Pharma.Aero Industry Briefing

Geopolitical Crisis in the Gulf

Impact on Life Science Supply Chains

11 March | 14:00 CET

Join the discussion

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- Pricing, including fares, service charges, commissions, etc.
- Bids on contracts or allocation of customers
- Geographic/Product market allocations and marketing plans, including:
  - Expanding or withdrawing from markets
  - Group boycotts
  - Your commercial relations with agents, airlines or other third parties
- Any discussion aimed at influencing the independent business decisions of your competitors.

You will be asked to leave the meeting and the meeting may be terminated, if the above-mentioned discussions occur.

Dear Pharma.Aero colleagues,

As we gather for this webinar on the Gulf crisis, we want to express our support to our industry peers and their teams in the region. We recognize the challenges you are facing and the resilience you continue to show.

This session is an opportunity to share insights, learn from one another, and stand together as a true international community.

Please know that our thoughts are with you, and we remain committed to supporting you through these difficult times.

Thank you for joining us.

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Oct 7th, 2023
Hamas attack

Israel-Gaza
War

Iran's regional
support fonts

Current
situation

11 days in
the conflict

Pre-existing
tensions since 2022

First Big Game Changer

Final enabler

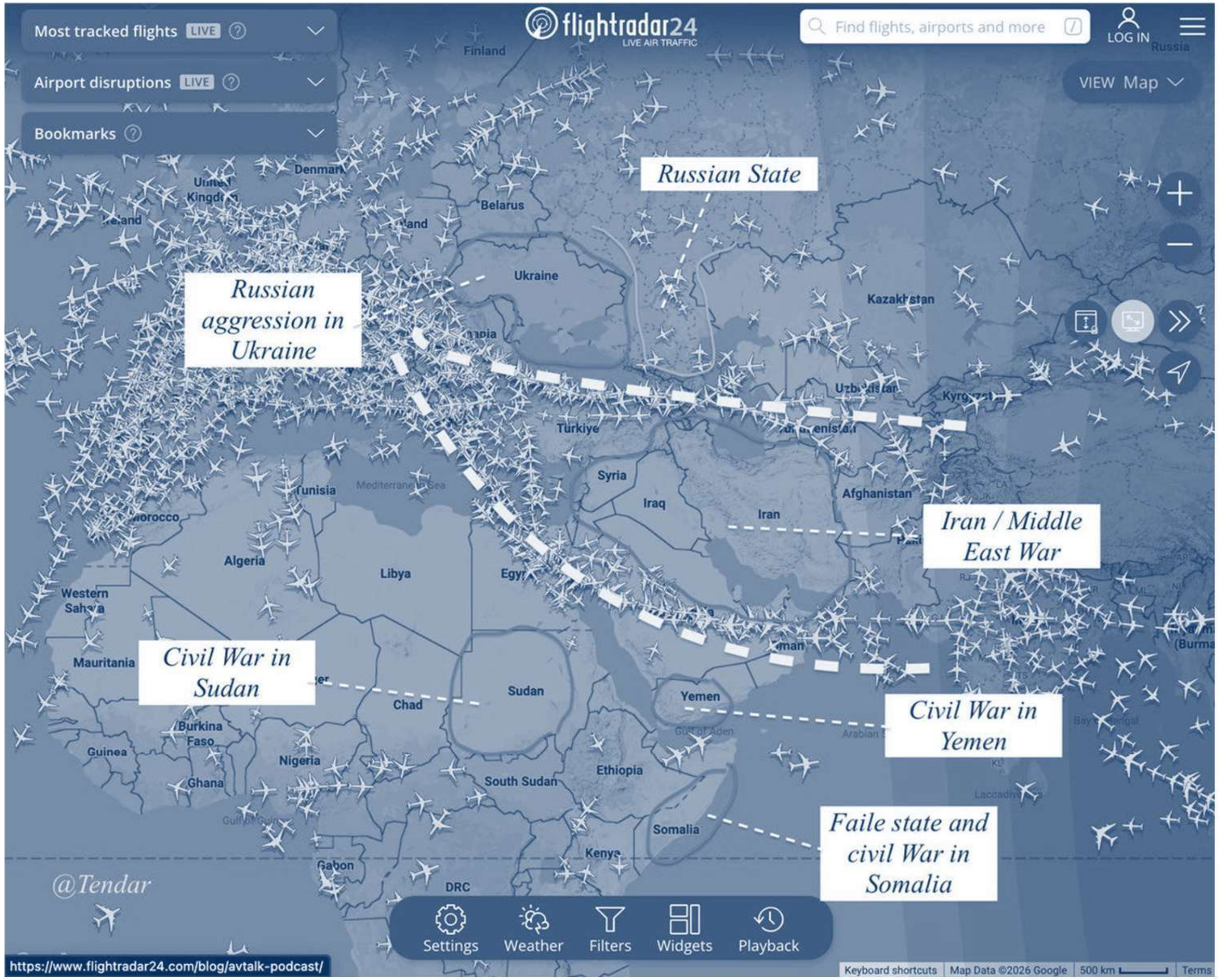
From "What If …

- … the key role of the Gulf region in global pharmaceutical logistics is jeopardized
- … the Straight of Hormuz is closed
- … the region is under attack jeopardizing air safety and cargo vessel transports

…to What Now that…"

- Middle East airspace and maritime routes are disrupted amid ongoing Gulf instability
- Passenger and cargo backlogs are rapidly building across regional networks
- Slower air corridors might delay critical and time-sensitive healthcare shipments
- Potential shortages of essential hospital supplies and storage capacity might occur
- Rerouting is possible but with significant cost, time and quality implications

Is there
a strategic response
to the current situation?



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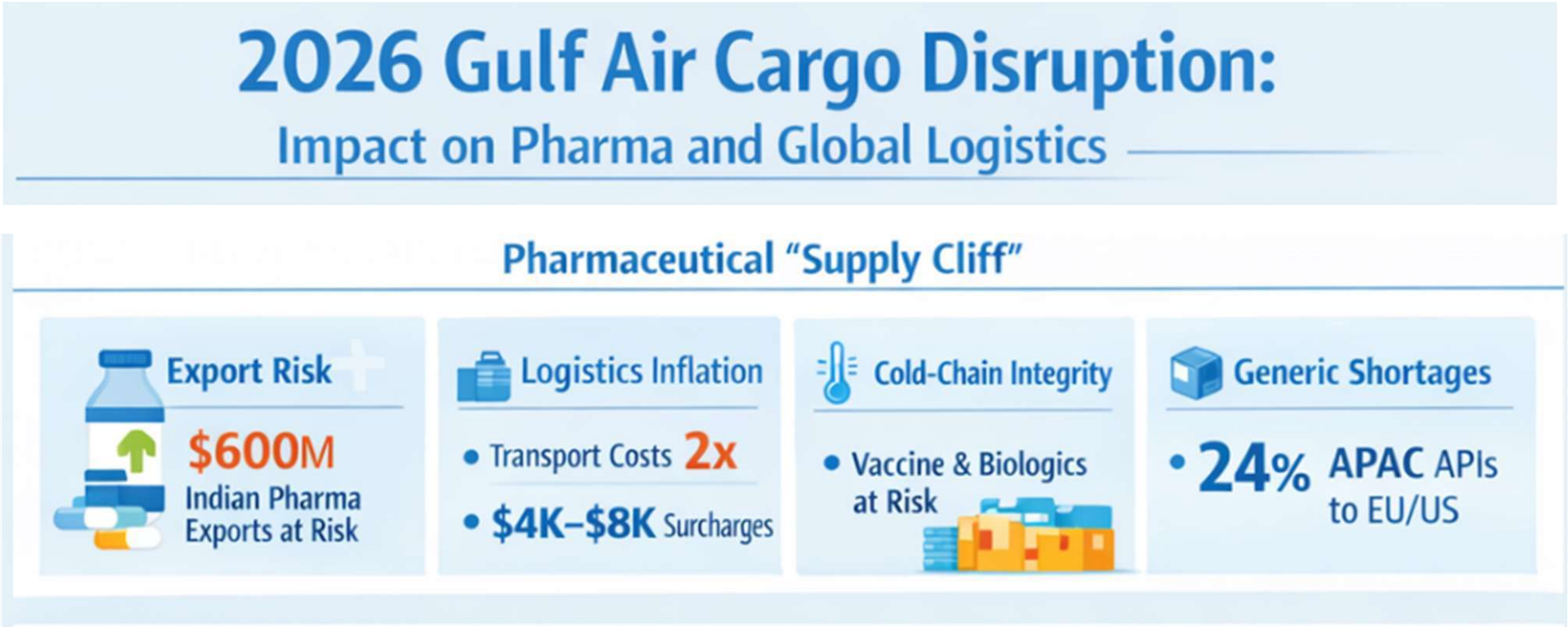


Is there a strategic response to the current situation?

