

# AMTOI

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# 27 years

of

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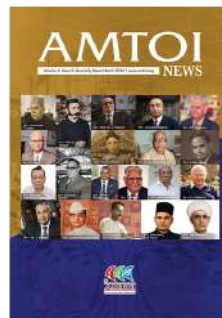
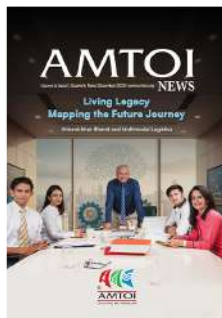
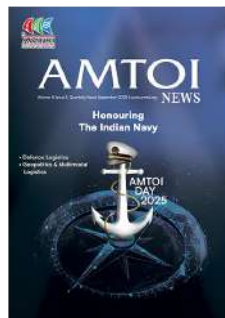
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# About us

AMTOI, The Association of Multimodal Transport Operators of India, was formed with the object of organizing Multimodal Transport Operators at the national level and improving the quality of their services. The members of the Association are Multimodal Transport Operators registered with the Directorate General of Shipping, Mumbai under the Multimodal Transportation of Goods Act, 1993 which also includes some associate members like CFS operators, tank container operators etc. The Association is a non-profit making body registered under the Indian Companies Act and is managed by the Managing Committee comprising of 7 members elected by the Operator members. The Committee is assisted by a Board of Advisors consisting of the representatives of Government / Public Sector Organizations. Also, it has various trade association representatives on its extended board and is thus likened to an apex body. As a unique initiative, AMTOI has set up a forum called the Grievance Redressal Forum (GRF). The objective of this Forum is to create a platform for dispute resolution

and thereby addressing grievances of the members of the trade. The Association has a two-tier membership: Ordinary members who are registered as MTOs and Associate members who are not MTOs themselves but who are involved in operations connected with multimodal transport. The Associate members are not eligible for voting rights or contest in the Elections. The Association from time to time has made suggestions for the consideration of Government and in fact the suggestion for amending the Multimodal Transportation of Goods Act and for adopting other related measures. AMTOI has been able to secure representation on Government bodies like the Standing Committee on Promotion of Exports, (SCOPE Shipping and SCOPE Air), Task Force on Multimodal Transport and various other forums of the Ministries of Shipping, Commerce & Finance of the Government of India. The Association is also a member of the International Multimodal Transport Association based in Geneva and has thus acquired international recognition. For the benefit of its members, regular training courses are

conducted be it on tax issues, insurance or other such related subjects. An awaited event of the year is the MULTI-MODAL DAY or an AMTOI DAY which the Association organizes as an 'Annual Day' for the last many years wherein the entire shipping fraternity of Shipping Lines, Ports CFS operators, Freight Forwarders, NVOCCs, CHAs, Airlines, Government authorities in addition to MTOs come together to network and interact with each other under one roof. Members are kept abreast of the happenings in the industry by MULTIMODAL TIMES or AMTOI Newsletter which is published as a quarterly magazine currently and we hope to graduate into a monthly publication which will attempt to capture critical issues that are close to the industry and along with opinions of the industry leaders. Lastly, keeping abreast with the advancing technologies, AMTOI continuously improvises its website and offers tools for various industry players to come together and thus endeavoring to be a leader in its class.





## From The President's Desk

### Shantanu Bhadkamkar

President, AMTOI  
president@amtoi.org

## Association of Multimodal Transport Operators of India

संकटे बद्धिमान् व्यथतेन च मोह्यते। उपायान्विन्तयन्धीरः संकटं तरति ध्रुवमु ॥

*The wise are neither shaken nor confounded by adversity;  
With calm reflection and steady resolve, they discern the remedy and pass beyond the crisis. India*

Global trade has historically expanded under the assumption of relative stability in the maritime and aviation commons. Recent developments, such as [specific event or conflict in West Asia or surrounding regions], have demonstrated that this assumption is increasingly fragile. Armed conflict, security disruptions, and geopolitical rivalries are now influencing the mechanics of international transportation in direct and measurable ways.

For the logistics community, these developments must be viewed less through political narratives and more through the practical lens of **operational, contractual, and financial risk, fostering confidence in managing uncertainties.**

Events affecting shipping lanes in the Red Sea and transit through the Suez Canal clearly illustrate this reality. Vessel diversions around the Cape of Good Hope, rising war-risk insurance premiums, capacity dislocations, and extended transit times have produced tangible consequences for freight markets and supply-chain planning.

These disruptions also raise critical legal questions for carriers, forwarders, and cargo interests, highlighting the need for industry awareness. For example, what legal precedents **exist regarding**

**voyage termination or abandonment** when routes become unsafe? Maritime law recognises circumstances in which a carrier may legitimately decline to proceed into a war zone, divert the vessel, or discharge cargo at an alternate port. However, such decisions trigger consequential questions:

The complexities arising from global conflicts and heightened risks introduce a critical set of legal, operational, and financial dilemmas within the logistics and supply chain ecosystem. Key questions that demand immediate attention and clarity include:

#### **Financial Implications and Cost Allocation:**

- Who bears the additional freight and operational costs? This is often the most immediate and contentious issue. When routes are disrupted, necessitating longer voyages, transshipments, or specialised security measures, the resulting surge in costs—including higher bunker fuel consumption, war risk insurance premiums, security escorts, and potentially demurrage/detention charges—must be allocated. The interpretation of existing contracts, force majeure clauses, and “changed circumstances” provisions becomes paramount in determining whether

the carrier, the shipper, the consignee, or an insurer is ultimately responsible for these unexpected and often substantial expenditures.

#### **Contractual Validity and Performance:**

- Do deviation clauses remain valid? Standard carriage contracts often grant carriers the right to deviate from the planned route under certain, usually narrowly defined, circumstances. In high-risk conflict zones, carriers routinely invoke these clauses to safeguard the crew, vessel, and cargo. For instance, rerouting around an entire continent may test the limits of such clauses. The central legal question is whether the scale and nature of the deviation—for example, rerouting around an entire continent—exceeds the scope of the clause, potentially exposing the carrier to claims for breach of contract, delay, or failure to exercise reasonable care, especially if commercially viable alternatives were available.
- Can liability limitations still be invoked? International conventions governing maritime and air transport, such as the Hague-Visby Rules or the Montreal Convention, allow carriers to limit their financial liability for loss, damage, or delay to cargo. However, if the conflict-related loss or damage

can be proven to result from the carrier's wilful misconduct or reckless disregard—for instance, by choosing a path with known, disproportionate danger or by failing to implement standard security protocols—these caps on liability may be lifted, leading to significantly higher compensation claims.

#### Fulfilment of Delivery Obligations:

- **How are cargo delivery obligations discharged?** When a vessel cannot safely reach the designated port due to conflict, blockades, or port closures, carriers face an acute performance problem. Typically considered options include discharging the cargo at a substituted safe port, returning it to the port of loading, or placing it in temporary storage. The legal discharge of obligation requires adherence to the 'Paramount Clause' principles, focusing on reasonable care. Clear communication with shippers and consignees, along with documented efforts to safeguard the cargo at the substituted
- location, is essential to mitigate liability for non-delivery or misdelivery.

#### Assessment and Recovery:

- **Quantification & Recovery:** The ultimate objective is to assess losses and initiate appropriate recovery actions accurately. This involves:
  1. **Quantification:** Calculating the precise value of losses, including not only direct costs (freight, insurance, storage) but also consequential damages (lost sales, penalty clauses in downstream contracts) resulting from the delay or failure of delivery.
  2. **Recovery:** Navigating the complex interplay between cargo insurance, war risk insurance, P&I (Protection and Indemnity) clubs, and contractual indemnities to determine the most viable path for financial recovery. This often leads

to protracted arbitration or litigation across multiple jurisdictions. The legal and commercial consequences of voyage termination, therefore, require careful examination by operators, insurers, and cargo owners alike.

When capacity tightens and risk increases, the temptation to exploit uncertainty through opportunistic pricing inevitably arises. To mitigate this, industry participants should consider strategies such as [specific risk mitigation practices], maintaining transparent pricing models, and fostering industry-wide discipline. Every participant in the chain carriers, intermediaries, and service providers may feel pressure to sharply adjust margins. Yet markets function best when pricing reflects **risk and cost rather than opportunism**. To borrow a simple metaphor: in times like these, everyone may need a haircut, but no one should be allowed to run a barber's monopoly. Stability in freight markets ultimately depends on discipline, transparency, and professional restraint.

