

## UAE retailers shift supply routes as Hormuz disruption raises costs



Retailers in the United Arab Emirates are adjusting supply routes by land, air, and sea following the closure of the Strait of Hormuz, which has disrupted food imports and increased logistics costs. Retail chains report that shelves remain stocked, supported in part by locally produced goods and government reserves of four to six months of essential supplies. However, higher transport costs, insurance premiums, and container surcharges are affecting supply chains.

Tom Harvey, general commercial manager at Spinneys, said the retailer is exploring multiple logistics options, including road freight from Europe. "We are very actively exploring the possibility of actually doing road freight from Europe," he said.

Shipments are being rerouted through Oman and Saudi Arabia, with goods arriving at ports such as Khor Fakkan and then transported by road to Dubai and Abu Dhabi. Retailers are also assessing routes via Jeddah, as well as a 7,000 km road corridor from London to Dubai, with transit times of around 15 days. Retailers indicate that transport cost increases have not yet been fully passed on to consumers, although this may change depending on market conditions.

Choithrams reported that products routed through Oman or the UAE's eastern coast are now 7 per cent to 20 per cent more expensive due to higher insurance and logistics costs. The company maintains four to eight weeks of supply and is adjusting sourcing strategies.

"We've changed [supplier] countries, we're sharing shipments with other retailers. We're looking at every way we can to get volumes up and keep costs manageable," said chief executive Mark Mortimer-Davies.

Air freight is also being used to support supply, with chartered cargo flights bringing fresh produce into the UAE from India. At the wholesale level, traders report price increases linked to reduced availability, particularly following a decline in imports from Iran. Tomatoes previously priced at Dh3 per kilo (US\$0.82) are now being replaced by local products priced between Dh5 and Dh8 per kilo (US\$1.36 to US\$2.18).

Logistics operators indicate that alternative routing has limited disruption, although costs are rising. Additional surcharges and extended transit times are expected as vessels reroute around Africa, with door-to-door shipping times increasing from around six weeks to up to 12 weeks.

Operators state that ongoing developments in the region will determine future supply chain conditions and cost levels.

Source: [The National](#)

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