2026 Gulf Air Cargo Disruption:

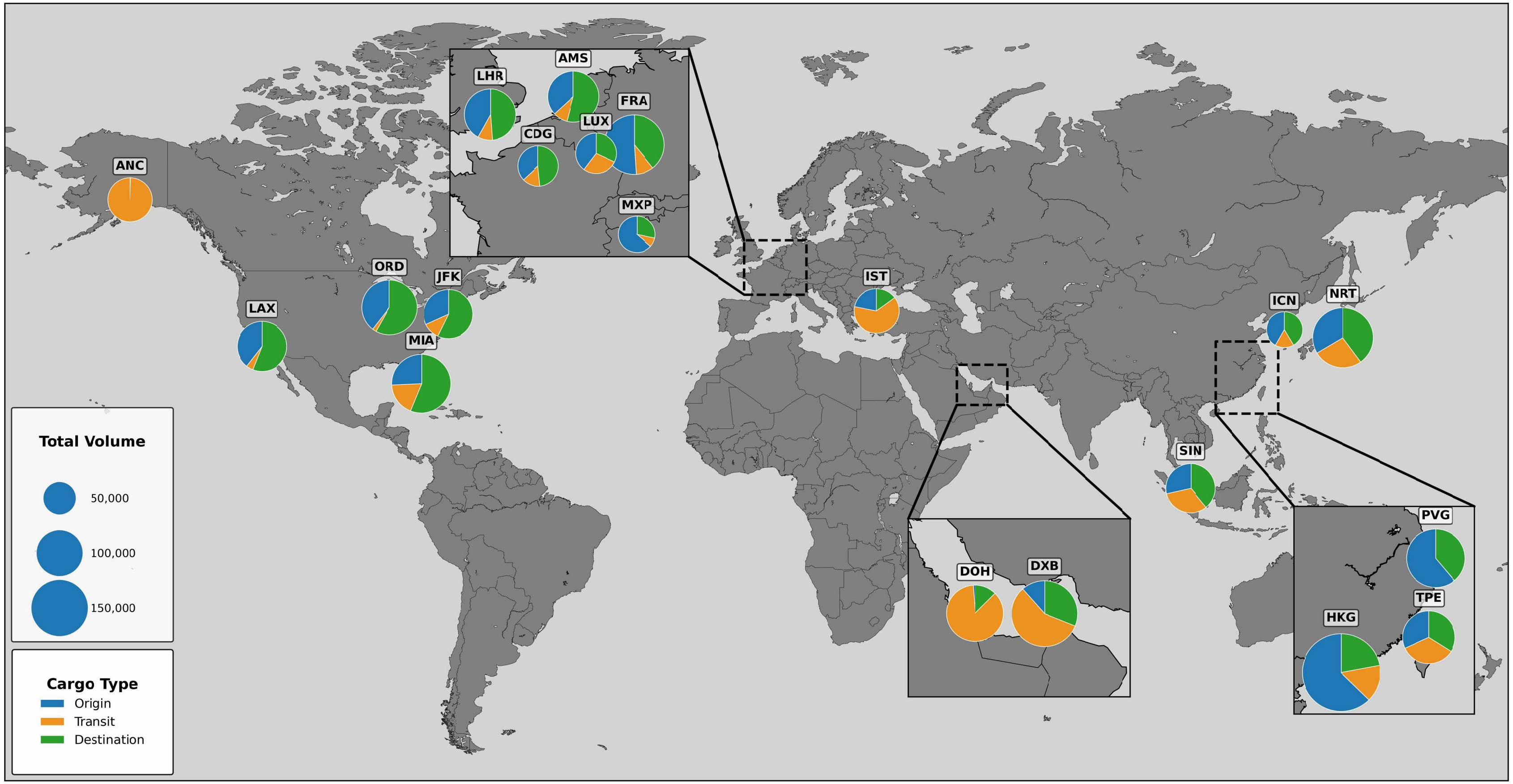
Impact on Pharma and Global Logistics

Market Stats Snapshot (2025–2026)

Metric	2025	2026 (Current)
GCC Air Freight Market	$18.06B	$19.39B (est.)
Gulf Air Cargo Demand	+4.3%	+9.3%
Global Capacity Loss	N/A	–12%
ME to Europe Capacity	Baseline	–52%
Brent Crude Oil	~$80/barrel	$100+