These disruptions also raise complex legal questions for carriers, forwarders, and cargo interests. Recognising that shared responsibility strengthens resilience, collaboration—sharing operational intelligence, coordinating risk-mitigation strategies, and supporting each other—becomes essential for the logistics community.

The Association of Multimodal Transport Operators of India (AMTOI) has dedicated this specific issue of AMTOI News to the theme of **"Conflict as a Trade Variable,"** underscoring the gravity and contemporary relevance of this subject.

This special issue examines several critical dimensions of the subject:

- How armed conflict reshapes global freight flows
- The economic consequences of rerouting major shipping corridors
- The legal architecture of transport contracts in high-risk environments

- The implications of voyage termination and contractual deviation
- The growing importance of sanctions compliance and war-risk insurance
- The long-term reconstruction of trade networks once conflicts subside

In shadowed times when futures seem unclear,  
 True strength doth rise, not from a solitary sphere,  
 But woven tight where hands and hearts do meet,  
 In shared endeavour, grace and purpose sweet.

The objective of the Special Issue is not geopolitical commentary, but practical preparedness. For professionals engaged in multimodal transport, **clearer contracts, stronger compliance discipline, and industry cooperation provide reassurance amid the evolving global environment.**

In times of uncertainty, resilience often emerges from **mutual support and collective risk management**. AMTOI News' Team reflects the hopes of the AMTOI Managing Committee that this issue fosters a sense of solidarity and shared purpose within the logistics community.

Ms Priya Anil Thomas, the Convenor of AMTOI's Publications Sub-Committee, spearheaded the exceptional drive that inspired this special issue.

We extend our sincere appreciation to the article contributors, the Publication's Sub-Committee members, and the diligent Secretariat team. Their collective effort, under a tight deadline, was instrumental in researching, compiling, and publishing this additional issue to address critical contemporary challenges.

Thank you to the advertisers for their support, which made this publication possible. A truly great accomplishment by everyone involved!

"The line between disorder and order lies in logistics."

Sun Tzu



## From The Editor's Desk

### Priya Anil Thomas

Editor - Pro Tem, AMTOI

## When Trade Faces Conflict, It Stands Together!

We had just closed our quarterly issue in the first week of March. It was timely, relevant, and like every edition, built with care.

And yet, here we are again coming back with a Special Edition within weeks.

Why?

Because sometimes, the world doesn't wait for publishing cycles.

Over the past few months, conflict has stopped being a distant headline. It has quietly entered our daily work—into freight rates, into transit times, into documentation, into conversations with anxious clients. What earlier felt like an external disruption is now something we are all factoring into our decisions, almost instinctively.

For many importers, exporters, and especially MSMEs, this shift has not been easy. There are more questions than answers. Routes are changing overnight. Costs are unpredictable. Compliance requirements feel heavier. And somewhere in all of this, there is a very real concern—how do we keep trade moving?

This Special Edition comes from that exact space.

Not as a reaction, but as a response.

At AMTOI, we have seen, up close, how the industry has come together in these moments. Members reaching

out to multiple government agencies, not individually but collectively. Issues being raised, followed up, and pushed until there is clarity. Conversations moving faster than paperwork. And most importantly, a genuine intent to support—whether it is through guiding clients, offering consultations without hesitation, or working towards waivers and clearer SOPs.

There is something reassuring in that.

Because while conflict may disrupt routes, it has also strengthened resolve.

Trade, by its very nature, adapts. It finds alternatives, recalibrates, and continues. But what makes that possible is not just systems or infrastructure—it is people. Professionals who step in, take responsibility, and ensure that uncertainty does not become paralysis.

This edition tries to bring together those multiple layers of thought

- How conflict and commerce continue to coexist.
- How legal and compliance frameworks become more critical in uncertain times.
- How freight markets respond, sometimes sharply, to risk.
- How documents that once

seemed routine suddenly carry far more weight.

- And importantly, how we begin to think about rebuilding and realignment, even while we are still navigating the disruption.

But beyond all of this, the intention is simple.

**To PAUSE!**

**To REFLECT!**

**& To REASSURE!**

That no one in this ecosystem is navigating this alone.

If there is one thing the past few weeks have shown us, it is this—when trade is tested, the community around it becomes stronger. Information is shared more openly. Support is extended more freely. And the industry, as a whole, stands a little closer together.

As we release this Special Edition in Chennai—a city that has long been a gateway for trade—it feels like the right place to anchor this thought.

Conflict may be a variable we cannot control, But how we respond to it—that remains firmly in our hands.

From what we are seeing every day, the response is clear.

We stand together! We keep trade moving!



## Dr. Sharmila Amin

Managing Director  
Bertling Logistics India Private Ltd.

Global trade has always evolved in tandem with geopolitical realities. However, in today's interconnected economy, conflicts no longer remain confined to political borders—they ripple through supply chains, reshape trade routes, and fundamentally alter the economics of freight movement.

For logistics professionals, conflict has increasingly become a trade variable rather than an occasional disruption. Freight markets are now compelled to factor geopolitical risk into pricing structures, operational planning, and contractual frameworks. From the tensions affecting maritime traffic through the Red Sea to the wider trade implications of the Russia—Ukraine War, the logistics industry is witnessing how conflict can quickly redefine the cost, speed, and reliability of global cargo flows.

Understanding how freight markets respond to such disruptions and how risk is priced into the system has therefore become essential for everyone engaged in international trade.

### Conflict as a Catalyst in Freight Markets

Freight markets function on a delicate balance between cargo demand and available transport

capacity. When conflict emerges, this balance can shift dramatically.

Shipping lanes may become unsafe, insurance risks escalate, sanctions may disrupt traditional trade routes, and carriers must reconsider operational viability. Even when infrastructure remains operational, perceived risk alone can influence market behavior.

Recent disruptions impacting shipping routes through the Red Sea and the Gulf of Aden offer a clear example. Many vessels have been compelled to reroute around the Cape of Good Hope, extending voyage durations between Asia and Europe by nearly two weeks. Such diversions not only increase fuel consumption and operational costs but also tighten vessel availability, placing upward pressure on freight rates globally.

In effect, conflict introduces a new layer of uncertainty that reverberates through the entire freight ecosystem.

### The Evolution of Risk-Based Freight Pricing

Traditionally, freight pricing was determined largely by market fundamentals such as fuel costs, cargo volumes, vessel supply, and port congestion. While these factors remain critical, geopolitical risk has emerged as an additional

pricing dimension.

When trade routes pass through conflict zones, carriers must account for several additional cost variables:

- War-risk insurance premiums
- Crew safety and security measures
- Compliance with sanctions and regulatory frameworks
- Extended sailing routes and fuel costs
- Potential delays due to inspections or operational disruptions

These costs are typically reflected through surcharges imposed on cargo owners. War Risk Surcharges (WRS) and Emergency Risk Surcharges (ERS) have increasingly become part of freight quotations whenever vessels operate in designated high-risk regions.

In practical terms, freight pricing today reflects not just the cost of transportation but also the cost of uncertainty.

### The Role of Marine Insurance

Marine insurance plays a central role in shaping freight market responses during conflict.

When geopolitical tensions escalate, insurers may designate specific maritime corridors as war-risk areas. Shipowners

transiting these regions must purchase additional coverage, often at significantly higher premiums.

The implications extend across the logistics chain. Shipowners pass these costs to carriers, carriers incorporate them into freight rates, and ultimately the cost is absorbed by cargo owners and consumers.

This cascading effect demonstrates how conflict-related risk is distributed throughout the global trading system.

#### Operational Adaptation and Route Diversification

In response to geopolitical disruptions, logistics operators increasingly explore alternative routes and transport corridors.

Maritime trade may shift toward longer but safer routes, while land-based logistics may rely on regional corridors to bypass unstable areas. Air cargo operators also face similar challenges when conflicts lead to airspace closures, forcing aircraft to take longer flight paths.

While such adjustments allow trade to continue, they introduce operational inefficiencies. Longer voyages increase fuel consumption, reduce equipment utilization, and tighten overall capacity. These pressures feed directly into freight pricing mechanisms.

Thus, operational adaptation often becomes synonymous with increased cost.

#### Contractual Frameworks Under Stress

Periods of geopolitical instability also test the resilience of commercial agreements within the logistics industry.

Transport contracts must address

the possibility of sudden route changes, delays, or service suspensions. Clauses related to force majeure, war risk, and deviation rights become particularly relevant.

For freight forwarders and logistics service providers, transparent communication with clients becomes essential. Shippers must understand that additional charges or delays during such periods are not merely operational inconveniences but responses to a rapidly evolving risk environment.

Effective risk allocation through contractual clarity therefore becomes an important component of supply chain resilience.

