose 9%, reaching a 16-year high. Fresh produce and temperature-sensitive products faced significant challenges from the extended transit times.

Source: Infor.

Chemicals and Fertilisers

Chemical companies including Kemira Oyj and MOSAIC acknowledged rerouting shipments. Electronics, chemicals, automotive, machinery, and engineering industries in Europe were identified as the most vulnerable sectors due to heavy reliance on Asian-sourced components.

Source: Resilinc.

Macro-Economic Impact

J.P. Morgan Research estimated the disruptions could add 0.7 percentage points to global core goods inflation and 0.3 percentage points to overall core inflation during H1 2024. The rerouting implied an approximately 9% reduction in effective global container shipping capacity.

Source: J.P. Morgan, The Impacts of the Red Sea Shipping Crisis.

How Shippers Responded

Nearshoring to Mediterranean hubs accelerated. QIMA inspection demand in Q2 2025 was up year-on-year by 53% in Morocco, 73% in Egypt, and 35% in Tunisia. Nearshoring accounted for approximately 15% of European brand and retailer purchases as of Q1 2024, showing steady growth.

Source: QIMA, Nearshoring & Reshoring Trends.

Many shippers shifted high-value or time-sensitive cargo to air freight and hybrid sea–air solutions via Dubai or Los Angeles. OEMs increased buffer inventory for critical components. Retailers have reported measurable inventory-management gains from more reliable carrier schedules, with Dollar General and Ashley among those citing improved working-capital and stock-positioning outcomes at the TPM26 conference.

Sources: Industry IDX; Bertling; Supply Chain Dive, TPM26 reporting.

The Strait of Hormuz Escalation: Compound Chokepoint Risk

Since 28 February 2026, shipping traffic through the Strait of Hormuz has been largely blocked by Iran, following US and Israeli military strikes. Ship transits collapsed from approximately 130 per day to just 6 in March — a reduction of about 95%.

Sources: Wikipedia, 2026 Strait of Hormuz crisis; CNBC, 2 Mar 2026.

Before the 2026 disruption, the Strait of Hormuz carried approximately 25% of the world's seaborne oil trade (roughly 20 million barrels per day) and approximately 20% of global LNG trade, primarily Qatari exports. Beyond energy, the strait handled roughly 20% of global seaborne jet fuel, 10% of seaborne diesel, 23% of ammonia demand, and up to 30% of internationally traded fertilisers. Urea prices rose from \$475/metric ton to \$680/metric ton.

Sources: U.S. EIA; World Economic Forum, Apr 2026; UNCTAD.

Brent crude surged 10–13% to approximately \$80–82/barrel immediately after the February 2026 escalation. Major container lines including Maersk, CMA CGM, and Hapag-Lloyd suspended Strait of Hormuz transits, compounding the diversions already in effect from the Red Sea crisis. Container Magazine described this as a “dual chokepoint crisis without precedent in modern container shipping.”

Sources: Kpler, 1 Mar 2026; Container Magazine, 1 Mar 2026.

More than 44,000 businesses across 174 economies had at least one shipment exposed to the Hormuz disruption as of 12 March 2026. Small and micro-businesses (fewer than 50

employees) comprised approximately 80% of affected entities. UNCTAD projects global merchandise trade growth will slow from approximately 4.7% in 2025 to 1.5–2.5% in 2026. War risk insurance premiums for a single transit doubled, rising from approximately \$375,000 to \$750,000 for a \$150 million container vessel.

Sources: UNCTAD; Container Magazine.

Iran has also threatened closure of the Bab el-Mandeb strait. If both chokepoints were shut simultaneously, approximately one quarter of the world's energy supply would be blocked.

Source: Al Jazeera, 6 Apr 2026.

Maersk's Financial Impact

Maersk reported 2024 EBITDA of USD 6.5 billion, up 65% from USD 3.94 billion in 2023. Ocean division revenue reached USD 37.4 billion, up from USD 33.7 billion. Maersk described 2024 as its third-best financial year on record. Ocean fuel costs rose just 1.7% despite approximately 14% higher bunker consumption from rerouting — the cost was more than absorbed by higher freight rates. Container handling costs rose approximately 5.5%.

Sources: Maersk, 6 Feb 2025; FreightWaves; Maersk Q4 and FY 2024 Investor Presentation.

Maersk made its first Red Sea transit since December 2023 on 18–19 December 2025, with the Maersk Sebarok on the MECL service. The company described this as a “stepwise” approach, not a full network return.

Sources: Maersk, 22 Dec 2025; Maritime Executive.

Procurement Spectrum View: What This Means for Practice

PROCUREMENT SPECTRUM VIEW

The following analysis represents Procurement Spectrum's own editorial interpretation. It is informed by the sourced evidence presented above but is not attributed to any external source.

1. The carrier's operating model moves faster than its contracts

Maersk's operational decision to divert came within weeks. Its commercial framework — surcharges, contract amendments, customer communications — lagged by several weeks. Buyers who assumed their signed rates and terms would hold were caught out. Contracts must anticipate this asymmetry.

2. Force majeure wording needs updating

Legal commentary has raised questions about whether existing force majeure clauses — many drafted for pandemic-era risks — adequately cover security-driven route diversions. Contract review cycles must now include explicit language on route diversion, surcharge governance, and index fallback mechanisms.

3. Three carriers, not two

A minimum of three credible carriers with real volume allocation — not token splits — should be the standard on any major trade lane. When every major carrier diverted simultaneously, concentration with one or two carriers delivered no protection and in some cases actively limited optionality.

4. Sequencing matters: short-horizon levers first

Short-horizon levers — inventory buffers, mode-shifting to air freight, hybrid sea-air solutions — produced measurable impact faster than longer-horizon sourcing changes like nearshoring, which are only beginning to show effect in 2025–26. When a disruption hits, work the short-horizon levers first. Structural redesign follows.

5. Carrier concentration is now a live risk

The simultaneous diversion of all major carriers proved that volume consolidation with one or two lines — a common procurement strategy for rate and allocation protection — offers no resilience when the underlying disruption is route-wide. Procurement teams should treat carrier diversity as a resilience metric, not just a commercial lever.

Conclusion

The Red Sea diversion, compounded by the Strait of Hormuz escalation, represents the most significant procurement stress test of the current decade. It has tested resilience claims under real conditions, exposed which contract structures and operational levers actually worked, and permanently reset cost and reliability expectations on the world's busiest trade corridors.

For procurement leaders, the question is no longer whether maritime chokepoint risk is relevant to their function. It is whether their contracts, carrier strategies, inventory policies, and cost models have been rebuilt to reflect what 2024–2026 has taught. Organisations that extract the full set of lessons will be materially better positioned. Those that treated this as a temporary surcharge problem are, on the evidence, still paying for that assumption.

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