Airport typologies

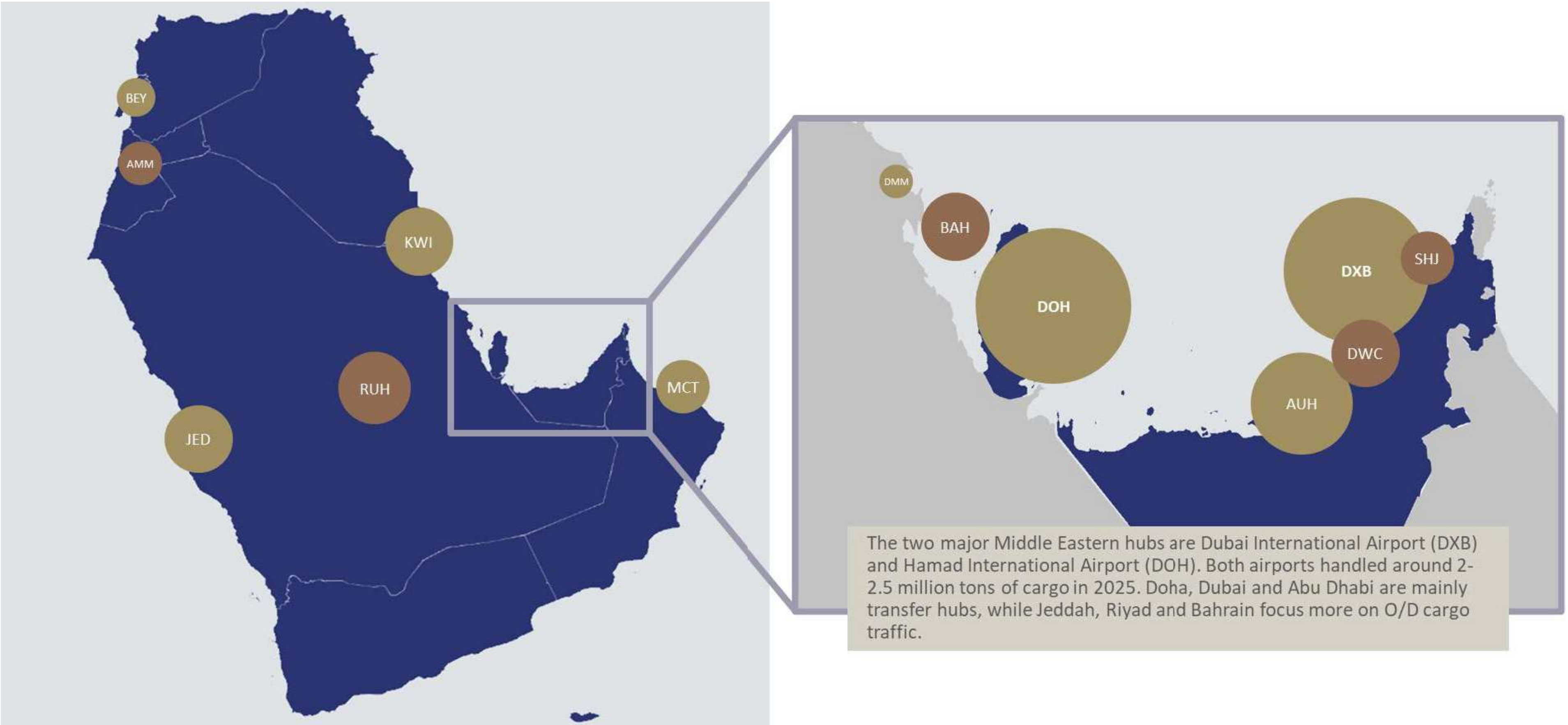
Air cargo hubs cluster globally, with different function and typologies between regions.



Source: Vincent Van Bockstaele, UAntwerpen

The Middle Eastern cargo hubs

United Arab Emirates and Qatar are the dominating air cargo hubs in the Middle East.



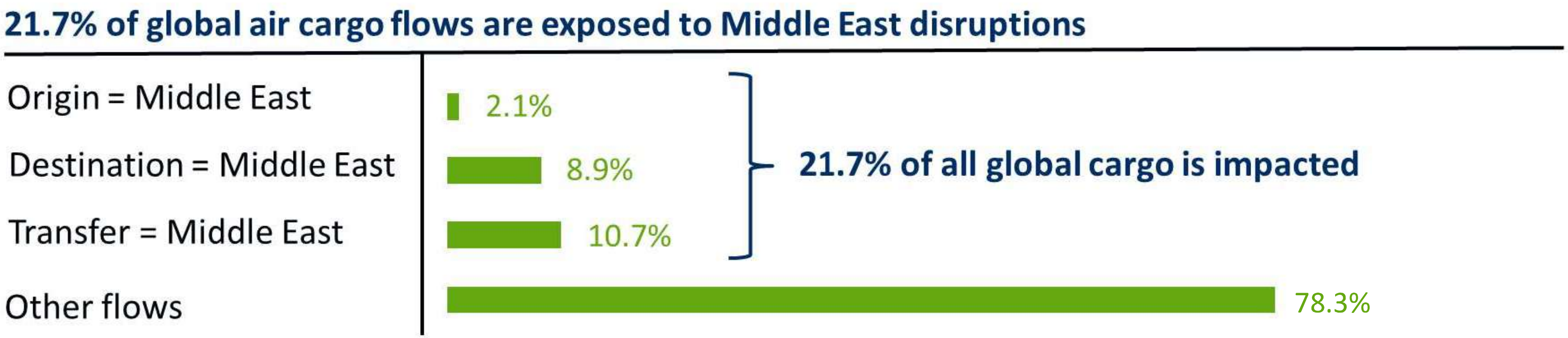
The two major Middle Eastern hubs are Dubai International Airport (DXB) and Hamad International Airport (DOH). Both airports handled around 2-2.5 million tons of cargo in 2025. Doha, Dubai and Abu Dhabi are mainly transfer hubs, while Jeddah, Riyad and Bahrain focus more on O/D cargo traffic.