#### Market Volatility and Strategic Risk Management

One of the most visible consequences of conflict in freight markets is volatility. Freight rates can surge rapidly when capacity tightens or trade flows shift unexpectedly.

The global trade disruptions following the Russia—Ukraine War illustrate this phenomenon clearly. Sanctions and shifting commodity flows significantly altered the movement of energy, grains, and industrial goods, compelling freight markets to recalibrate pricing structures and redeploy capacity.

In such an environment, businesses are increasingly adopting strategic risk management tools. Forward freight agreements, diversified logistics partnerships, and flexible routing strategies are now being used to hedge against sudden market disruptions.

These approaches reflect a broader realization that supply chains must be designed for resilience as much as efficiency.

#### The Growing Role of Intelligence and Technology

Digital technologies are also playing an expanding role in helping logistics providers manage conflict-related risks.

Advanced analytics platforms now integrate maritime security alerts, geopolitical intelligence, and real-time vessel tracking to help operators anticipate disruptions. These tools enable logistics companies to assess alternative routes, evaluate cost implications, and make informed operational decisions before risks materialize.

In a world where geopolitical developments can alter trade routes overnight, such predictive capabilities are becoming indispensable.

#### Logistics Leadership in an Uncertain World

Freight forwarders and logistics specialists increasingly serve as strategic advisors within the global trade ecosystem. Their role now extends beyond cargo movement to include risk interpretation and supply chain design.

By combining market intelligence with operational expertise, logistics providers help businesses navigate uncertain environments while maintaining cargo flow. This advisory dimension of logistics is becoming particularly important as companies confront a more complex and volatile geopolitical landscape.

The logistics industry, in many ways, acts as the shock absorber of global trade, adapting quickly to disruptions while ensuring continuity of supply.

#### Conflict as a Structural Trade Variable

Looking ahead, it is becoming evident that geopolitical tensions

will remain a persistent feature of the global trading environment. Freight markets must therefore adapt to a reality where conflict is not merely episodic but structural.

This evolution calls for:

- Continuous geopolitical risk monitoring
- Flexible and diversified supply chain design
- Dynamic freight pricing models
- Collaborative coordination across logistics stakeholders

By integrating these approaches, the industry can mitigate

disruptions while maintaining the efficiency that global trade demands.

### Conclusion

Freight markets have always responded to economic forces, but today they must also navigate the complex terrain of geopolitical conflict.

Risk pricing once a peripheral consideration has now become central to freight market dynamics. War-risk premiums, insurance adjustments, route diversions, and contractual safeguards are

increasingly embedded in the cost structure of global trade.

For logistics professionals, the challenge is not merely to react to disruptions but to anticipate them. In an era where geopolitical tensions can reshape trade routes overnight, the ability to interpret risk and adapt swiftly will define the resilience of supply chains.

Ultimately, the logistics industry's strength lies in its capacity to keep goods moving even when the world around it is uncertain.

## Feature 2

## Conflict as a Trade Variable



### Lt. Cdr. Hitendra PS Jadon (Retd.)

General Manager Operations - Inchhapuri Inland Container Terminal JM Baxi Ports & Logistics

**Whoever commands the sea commands the trade; whoever commands the trade of the world commands the riches of the world**

- Walter Raleigh

**Walter Raleigh**, an explorer, Naval Commander & a writer who made this statement in early 17th century when European empires were competing for the marine trade routes and wealth was coming from overseas trade / colonies & shipping. The importance & relevance of Shipping and overseas trade for a country's development was known well before the ages because this not only **expand markets, support industries, create jobs, but also**

**integrate economies into the global system.** Hence, every nation / every country wants to control these trade routes based on their strategic positioning in the entire trade route.

However, Shipping market is very sensitive to the war / conflict, as 90% of the world trade moves by sea. The slightest of the disruptions in any of the marine chokepoints (a narrow strait or canal that connects major seas or oceans

and concentrates shipping traffic) may lead to huge impact on the global trade & economy which has been witnessed in the past i.e Suez canal issue / Russia-Ukraine war etc. Some of the major Global maritime choke points identified are — Straits of Hormuz /Straits of Malacca /Suez Canal /Bab-el Mandeb straits / Panama Canal etc

Marine trade variables describe the **economic and operational**

**factors that determine maritime trade flows**, while conflict is treated as an **external geopolitical shock that affects shipping routes, freight costs, trade volumes, and maritime risk levels.**

The various kinds of risks associated in shipping market during the war or conflict are as follows

- Security Risks
- Legal Risks
- Financial Risks
- Operational Risks
- Market Risks

**War & Commerce Interface** — War & commerce are very well knitted with each other or we can say they can influence each other big time. Peaceful & protective environment, supportive trade policies not only help in flourishing trade globally but also make nations progressive. However, war does it the other way around.

**Legal Architecture of Trade Under Conflict** — Legal architecture refers to the various international trade agreements, laws, regulations & policies that governs the trade flow. During conflicts, legal architecture should uphold humanitarian aspects as well as trade aspects. In peacetime, trade law aims to facilitate commerce and economic integration however, during conflict, the same legal system shifts toward protecting national security and applying economic pressure on adversaries.

**Freight Markets & Risk Pricing** — Maritime chokepoints play a very vital role in the overall costing & pricing in the shipping industry. Smallest of the unrest in the any of the choke points world wide leads to — Ships rerouting / Increase in the distance due

to rerouting / Increased fuel consumption / reduces ships availability / upsurge in the insurance premium / safety & security of vessels, crews & cargo gets compromised. Global supply chain & freight market reacts immediately during such situations.

However to address this scenario, maritime market shifts to Risk Pricing model thus by adding financial premiums in their basic freight rates and increased insurance premiums in order to compensate for the higher risks & danger involved in the movement. Major components of financial premiums are — war risk insurance premium / freight risks premium / Legal & sanction risk premium / crew & cargo safety premium

**Transport Documents Under Stress** — It refers to the legal and operational challenges that shipping documents face when trade routes are disrupted by war, sanctions, or geopolitical crises. These documents become more crucial in war / conflicts for determining ownership, liability, insurance coverage, and contractual obligations.

**Post-Conflict Trade Reconstruction** — It refers to the process of restoring and rebuilding a country's trade systems, infrastructure, and economic networks after a war or armed conflict. The goal is to revive economic activity, reconnect the country to global markets, and stabilize the economy. Some of the steps mentioned below has been taken by the countries post war / conflict to normalize the situation

- **Restoration of Trade Infrastructure** — involves

rebuilding of ports & harbours, shipping facilities & warehouses, transport networks (rail, road & air)

- **Re-establishing trade institutions** — This effort is required from government side to restore trade governance structures like — trade regulatory agencies (customs / exims etc)
- **Reviving International trade relations** — It requires rebuilding of trusts and partnerships among the buyer and sellers, renegotiation of the agreements & restoration of banking & payment systems.
- **Restoring shipping trade and maritime business** — Re opening of the sea routes & ports, re establishing of shipping services & re storing maritime logistics networks becomes quintessential for the economic recovery.
- **Revive Investments & long-term economic integration** — Once infrastructure & institutions are stabilized then comes the requirement of Investment for alignment of export industries, attracting foreign investment through trade agreements & partnerships.

**Structural Realignment of Global Trade** - The foremost important thing after war / conflict is to realign the global trade and restructure the same to make it more efficient. This involves major shifts in the patterns, routes, partners, economic alliances and make it more redundant. Throughout history, **major wars and geopolitical crises have repeatedly reorganized global trade systems**, shifting:

- economic power
- shipping routes
- production centers
- global supply chains

This can be very well understood with the following examples from the past

Post WW1 — USA emerged

as the major industrial and trading power, before war it was United Kingdom (UK) who dominated the global shipping & trade finances. However WW2 has created largest ever restructuring of global trade in the modern history by creating or establishing new international

economic institutions like IMF & World Bank. The Red Sea crisis which was witnessed recently became nightmare for the global maritime stakeholders and forced policymakers to “**rethink, reimagine, and revisit the existing architecture of global trade and maritime logistics.**”

### Feature 3

## The New Geography Of Trade: How War, Sanctions And Risk Are Reshaping Global Supply Chains



Indrabati Lahiri



Samiran Lahiri

For decades, global supply chains were determined by production costs, convenience and speed.

However, mounting geopolitical risk, conflicts and sanctions have fundamentally reshaped logistics and supply chains in recent years, exposing critical vulnerabilities in global trade networks.

As geopolitical risk is increasingly priced into trade, shipping operators, importers, exporters and insurers are reevaluating supply chain strategies.

