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Supply Shock

Illuminating a more resilient future for freight and logistics

Conflict in the Middle East has translated quickly into higher crude and diesel prices, tighter availability of marine fuels, and volatile operating conditions for freight and logistics across Asia Pacific. The International Energy Agency has warned that commercial oil inventories are 'declining very fast', reinforcing the likelihood of continued price pressures and supply chain disruption throughout 2026.

Diesel remains the dominant fuel for Asia Pacific's heavy trucking fleets, and the fuel supply chain is highly exposed to disruption in the Strait of Hormuz. Maritime operators face an additional pressure point in Asia's main bunkering hubs.

Air freight faced early and sharp disruptions as jet fuel supply contracted in response to the conflict's opening salvos – Deloitte has explored impacts for the aviation sector in a previous Insights Brief.

For freight operators disrupted upstream production, uneven industrial output and softer discretionary demand can be more damaging than fuel cost increases, as they drive volatile volumes and utilisation. This is particularly the case when contracts lag cost changes, networks are tightly balanced, and subcontractor capacity is fragile.

This is the moment for a two-speed response. Freight and logistics leaders need to protect service continuity and margin now, while using the disruption to accelerate practical changes that permanently reduce exposure to fuel volatility. Operators that do this well will emerge with stronger commercial architecture, more adaptive networks, and a clear pathway for fuel diversification.

Now: Protect the ability to keep freight moving

The immediate priority is visibility that drives action. Establish a cross-functional Control Room to monitor fuel use and efficiency, key lanes, linehaul capacity, subcontractors and customer commitments. Real-time data systems should be configured to drive decisions by feeding directly into this function. Use them to trigger repricing, network rebalancing and service level updates, based on a granular view of route profitability. This requires clear internal governance, granular underlying data analytics and a single, trusted view of operational, financial and energy performance so leaders can intervene early as route fundamentals change.

In a fuel-constrained system, every litre matters. The quickest gains can come from tighter utilisation and fewer unproductive kilometers. Re-optimise dispatch to reduce empty running on priority corridors, supported by dynamic consolidation and tighter backhaul matching. Reset service promises that drive fuel-intensive behaviors, like expedited moves, low-density runs and inefficient collection patterns. Rebalance depot locations and linehaul schedules to reduce idling, dwell time, and congestion exposure, especially around major ports and intermodal nodes.

Turn underutilised legs into a source of new revenue by offering guaranteed short-term capacity to customers with urgent freight, priced transparently to reflect scarcity. In fragmented corridors, structured carrier alliances can improve utilisation without requiring ownership changes, provided governance and competition considerations are handled carefully. This is particularly relevant in markets such as India and parts of Southeast Asia, where fragmented carrier bases make collaboration one of the fastest routes to improved utilisation.

Trust is a commercial asset during disruption. Customers will tolerate change more readily when trade-offs are explained before service failures occur. Provide revised lead times, clear surcharge logic, and practical options that allow customers to choose their exposure. Take a partnership-based approach, adjusting services in line with customers' real needs: premium assured capacity for truly critical freight; flexible delivery windows for lower-priority loads, and; alternate modes or routes where viable. This reduces the risk of blanket service commitments eroding margin, while preserving strategic accounts through a difficult period.

Strategic scan:

- Do you have a governance rhythm that turns fuel and capacity data into repricing, network and service decisions within a week?
- Where are empty kilometers and low-density freight leading to margin leakage, and what would it take to remove them in the next 30 days?
- Which customers need early re-contracting, and which service options will preserve trust while protecting margin?

Next: Build resilient commercial and network architecture

In a more volatile environment, resilience comes from three targeted shifts: faster cost recovery through structured contracting, disciplined risk-sharing across customer and subcontractor contracts, and corridor-level redesign to unlock utilisation, modal flexibility and margin.