Some facts

- 300 000 tonnes of pharmaceuticals are transported by air (of the 20 million tonnes of total international air cargo)
- 35% of the pharmaceuticals are transported by air
- 90% of the critical/life-saving pharmaceuticals and vaccines are transported by air
- 10% of the specialised products are pharmaceuticals

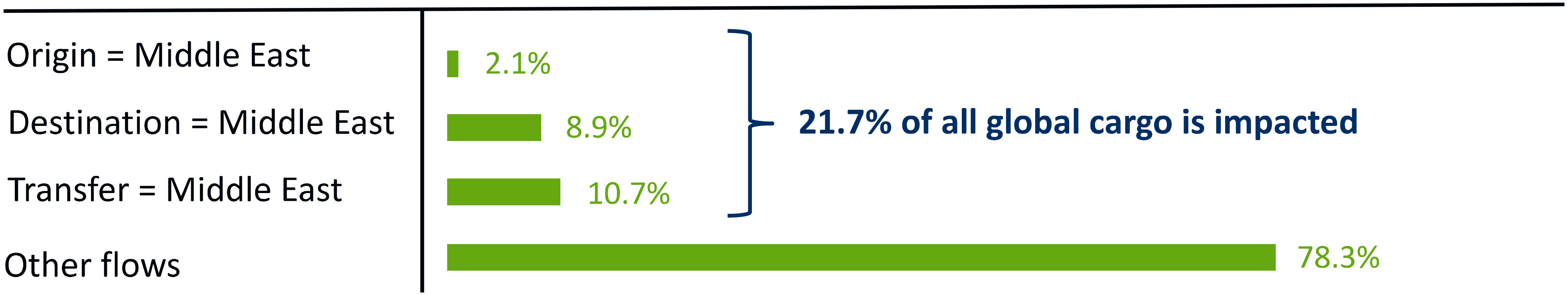
Global air cargo's dependence on Middle Eastern hubs

How disruptions in the Middle East expose 21.7% of global cargo flows and reshape Europe – Asia routing patterns.