This has led to trade and logistics routes being redrawn across several sectors like agriculture, energy and maritime transport, as businesses adapt to a more volatile global landscape.

#### The impact of armed conflicts and maritime disruption

Currently, maritime transport is the backbone of international trade, carrying more than 80% of global trade by volume, according to UN

Trade and Development ([UNCTAD](#)) and the World Bank.

However, as armed conflicts across the globe surge, crucial maritime trade routes and shipping corridors are being impacted.

Yemen’s Houthi militants have been attacking the Red Sea and Suez Canal since late 2023.

Trade complications in the region have further intensified amid the current Middle Eastern crisis involving US, Israel, Iran and other Gulf nations.

190 vessels have been targeted by Houthi militants in the Gulf of Aden and Red Sea since November 2023, according to the [Atlas Institute for International Affairs](#), with daily transits through the Suez Canal plunging 60% compared to early 2023.

Attacks have mainly been aimed at commercial vessels in the Bab el-Mandeb strait, with shipments linked to the US, Israel or the UK.

However, several unrelated ships have also been affected.

As of March 2026, passage through the Suez Canal and another vital shipping chokepoint, the Strait of Hormuz has been suspended until further notice. The latter accounts for around 38% of global crude oil trade and 29% of liquefied petroleum gas (LPG) trade.

Major shipping companies like MSC, Maersk and Hapag-Lloyd are rerouting their vessels away from the Red Sea, with the most common alternative route being around the Cape of Good Hope.

This detour adds around three to four weeks of travel time and 6,000 nautical miles to journeys between Asia and Europe, greatly increasing freight and insurance costs.

Major European ports like Rotterdam, Hamburg and Antwerp are seeing bottlenecks, along with

South African ports like Cape Town and Durban.

Global effective container capacity has also decreased by around 15% to 20%, according to [S&P Global](#).

Similarly, the ongoing Russia-Ukraine war has impacted Black Sea trade and significantly disrupted energy, grain and fertiliser exports, threatening global energy and food supply chains.

Further east, ongoing tensions between China, Taiwan and the US have strained shipping corridors like the Taiwan strait, South China Sea and East China Sea.

As traditional trade routes experience more volatility, businesses must prepare for increasing financial risks, not just operational issues, needing more adaptable insurance and risk management strategies.

### **How insurance is adapting to trade volatility**

With global conflicts becoming more common, insurers are adapting war risk, hull and cargo insurance accordingly.

War risk insurance covers vessels operating in high-risk or conflict zones, which are designated by insurers. Hull and machinery insurance protect the physical structure of the ship, while cargo insurance covers the goods being transported.

However, the high-risk zones designated by Insurers can change quickly depending on geopolitical developments, with war premiums potentially rising significantly if tensions escalate.

As of 13th March 2026, most Indian Insurers are continuing war risk cover in the Strait of Hormuz and Gulf region for cargo already in transit but not granting war cover for this region for new

shipments.

For hull war risks, cover was cancelled. Now, hull war risk in the Strait of Hormuz is selectively available on a case to case review at a very high premium. The coverage is granted mostly on a weekly basis.

As of 23rd March, with or without hull war coverage, reportedly 3000 or more vessels are stranded in Persian Gulf, Strait of Hormuz and Gulf of Oman.

In high-risk zones, lack of insurance cover can significantly decrease shipping traffic, with operators unwilling to risk facing uninsured losses.

This will prompt some shipping operators to reroute their shipments completely, considerably adding to transport costs, which are inevitably passed down to consumers.

In this way, insurance requirements can often shape shipping routes just as much as geopolitical events. Insurers are also shifting away from traditional, reactive models to more proactive, technology-led strategies. These include using predictive analytics, satellite tracking and artificial intelligence for real-time pricing and dynamic coverage models.

Apart from active conflicts and the resulting insurance decisions, sanctions play a major role in determining new trade maps.

### **How sanctions are influencing trade networks**

Since the full-scale Russia-Ukraine war in February 2022, Western sanctions against Russia have ramped up, causing it to overtake Iran to become the most sanctioned country in the world.

Russian oil, coal, gold and industrial metal exports, among others, have been restricted, along

with imports of machinery, plastics and construction equipment.

As a result of Western sanctions, Russian oil, gold and fertiliser exports to China, India and other developing Asian countries have soared.

These nations have hesitated to impose their own sanctions on Russia, while circumventing Western sanctions by continuing to trade with Russia, mainly to access cheap oil and fuel.

Redirecting Russian exports to Asian markets instead of short-haul European ones has meant longer shipping routes, higher freight costs and increased tanker demand.

This has given rise to “shadow fleets”. These are older tankers, which help transport Russian oil while concealing their real origins and movements by sailing under flags of countries like Cameroon and Liberia.

These tankers often lack industry-standard insurance and take roundabout routes to further hide the origin of their shipments. Many are insured by Russian, Chinese or Indian companies, despite the majority of the global tanker insurance market being London-based.

Sanctions have also increased ship-to-ship (STS) transfers, where vessels meet with and exchange cargo transfers directly with other vessels. These transactions happen in very remote regions to make it harder to track their cargo.

Secondary sanctions impacting shadow fleet vessels and nations which continue to trade with Russia and other embargoed countries like Iran, have prompted shipping operators to adopt even more complicated routes to escape detection.

More trade restrictions mean that companies must increasingly navigate financial sanctions, tighter export controls and rigid regulatory compliance across international jurisdictions.

This has supported a fundamental change in global supply chain dynamics.

### **The structural realignment of global supply chains**

Amid soaring volatility and trade risks, global supply chains are being redesigned to focus on political stability and resilience.

This has led to friend-shoring, where companies prioritise moving supply chains to politically stable and aligned countries.

US technology companies like Apple have begun expanding iPhone production in India to decrease dependence on China.

Auto companies like Tesla and Audi are ramping up their Mexico production facilities, despite having sprawling operations in China, as Asian competition and US-China tensions increase.

To reduce its reliance on Chinese green technology and rare earth minerals, the US is also deepening its partnerships with the EU, Australia and South Korea.

Regionalisation is another growing supply chain trend, where companies are building regional production networks instead of widespread supply networks.

The EU's bid to prioritise domestic energy production and grow

European renewable energy following the disruption caused by the Russia-Ukraine war is a prime example of this trend.

Supply chains are also seeing greater diversification, with many companies exploring alternative manufacturing hubs like India, Vietnam, Cambodia and Sri Lanka, to avoid depending on China or any single country.

At the same time, retailers are shifting from mainly ocean freight to intermodal options combining sea, air and rail transport.

As supply chains adapt to risk and become more geopolitically-aware, logistics operators and traders also need to evolve their strategies for a fragmented trade landscape.

### **What does this mean for logistics and trade operators?**

Rising global volatility is compelling logistics and trade operators to emphasise geopolitical analysis and risk monitoring operations.

Tools such as end-to-end mapping and AI-powered control towers can reveal weak spots in supply chains, while offering real-time visibility into cargo movements and inventory levels.

An important shift in 2026 is the move from a "just-in-time" inventory model, which prioritises efficiency, to a "just-in-case" model, which focuses on resilience.

Greater flexibility is becoming crucial, with several operators

now including contract clauses that allow for changes in capacity, routes and pricing in case of tariff and currency disruptions.

Similarly, using contingent business interruption (CBI) coverage and political risk insurance can help in decreasing losses arising from civil unrest and sanctions.

Trade and logistics operators need to prepare and account for higher operational costs, such as insurance, rerouting and compliance costs. However, this has to be balanced with the risks of passing on costs to clients.

Regular simulations to prepare for disruption scenarios like port closures and trade wars can encourage a proactive risk management culture, allowing operators to develop more dynamic contingency plans to deal with increasingly unpredictable trade conditions.

### **Trade in a fragmented world**

With geopolitical tensions, uncertainty and sanctions becoming more embedded in global trade, supply chains are moving away from purely efficiency-driven models to ones that focus on resilience, political alignment and security.

Insurers, logistics and trade operators will need to adapt accordingly, as the ability to anticipate and manage geopolitical risks efficiently will be crucial in shaping what global trade networks look like in the coming years.

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## Clarence Xavier

Director Technology  
ABRAO Group

In the twentieth century, wars as we knew it was manifested in different forms of violence and physical damage. Violence against human beings and physical damage to personal & public property. But at the turn of the century, there is a new dimension to war, Cyber Warfare, where there is no perceivable destruction to property or to human life, at least not directly. Cyber Warfare aims to severely disrupt our way of life as we have become accustomed to or to steal information that can be used to our disadvantage.