Reduce the lag between cost shocks and cost recovery by unbundling pricing components and embedding automatic variation mechanisms into new and refreshed contracts. This should be treated as core commercial architecture, with a clear separation of base freight rates from fuel, tolls, labour and compliance costs. Use structured indexation rules to define review frequencies and trigger thresholds, and offer customers transparent pricing options – from indexed exposure to fixed-term and capped arrangements with explicit protection pricing – to ensure faster cost recovery and clearer risk allocation. Subcontractor terms need equal attention: implement fuel-linked risk-sharing agreements with defined floors, ceilings and trigger points. This protects carrier viability, stabilises capacity and prevents hidden margin leakage.

Build network depth before it is needed, starting with a bottom-up review of route resilience. Assess high-volume lanes to identify where full mode shift or multi-modal combinations can reduce exposure to diesel constraints, driver scarcity, congestion or port disruption. The test for targeted corridor redesign is improving service, cost and capacity together. For maritime and intermodal operators, diversify beyond primary hubs where possible, with secondary ports, inland depots and flexible routing as alternatives.

Volatility makes scenario planning more important than ever. Network digital twins can dynamically optimise routing, reduce pricing lag, improve contract recovery and increase utilisation by testing how corridor, customer and asset choices perform commercially before leaders commit. AI-enabled modelling on profitability and cost-to-serve enables faster business adjustments when markets shift. These capabilities typically sit across data, digital and AI, strategy and business improvement disciplines. Done well, they raise the quality of decisions in the short term while creating a foundation for longer-term fuel diversification.

Strategic scan:

- How quickly can your contracts recover a sustained fuel shock, and where are you still carrying implicit fuel price risk?
- Which two or three corridors would deliver the greatest resilience lift if you redesigned them now around multi-modal flexibility and better data-driven planning?

Future: Hardwire resilience as competitive advantage

The long-term signal from the Strait of Hormuz closure is clear: energy is now a core driver of commercial advantage. The sector's next leaders will be those who redesign their networks, business models and asset base around energy as a strategic constraint.

Future fuel pathways will diverge by mode, requiring operators to position now for a more diverse fuel landscape. In maritime, biofuels, green methanol, LNG and ammonia are advancing unevenly – this points to a portfolio approach that avoids locking into a single pathway too early. The priority is to secure optionality: lock in access to multiple fuel supply chains and port bunkering agreements, while prioritising vessels with dual-fuel or retrofit capability to preserve flexibility as technologies mature.

For heavy road freight, the decision is more immediate and more commercial. Biodiesel and renewable diesel can extend incumbent fleets with minimal disruption, while battery-electric vehicles can outperform on predictable, high-utilisation and return-to-depot corridors. Move early to electrify priority routes, secure grid connections and charging infrastructure, and integrate energy management into fleet operations.

In an evolving energy landscape, competitive advantage lies in securing future fuel supply and infrastructure access, embedding flexibility into fleet investment decisions, and prioritising no-regret deployments that reduce cost and emissions today while preserving upside as the market evolves.

As energy becomes a binding constraint, leading operators will manage energy productivity as a core performance metric, mirroring core practice in sectors like aviation. Tracking revenue and margin per unit of energy consumed sharpens decisions on pricing, routing, customer selection and modal mix. In markets such as Australia, even small gains in energy productivity can materially improve cost position and service resilience.

Control of critical infrastructure will also drive resilience, beyond fleet and contracts. Charging networks, intermodal terminals, storage capacity and specialised assets can quickly become bottlenecks under stress. Next cycle winners will control charging, intermodal and storage assets, and will have the strongest partnerships to optimise CAPEX and OPEX commitments.

Strategic scan:

- Which future fuels and infrastructure access should your business seek to lock in now to secure energy advantage?
- Which corridors, assets, or capabilities would make your network the default choice for customers when the next fuel or trade shock arrives?

The immediate task is to keep freight moving without allowing margin to leak away through lagged contracts, inefficient kilometres, or legacy customer commitments. The larger opportunity is for freight and logistics operators to use this latest supply shock to accelerate changes that build structural resilience in an evolving energy landscape.

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