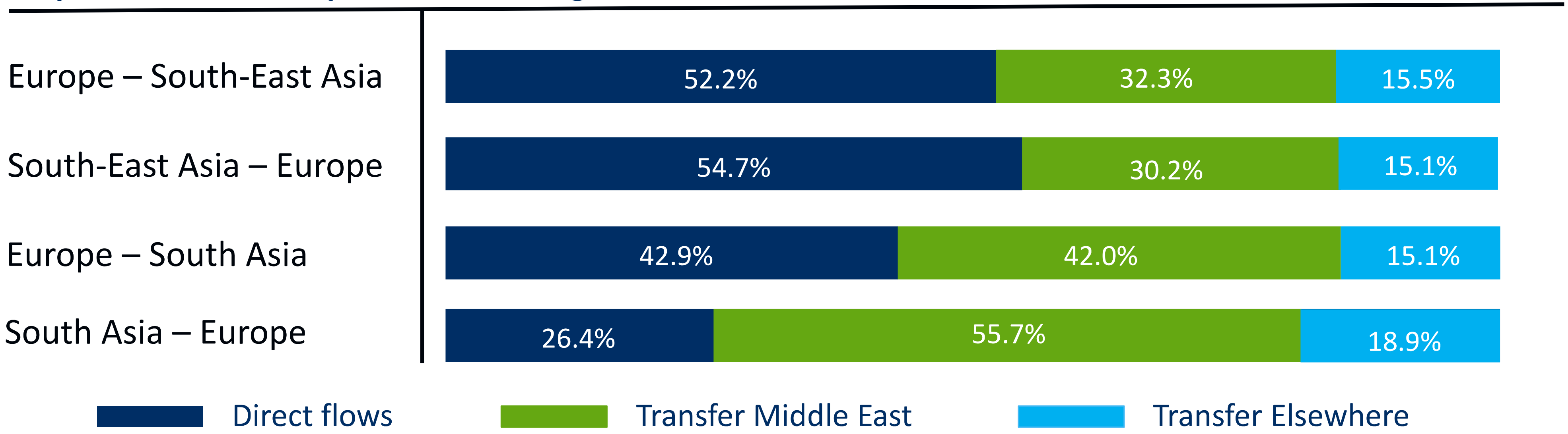


Source: Vincent Van Bockstaele e.a., UAntwerpen

21.7% of global air cargo flows are exposed to Middle East disruptions



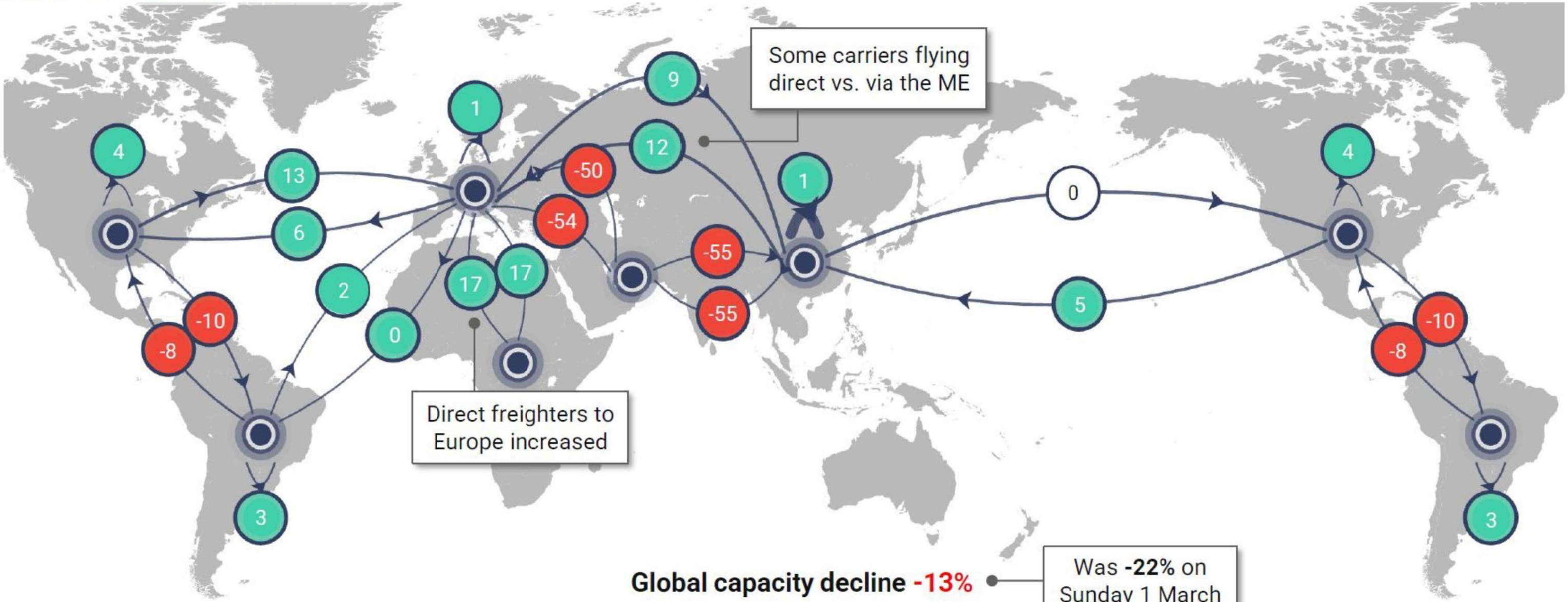
Dependence of Europe – Asia air cargo flows on Middle East transfer hubs



Update: global capacity decline has slightly eased to -13%

Global capacity[1] changes by trade lane, 4 March 2026 vs. average Wednesday[2] in 2026
Differences in tonnes, %