Today, in our heavily connected world, almost everything that we depend on for an acceptable standard of living is reliant on computing and networking technologies. Common examples of these are online shopping, financial transactions, government services, communication with our near ones, entertainment, property access control & security, business transactions, process automation in factories and the list goes on. And now there is a new dependency slowly seeping into our lives, AI. We have come

to take these facilities / services for granted. All these rely on some form of computing resources connected to each other via the internet. These computing resources, more often than not, are hosted in huge data centres across the globe.

These data centres therefore are now in the cross hairs of the battlefield opponents. Their objective is to hack into these data centres to take them out of operation and physically destroying them as a last resort. While data centres are designed to be resilient against common natural events such as floods, earthquakes, fires, loss of power, they are still vulnerable to the most determined hackers especially those that have massive resources provided by hostile nations.

However cyber warfare unfortunately does not stop at taking out data centres. Common public utilities such as power grids, water supply and telecommunication are also vulnerable. In today's world where security cameras play an important role, they are used

to surreptitiously gather data or even bringing down the entire monitoring system. Likewise with access controls to property.

Therefore, it's very important that we invest in improving our own computing and networking infrastructure by having robust business continuity plans. It calls for investment in procuring new tools or upgrading existing investments, reviewing business processes and most importantly educating our colleagues on the meaning and importance of cyber security. These plans should be regularly tested by accredited third party agencies. Business continuity plans cannot be done as an afterthought, they take time, expertise and money.

All service providers should be legally and morally responsible to ensure that their services can be relied on by their customers even during the most challenging of times. Of course, little can be done when these infrastructures are physically damaged. In conclusion, let's not forget, security is everyone's responsibility.

### Trivia

Modern Wars Are Data-Driven Logistics

Today, military logistics relies on satellites, AI, and real-time tracking  
Wars are increasingly won by information flow, not just firepower.



## Naveen Prakash

Convenor - Southern Region Chapter,  
AMTOI

Geopolitical crises place enormous pressure on global supply chains. When conflicts escalate or trade routes become unstable, logistics teams are often among the first to face operational disruption. Airspace and Sea route closures, sanctions, port congestion, security concerns, and carrier capacity changes can quickly alter how goods move around the world.

During such situations, the challenge for logistics professionals is rarely the absence of information. Instead, it is the overwhelming volume of updates coming from multiple sources at the same time.

News alerts, government statements, carrier advisories, customer emails, internal messages, and social media discussions begin to multiply rapidly. Every hour brings new reports about route changes, rate increases, restrictions, or potential disruptions. While much of this information may appear relevant, only a small portion actually requires immediate operational action.

Without a structured approach to managing these updates, logistics teams can quickly become overwhelmed. Instead of enabling faster decision-making, excessive information can lead to confusion, delayed responses, and operational inefficiencies. Teams may spend

valuable time analysing updates that have little impact on their shipments, while critical issues risk being overlooked.

In logistics operations, clarity and speed are essential. When disruptions occur, the ability to filter information and focus on what truly matters becomes a key operational advantage.

### The Impact of Geopolitical Disruptions

The current geopolitical tensions involving the United States, Israel, and Iran illustrate how quickly transportation networks can be affected by regional instability. The Middle East plays a critical role in global air and ocean cargo flows, connecting Asia, Europe, and Africa through major hubs such as Dubai and Doha.

When conflicts or security concerns arise in the region, airlines and shipping lines often need to reroute aircrafts and ships, avoid certain routes, or suspend services entirely. These adjustments can significantly reduce available cargo capacity and extend transit times across multiple trade lanes.

Even when the conflict itself is geographically localised, the consequences ripple across global supply chains. Reduced capacity, longer flight routes, and operational uncertainty can lead to higher freight rates, shipment

delays, and increased pressure on logistics planners.

For logistics teams managing international shipments, these disruptions trigger a constant stream of updates. Carriers release operational bulletins, freight forwarders provide route advisories, and customers request urgent status reports. Meanwhile, media outlets publish frequent updates about political developments and potential escalations.

In this environment, the biggest risk is not simply disruption, it is information overload.

### Lessons from the COVID-19 Supply Chain Crisis

A similar challenge emerged during the COVID-19 pandemic. As borders closed, passenger flights were grounded, and transportation networks became severely constrained, logistics teams had to adapt to rapidly changing conditions.

Many organisations discovered that their traditional communication structures were not designed to handle such a high volume of updates.

Critical information was scattered across emails, messaging platforms, and various departments, making it difficult to maintain a clear operational picture.

In response, many companies

established crisis management teams and implemented logistics “control tower” models. These centralised teams were responsible for monitoring disruptions, filtering information, coordinating decisions, and ensuring consistent communication across the organisation.

The control tower approach proved highly effective in managing complexity during the pandemic. The same principles remain valuable when responding to geopolitical disruptions today.

### **Not All Information Is Equal**

One of the most important principles during a crisis is recognising that not all information has the same level of urgency or operational relevance.

A useful way to structure information is to divide it into three categories: strategic, tactical, and operational. (STOP Formula)

Strategic information relates to long-term developments that may reshape the logistics environment. Examples include government sanctions, regulatory changes, or extended route closures. While these issues are important, they typically influence planning and policy rather than daily operations.

Tactical information involves short to medium term adjustments that affect capacity or planning decisions. Examples include carrier schedule changes, temporary capacity reductions, or rate adjustments. Tactical updates help logistics planners adapt shipping strategies over the coming days or weeks.

Operational information, by contrast, requires immediate action. These updates directly affect shipments currently moving through the supply chain. Flight cancellations, port delays, customs

issues, or urgent rerouting decisions fall into this category.

To prevent information overload, organisations should ensure that daily operations teams focus primarily on tactical and operational updates. Strategic information should be monitored by leadership or planning teams rather than continuously circulating through operational communication channels.

By filtering information in this way, logistics teams can remain focused on the updates that truly affect shipment execution.

### **Establishing a Logistics Control Tower**

During major disruptions, centralised coordination becomes essential. This is where the logistics control tower model provides significant value.

A control tower acts as the central hub for monitoring global developments, assessing risks, and coordinating operational responses. Instead of having multiple departments independently interpreting information and making decisions, the control tower consolidates updates and ensures that actions are aligned across the organisation.

One practical method for implementing this model is through a structured daily crisis meeting. Even a short meeting of around 30 minutes can greatly improve coordination and clarity.

The meeting should follow a simple agenda.

The first section focuses on a situation update. Teams briefly summarise what has changed since the previous day.

This may include new carrier advisories, regulatory announcements, or route disruptions.

The second section addresses risk assessment. Participants identify which trade lanes, shipments, or customers may be affected by the evolving situation.

The third section focuses on actions and decisions. Teams determine what operational adjustments are required, such as rerouting cargo, switching carriers, or adjusting capacity allocations.

The final section ensures alignment on customer communication. This step is critical because inconsistent messaging can create confusion and damage customer confidence.

This structured meeting format prevents fragmented discussions and ensures that teams remain focused on actionable information.

### **Improving Communication Through Structure**

Clear communication becomes particularly important during disruptions. Both internal teams and external customers rely on accurate updates to make decisions.

A simple communication framework known as the “3C rule” can help ensure that updates remain concise and useful. The three components are context, consequence, and countermeasure.

Context explains what is happening. This may involve describing a route disruption, a carrier capacity reduction, or a new regulatory restriction.

Consequence explains how the situation affects shipments or trade lanes. For example, air cargo shipments between India and Europe may experience delays, or certain product categories may be affected.

Countermeasure outlines the actions being taken to mitigate the disruption. This might include rerouting cargo through alternative hubs, shifting shipments to sea-air

solutions, or securing space with alternative carriers.

Using this structure ensures that updates provide clear, actionable information rather than lengthy explanations.

### **Prioritising Decisions with an Impact Matrix**

During major disruptions, logistics teams may face dozens of potential issues at the same time. Without a clear prioritisation method, teams may waste time addressing minor delays while critical shipments remain unresolved.

An impact matrix helps teams categorise problems according to their business importance.

At the highest priority level are shipments that could cause a customer production line to stop if delayed. These situations demand immediate intervention and rapid coordination.

The next priority includes high value shipments, particularly those worth several hundred thousand dollars or more. Delays in these shipments may not stop production but can have significant financial consequences.

Medium priority cases involve shipments that are delayed but where customers still have sufficient inventory. These shipments should be monitored but may not require urgent action.

Low priority issues involve non-urgent cargo where delays have minimal operational impact.

By applying this prioritisation

framework, logistics teams can focus their time and resources where they create the greatest value.