No perfect comparison exists due to the timing of Chinese New Year



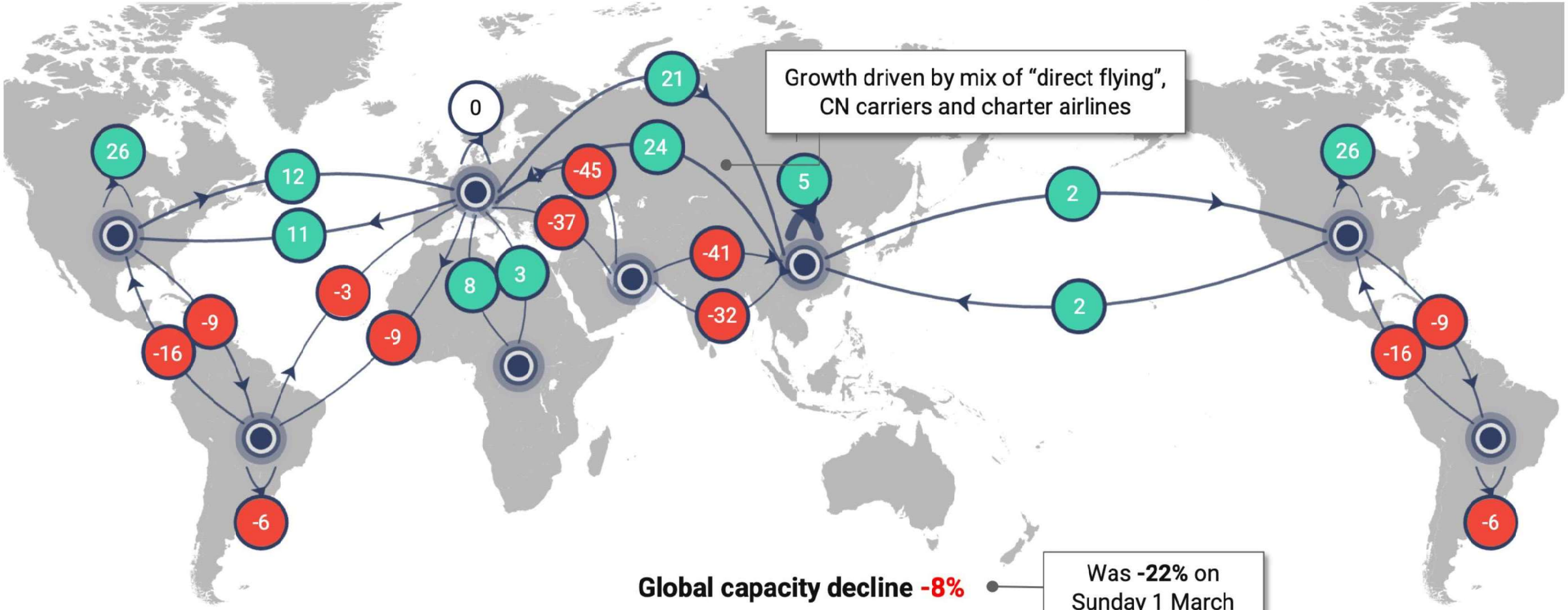
Notes: 1) International only, for all freighters and WB passenger; 2) Includes Wednesdays in week 1 to week 9 of 2026
Source: Rotate Live Capacity, Rotate analysis (March 2026)

Update: global capacity decline eased to -8%, with direct Asia-Europe capacity now 20% higher

No perfect comparison exists due to the timing of Chinese New Year

Global capacity[1] changes by trade lane, 9 March 2026 vs. average Monday[2] in 2026

Differences in tonnes, %

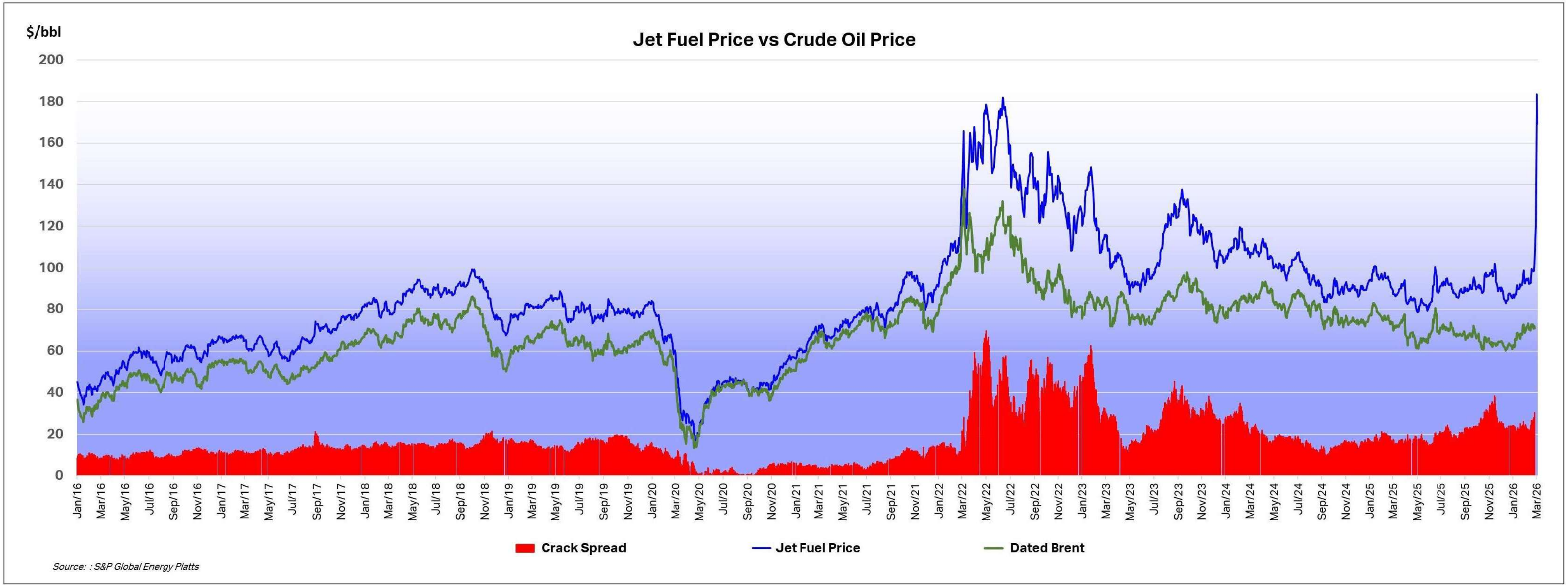


Global capacity decline -8%

Was **-22%** on Sunday 1 March

Notes: 1) International only, for all freighters and WB passenger; 2) Includes Mondays in week 1 to week 9 of 2026
Source: Rotate Live Capacity, Rotate analysis (March 2026)

Fuel price might be a bigger issue



Take aways

1. **This is primarily a reliability crisis, not just a cost crisis.**
   Pharma supply chains depend on predictable transit windows, validated routings and intact cold-chain custody. With flights grounded or rerouted through disrupted Gulf hubs, the biggest damage is the loss of schedule integrity and network certainty, not merely higher freight rates.

2. **The Gulf's role as a global pharma bridge has been exposed.**
   The current disruption shows how central the Middle East has become as a transfer platform between Europe, Asia, India, Africa and parts of North America. Middle East carriers account for about 10.7% of global air cargo capacity, 21.7% of the global air flow are impacted by the events. The Asia–Middle East–Europe corridor has already seen a huge decline in cargo flows since the conflict began.

3. **Temperature-sensitive pharma is especially vulnerable because time loss quickly becomes product risk.**
   When Dubai, Abu Dhabi and Doha are disrupted, pharma shipments face more storage events, more handovers, more waiting time and more rerouting. Transit shipments via these hubs are significantly disrupted, and in-transit pharma handling must be closely managed with partners.

4. **Europe and Asia are likely to feel the strongest knock-on effects.**
   Europe and the Asia-Pacific are more exposed because they rely more heavily on Middle Eastern hubs. That means European pharma importers, exporters and distributors should expect longer lead times, lower routing flexibility and a greater need to pre-book capacity on alternative corridors.

Take aways

5. **The usual fallback option is weaker than normal because sea and air are both under pressure.**
   This is what makes the current shock so serious: it is not just an aviation problem. The Gulf's integrated logistics system is under strain on both the air and maritime side, while Maersk has suspended key Middle East services, and EDQM says dispatches to or through affected areas are on hold until reliable solutions are available.

6. **Pharma supply chains will have to shift from efficiency to resilience.**
   The operating model built around lean inventories, centralised flows and fast transfer via Gulf hubs now looks too brittle. A reasonable inference from the current disruption is that pharma companies will need more dual-routing, more regional buffer stock, more direct uplift where possible, and stricter contingency planning for validated alternative lanes.

7. **Freight inflation is only the first-order effect; working capital and service risk are the larger strategic issues.**
   Rates have already moved up on key trade lanes, but Reuters also points to rising working-capital pressure as delays increase inventory in transit. For pharma, that means the real business impact is broader: delayed replenishment, higher buffer-stock needs, more expensive exception management and a greater risk of service-level failure.

8. **The longer the disruption lasts, the more network power shifts to alternative carriers and corridors.**
   Chinese carriers may benefit because they can use Russian airspace while many Western airlines cannot. That suggests a possible structural rebalancing in capacity access and pricing power if Gulf transfer functionality remains impaired for longer

Questions?

Wouter Dewulf