### **Simplifying Customer Communication**

Customers facing supply chain disruptions are primarily concerned with clarity and predictability. Complex technical explanations often create more confusion rather than reassurance.

A simple communication structure can make updates easier to understand. One effective format is situation, impact, action, and next update.

The situation explains the external disruption.

The impact describes how shipments or delivery timelines are affected.

The action outlines the steps being taken to address the issue.

The next update provides a clear expectation of when additional information will be available.

This approach ensures that customers receive concise and transparent updates while reinforcing confidence that the situation is being actively managed.

### **A Leadership Mental Model for Crisis Situations**

Ultimately, managing information overload requires strong leadership discipline. Leaders must avoid reacting to every piece of incoming information and instead focus on the developments that truly require action.

A simple mental model can help leaders maintain focus during rapidly evolving situations.

First, ask what changed today. This ensures that teams remain aware of new developments without revisiting outdated information.

Second, identify which shipments are at risk. This directs attention toward tangible operational consequences rather than general news updates.

Third, determine what decision must be made immediately. This question ensures that the organisation remains action oriented rather than trapped in analysis.

Everything else can be treated as background information.

### **Turning Information Into Action**

Global supply chains operate in an increasingly complex and uncertain environment. Geopolitical conflicts, regulatory changes, and economic disruptions will continue to create challenges for logistics operations.

Organisations that succeed in these conditions are not those with the most information, but those that manage information most effectively.

By filtering updates, establishing control tower coordination, structuring communication, and prioritising decisions, logistics teams can transform information overload into a manageable and actionable flow of insights.

In times of crisis, clarity is not just helpful, it is essential.

## **Trivia**

### **Oil Was the Real Prize of WWII**

During World War II, access to oil determined strategy.

Germany's push toward the Caucasus was driven by fuel shortages - not just territorial ambition.

## Ramesh Varadarajan

Convenor - Northern Region Chapter AMTOI

The sudden outbreak of war in the Middle East has thrown global systems into disarray. As has often been the case throughout history, war brings with it widespread disruption, affecting not only human life but also international trade and economic stability.

One of the most immediate consequences has been the closure of critical airspace and the disruption of the Strait of Hormuz, a vital trade corridor for the region that enables the transportation of roughly 20-30% of the world's total oil supply. These developments have had a severe impact on trade flows to and from the Middle East. Limited cargo space, combined with the cancellation of flights on key routes, has resulted in significant backlogs and increased storage costs. Several Maritime insurers have also cancelled their war-risk covers and in some instances the insurance premiums for vessels entering routes such as the Persian Gulf or Red Sea is expected to jump overnight,

fueling global inflation. Many businesses might also find themselves in legal battles which further exposes them to heightened operational risks and potential liabilities.

The resultant diversion in the route will also drastically increase the time taken, fuel consumption, and ironically, the carbon footprint of global trade during a time of crisis.

This demonstrates that the effects of the conflict extend far beyond commercial trade. Disruption of trade-systems also leads to loss of livelihood for port-workers, air traffic controllers, engineers, and more. Even ordinary citizens who are not directly involved in the field, are bearing the brunt of the crisis - facing shortages of gas and energy that directly affect their daily life. With no clear end in sight, the situation points toward increasingly difficult times ahead.

Even if the conflict were to end soon or a ceasefire were declared, recovery would not be immediate. Rebuilding

disrupted systems and restoring trade networks would take months, if not years. Professionals with the required expertise and other skilled workforce members are already evacuating the region seeking refuge in safer places, which will result in a rapidly shrinking knowledge base.

The current crisis shows us that global stability is a highly fragile construct and not a guarantee. As the 'Just-in-Time' era of logistics is replaced by the 'Just-in-Case' reality, recovery will not be a straightforward return to how things were before; it will require a complete restructuring and reimagining of economic resilience. The void left by fleeing experts and the erosion of local livelihoods show us the deep-seated vulnerabilities of our interconnected world, where no economy is an isolated island. It is a warning for us that in the modern era peace is the most essential infrastructure of them all.

### Trivia

#### Camels Beat Trucks in Desert Warfare

In North African campaigns of WWII, traditional camel caravans often outperformed mechanized logistics in harsh desert conditions.



## Ravindra J Gandhi

Director

RJG Global Logistics Solutions Private Limited

For much of the post-Cold War period, global trade evolved on the assumption that economic integration would continue to deepen and that supply chains would become progressively more seamless. Logistics networks were designed around efficiency, predictability, and the expectation of relatively stable geopolitical conditions.

Today, however, the international trading environment is entering a more complex phase. Geopolitical tensions, regional conflicts, and shifting strategic priorities among nations are increasingly influencing the movement of goods, capital, and technology. For the global logistics community—and particularly for Multimodal Transport Operators—these developments are no longer occasional disruptions but factors that must be understood, anticipated, and managed within everyday commercial decision-making.

As we present this Special Edition of AMTOI News, it is timely for our industry to reflect on how geopolitical dynamics are reshaping trade flows and supply chain design. The task before us is not simply to respond to disruption, but to strengthen the resilience, compliance readiness, and adaptability of the systems that

sustain international commerce.

### 1. The War & Commerce Interface: From Global Integration to Strategic Supply Chains

For many years, international trade was guided by the belief that deeper economic integration would naturally encourage stability and cooperation. While global commerce continues to play a powerful role in connecting economies, recent developments suggest that supply chains are increasingly influenced by strategic and national considerations alongside traditional efficiency metrics.

The concept of “geoeconomics” has gained prominence, reflecting the growing intersection between economic policy and geopolitical strategy. Governments and businesses alike are reassessing supply chain dependencies, sometimes prioritising resilience, security, and diversification alongside cost efficiency.

For freight forwarders, traders, and logistics professionals, this shift means that logistics professionals must now shape supply chain decisions with a keen eye on evolving regulatory environments and geopolitical realities. Trade routes, sourcing strategies, and market access considerations may now be influenced by

political developments as well as commercial factors.

Concepts such as “friend-shoring,” supply chain diversification, and regional manufacturing networks illustrate this transition. While the global trading system remains deeply interconnected, companies are seeking greater flexibility and risk management within their supply chains.

### 2. The Evolving Legal Architecture: Navigating Complex Compliance Landscapes

As geopolitical tensions influence trade relationships, the legal frameworks governing cross-border commerce have become increasingly complex. Sanctions regimes, export controls, and compliance requirements now form an essential part of international trade governance.

In recent years, sanctions policies have evolved beyond broad multilateral embargoes toward more targeted regulatory measures. These frameworks often involve restrictions on specific sectors, entities, technologies, or financial transactions. For businesses operating in international logistics, this environment requires enhanced diligence and robust compliance processes.

Trade documentation must

therefore be reviewed carefully to ensure alignment with applicable regulations. This includes understanding ownership structures, supply chain origins, and potential transshipment pathways. Increasingly, the responsibility for ensuring compliance extends across multiple actors within the logistics ecosystem.

As a result, compliance management is becoming a core operational function for freight forwarders and traders. Investments in regulatory expertise, compliance technology, and due diligence processes are essential to navigating this evolving legal environment.

### **3. Freight Markets & Risk Pricing: Managing Volatility in an Uncertain Environment**

Geopolitical developments can have immediate and visible impacts on freight markets. Security concerns, regulatory restrictions, and route adjustments may influence vessel availability, insurance premiums, and transit times.

Recent disruptions in key maritime corridors have illustrated how quickly shipping patterns can change when security risks increase. In some cases, vessels have been required to adjust routes to maintain safety, leading to longer voyages and higher operational costs. Such adjustments can temporarily tighten capacity and influence freight rates.

Insurance markets also respond rapidly to changing risk environments. War-risk premiums and additional insurance coverage requirements may increase the cost of operating in certain regions. Fuel price volatility, often associated with geopolitical developments, further contributes to freight rate fluctuations.

For the Indian trading community and the global logistics sector more broadly, these dynamics highlight the importance of building flexibility into supply chain planning. Risk management, contingency planning, and diversified routing strategies are becoming increasingly important tools for navigating uncertainty.

### **4. Transport Documents Under Stress: The Importance of Legal Clarity**

Transport documentation remains the foundation of international logistics. Bills of lading, air waybills, and multimodal transport documents define the rights and responsibilities of carriers, shippers, and intermediaries throughout the supply chain.

Periods of geopolitical disruption can place significant pressure on these established frameworks. When security concerns affect shipping routes or port operations, contractual provisions such as force majeure clauses and deviation rights may become relevant.

These clauses provide mechanisms through which carriers can respond to exceptional circumstances while maintaining contractual balance between parties. At the same time, they can give rise to legal interpretation challenges when disruptions extend over prolonged periods.

Maritime principles such as General Average may also come into consideration when extraordinary actions are taken to safeguard a vessel or cargo. In such situations, precise documentation and clearly defined contractual language become critical for protecting commercial relationships.

For logistics professionals, this underscores the importance of maintaining rigorous

documentation standards and a strong understanding of contractual frameworks.

### **5. Post-Conflict Trade Reconstruction: Rebuilding Connectivity and Confidence**

While geopolitical disruptions present immediate challenges, history also demonstrates the central role that trade plays in post-conflict recovery. Rebuilding economic connectivity is often one of the first steps in restoring stability and growth.

Reconstruction efforts typically involve restoring transport infrastructure, ports, logistics hubs, and trade corridors that enable the movement of goods and services. These projects facilitate humanitarian assistance, reconstruction materials, and renewed commercial activity.

International financial institutions, development banks, and export credit agencies frequently support these initiatives by providing financing guarantees and risk-mitigation mechanisms. Such frameworks encourage private sector participation in rebuilding trade infrastructure.

Logistics providers play an important role in this process. Their expertise in supply chain coordination and transport operations helps re-establish commercial networks and reconnect affected regions with global markets.

### **6. Structural Realignment of Global Trade: India's Emerging Opportunity**

The evolving geopolitical landscape is also contributing to broader structural changes in global supply chains. Businesses are increasingly exploring strategies to diversify sourcing locations and manufacturing

networks in order to reduce concentration risk.

Within this context, India is gaining greater attention as a potential hub for manufacturing, trade facilitation, and logistics services. Supply-chain diversification strategies adopted by global companies have highlighted India's potential role within emerging trade networks.

To fully realise this opportunity, continued investments in logistics infrastructure, digital trade facilitation, port connectivity, and supply-chain efficiency will be essential. A reliable and predictable trade environment can position India as a trusted partner within global supply chains.

For Indian logistics providers and traders, this environment presents opportunities to upgrade service capabilities, particularly in handling

high-value, time-sensitive, and compliance-intensive cargo. By strengthening operational excellence and regulatory compliance, India's logistics sector can reinforce its reputation for reliability in a changing global landscape.

The global trading system is entering a period where economic interdependence and geopolitical developments are increasingly intertwined. For the logistics industry, recognising geopolitical risk as an important trade variable is part of adapting to a more complex and dynamic operating environment.

Multimodal Transport Operators, freight forwarders, and logistics professionals play a vital role in maintaining the continuity of global commerce. By strengthening compliance capabilities, improving

risk-management frameworks, and investing in resilient supply-chain design, the industry can continue to facilitate the movement of goods that support economic growth and international cooperation.

For those of us engaged daily in the movement of cargo across borders and oceans, the lesson is clear: resilience in logistics is no longer optional—it is fundamental to the stability of global trade.

As the trade landscape evolves, resilience, professionalism, and collaboration will remain essential. By approaching these challenges with foresight and responsibility, the logistics community can help ensure that global trade remains stable, efficient, and responsive—even in a world where uncertainty has become a defining feature of the international economic environment.

## The Real Reason Napoleon Lost Russia During the French invasion of Russia, logistics collapsed

### Trivia

- Supply lines overstretched
- Harsh winter
- Lack of food

*Result: Over 500,000 troops reduced to ~100,000—not by combat, but by logistics failure.*



## Shankar Shinde

Past Chairman - FFFAI

**“In times of disruption, trade turns to the logistics industry for resilience and solutions. Yet in routine business cycles, logistics is often reduced to a cost negotiation. Sustainable supply chains require a shift in mindset—recognizing logistics not merely as a service cost, but as a strategic partner deserving respect, trust, and long-term collaboration.”**

Global supply chains today operate in a complex and interconnected ecosystem where geopolitical developments can rapidly alter the flow of trade. The recent escalation of tensions in the Middle East has highlighted how conflict can transform into a significant variable affecting international commerce, maritime transport, customs procedures, and logistics operations.

Strategic trade corridors such as the Red Sea and the Strait of Hormuz remain critical arteries for global trade. Disruptions in these regions have immediate implications for shipping schedules, insurance coverage, freight pricing, and cargo movement. For countries like India, where a significant share of trade flows through these corridors, such developments have direct operational and economic consequences.

In such circumstances, the role of logistics associations and industry bodies becomes critical. These organizations act as a bridge between trade stakeholders and governments, advocating pragmatic solutions that ensure compliance while minimizing

operational disruptions. By coordinating with regulators, customs authorities, shipping lines, and international federations, logistics associations help create an ecosystem that supports trade continuity even during periods of geopolitical uncertainty.

### **War and Commerce: Operational Impact on Global Supply Chains**

Recent developments in the Middle East have resulted in a number of operational changes across maritime and air transport networks. Shipping lines have begun altering routes, suspending port calls, or rerouting vessels to avoid high-risk zones. These operational measures have resulted in longer transit times, congestion at transshipment hubs, container imbalances across trade lanes, and increased freight costs.

Such disruptions highlight the vulnerability of modern supply chains to geopolitical tensions. When vessels are forced to deviate from planned routes or suspend voyages, cargo movements become uncertain. In several cases, carriers have discharged cargo at intermediate ports or declared an operational “end of voyage” where

the original contractual journey cannot be completed due to safety considerations.

These developments affect not only shipping schedules but also the legal and documentary framework governing international trade transactions.

### **Contractual Disruptions and “End of Voyage” Situations**

One of the key challenges emerging from the current conflict environment is the termination or suspension of transport contracts before reaching the final destination.

Shipping contracts typically contain clauses allowing carriers to suspend or reroute voyages when safety risks arise. In such circumstances, carriers may:

- reroute vessels through alternate corridors
- discharge cargo at a safe intermediate port
- suspend carriage temporarily
- terminate the voyage and place goods at the merchant’s disposal.

Operationally, these situations are often referred to as “end of voyage” scenarios. However, they

do not represent a formal legal doctrine but rather the exercise of contractual rights contained in transport documents such as Bills of Lading.

For cargo owners and freight forwarders, this creates several practical challenges. Cargo discharged at alternate ports may require new transport arrangements, customs documentation updates, and coordination with new carriers to ensure final delivery.

### **Customs and Manifestation Challenges**

Customs procedures are designed around accurate and advance declaration of cargo movements. When transport routes change unexpectedly due to geopolitical disruptions, discrepancies can arise between declared manifests and actual cargo movements.

Such discrepancies may include:

- arrival of cargo at a different port than originally declared
- delays in vessel arrival affecting previously filed import documentation
- cargo remaining under customs control for extended periods.

For instance, when import documentation such as the bill of entry is filed in advance but the vessel is delayed or rerouted due to conflict-related disruptions, regulatory compliance challenges may arise.

Similarly, cargo that has already received export clearance may remain stranded at terminals due to flight cancellations or vessel diversions, potentially leading to demurrage charges or operational penalties unless regulatory relief measures are introduced.

In such circumstances, customs administrations must adopt flexible procedures to accommodate the

realities of disrupted trade routes while maintaining compliance and security standards.

### **Freight Markets, Insurance, and Cost Escalation**

Conflict-related disruptions have a direct impact on freight markets and insurance conditions.

Shipping lines operating in affected regions face increased operational risks, leading to the introduction of additional surcharges such as war-risk premiums, deviation charges, and emergency operational costs.

Insurance conditions may also change rapidly. In some cases, insurers may withdraw coverage for vessels operating in high-risk regions or significantly increase war-risk premiums.

These developments inevitably result in higher freight costs and longer transit times, placing additional financial pressure on exporters and importers who may have already entered into fixed-price contracts with overseas buyers.

### **Documentation Challenges and Cargo Re-Working**

Transport documents form the legal foundation of international trade transactions. Instruments such as the **Bill of Lading, Sea Waybill, Multimodal Transport Document, and Commercial Invoice** are essential not only for customs clearance but also for payment mechanisms under international trade finance.

Conflict situations place these documents under significant stress cargo may require:

- re-manifesting under a new carrier
- issuance of switch Bills of Lading
- revised transport documentation

- customs approval for transshipment or onward carriage.
- change of Mode of transport in Transshipment from Sea to Air / Land borders
- Post clearance / PGA documentation to align with reworking data update.

Maintaining documentary integrity is critical to ensure traceability of cargo and compliance with international trade regulations.

Freight forwarders must also ensure that their contractual documentation aligns with underlying carrier contracts so that operational decisions and additional costs can be appropriately passed through to cargo interests where permitted.

### **Advocacy Role of Logistics Associations**

In times of global disruption, logistics associations play a crucial advocacy role in ensuring that trade continues to function smoothly.

National and international industry bodies act as a platform for collective representation of trade interests. Organizations such as **FIATA, IFCBA,** and **CCTT** work closely with governments, customs administrations, and international regulatory institutions to address operational challenges arising from geopolitical developments.

Their role includes:

- issuing operational advisories and risk management guidance
- facilitating dialogue between industry stakeholders and regulators
- advocating regulatory flexibility during disruptions
- promoting standardized documentation practices.

For example, global logistics federations have issued advisories highlighting the need for forwarders to review contractual terms, communicate proactively with customers, and monitor carrier operational notices to mitigate risks during the current Middle East crisis.

### **Building a Coordinated Ecosystem**

The logistics sector functions most effectively when supported by a coordinated ecosystem involving government agencies, customs authorities, shipping lines, freight forwarders, and industry associations.

During periods of geopolitical disruption, this ecosystem must focus on:

- **Regulatory Facilitation**  
Authorities may consider temporary procedural relaxations such as manifest amendments, extended deadlines for customs documentation, or waivers for demurrage charges where cargo movement is affected by force majeure conditions.
- **Industry Coordination**  
Logistics associations can consolidate feedback from trade stakeholders and present coordinated representations to government agencies, ensuring that policy responses reflect ground-level operational realities.
- **Operational Guidance**  
Advisories issued by international federations and industry bodies provide practical guidance for managing disruptions, including reviewing contractual obligations, monitoring route changes, and documenting operational decisions.

- **Risk Communication**  
Transparent communication across the logistics chain is essential. Freight forwarders must inform customers promptly about delays, route changes, and potential additional costs arising from operational disruptions.

### **Government of India's Facilitative Approach**

The Government of India has demonstrated a pragmatic and supportive approach toward mitigating the impact of geopolitical disruptions on international trade. Recognizing the operational challenges faced by exporters and logistics service providers, authorities have issued advisories encouraging a facilitative approach for handling export cargo affected by cancelled sailings or flight disruptions.

Under these measures, export cargo that has already been cleared but could not be shipped due to logistical disruptions may be returned to exporters without insisting on routine examination procedures, provided proper documentation and records are maintained.

Such facilitation significantly reduces delays, demurrage costs, and operational complications for exporters. It also reflects the government's commitment to maintaining trade continuity during extraordinary circumstances.

The collaborative engagement between industry associations, logistics stakeholders, and government authorities plays a critical role in ensuring that such measures effectively address operational realities on the ground.

### **Conclusion: Building Resilient Trade Systems**

The Government of India has

proactive approach has resulted into mitigating Losses supporting not only export trade but also international logistics transshipment trade.

The current geopolitical tensions in the Middle East demonstrate how conflict can become a powerful variable influencing global trade operations. From vessel rerouting and cargo diversions to documentation challenges and freight market volatility, the impact of such disruptions extends across the entire logistics ecosystem.

In this environment, logistics associations play an indispensable role in advocating pragmatic solutions that balance regulatory compliance with operational realities. By engaging with governments, customs authorities, and international federations, these organizations help create a collaborative ecosystem that supports trade continuity even during times of crisis.

Strengthening cooperation between industry and government, promoting standardized documentation practices, and ensuring clear communication across the supply chain will be essential in navigating future disruptions.

Ultimately, the resilience of global trade will depend not only on infrastructure and technology but also on the strength of the institutional frameworks and industry partnerships that support international commerce.

### **Reference :**

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DG Shipping Circular No. 14/2026 dated 09.03.2026, Sub “Transparency in transaction costs and avoidance of opportunistic pricing by shipping lines.”

Customs Board Circular No. 09/2026 dated 08.03.2026, Sub: “Procedure for handling export cargo returning to India due to

closure of the Strait of Hormuz.”

Public Notice No. 30/2026, dated 07.03.2026, titled “Mundra Customs Back to Town (BTT) procedure for export cargo where EGM has not been filed.”

SOP issued by the Ministry of Ports, Shipping and Waterways, dated 06.03.2026, titled “Standard

Operating Procedure for ports to mitigate the impact of geopolitical disturbances in the Middle East”

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## Feature 9

## Mto Issues Arising Due To The Present War In The Middle East



### Mutthu Jagannath

NAU Pte Ltd  
Claims Correspondents & Consultants

1. A major multi-front war is currently taking place against Iran initiated by the US-Israel coalition. Consequently, this war has spread to other areas by drone attacks by Iran on other gulf states and limited ground operations in Lebanon against Hezbollah. This has resulted in Vessel Owners/ Operators declaring Force Majeure/End of Voyage/ Abandonment of carriage and discharging the containers at various ports and asking for the container & cargo interests to take delivery. Additionally, the Vessel Owners/Operators have sought additional charges due to increased costs such as war risks insurance, etc. by imposing various surcharges.
2. Given that the target audience are the members of AMTOI and who would generally be involved in the trade using their Multimodal Transport

Document (“MTD”), our intention is to generally consider the provisions of the MTD and Indian Law.

#### 3. Use of MTD’s:

- It is our view that the use of MTD is only meant for multimodal carriage i.e. there must be more than one mode of transport. If the MTD’s are used for unimodal carriage (port to port shipments), by definition, the terms of the MTD’s should not apply.
- The wordings of the model MTD’s do not have any provision for unimodal contact. This being the case, cargo interests would be entitled to argue that the terms of carriage should be based on common law when carriage is not multimodal, and which would mean that the MTD would become a common law insurer of the cargo.
- One of the requirements of any liability cover is that the

Insured trades on the relevant cargo conventions and in their absences on trading terms which are seen and approved by Insurers. If the MTD acts as a common law insurer due to the absence of proper incorporation of cargo conventions or terms, then this may prejudice MTD’s liability cover (in the case of port-to-port carriage, the Indian COGSA 1925 should be contractually applied).

- If MTO’s wish for the flexibility to issue their MTD for both unimodal and multimodal shipments, they must consider incorporating provisions in the MTD which allow for this flexibility.

#### 4. Force Majeure and Frustration

Force Majeure (“FM”):

- In common law jurisdictions, FM is a creature of the contract i.e. it should be expressly provided in the contract. If a party wishes to take advantage of

the provision of the FM Clause, they must provide notice to the other to suspend/terminate the performance of the contract.

- Under Indian Law, FM is not defined in any statute but is dealt by contractual incorporation.
- In this regard, Clause 20 of the model MTD wordings provide for the Multimodal Transport Operator (“MTO”) to use reasonable endeavors to complete the transport ....
- What is reasonable endeavors would have to be decided by the law of the contract and/or the law where the matter is litigated/ arbitrated. We submit that the requirement of reasonable endeavors is lower than best endeavors such that if the MTO can show that they are unable to take practical steps to complete the voyage without sacrificing their commercial interests, they (MTO) have fulfilled their duty.
- There may be tactical advantages to the cargo interests in pursuing in their own jurisdictions but given that the affected areas are generally civil law jurisdictions and which provide for the defense of FM under law, we do not believe that this would prejudice the MTD. In any event, we would suggest that Jurisdiction clause be amended to provide for a specific court instead of allowing parties a choice based on what is tactically better.

#### Frustration:

- In common law jurisdictions, the defense of Frustration is available when it is physically or legally impossible to perform the contract.
- In Indian Law, the defence of Frustration is codified in S 56 of the Indian Contract

Act 1872 and which allows a party to discharge the contract when performance becomes impossible or unlawful due to a supervening event beyond the parties control.

- It is too early to decide on whether the prevailing events allow the MTD the defence of Frustration.

#### 5. Cost implications:

- MTD’s will be contracting with overlying carriers on various contractual forms, and which may vary vis-a-vis the terms of the MTD. Accordingly, whether the overlying carrier would be entitled to the defence of FM would depend on whether the contract provides for say Indian or other common law (in which case, FM must be expressly provided) or civil law jurisdictions (in which case, FM is available as of right).
- Our view is that overlying contractual forms used by Main Line Operators would have provisions in their Bills of Lading/Combined Transport Document entitling them to suspend or abandon carriage and seek additional charges.
- Should there be differences in terms between the underlying (MTD issued by MTO) and the overlying BL (issued by the Overlying Carrier), this may result in cost implications on the MTD, and which would have to be borne by the MTO. Unfortunately, the liability cover generally provided to MTD’s does not cover the difference in terms given that one of the requirements of the policy is that the MTD/ Transport Operator contract on similar terms and further the elements of cover are more attuned to cargo/third party liability, errors

& omissions, Fines and Duties and costs associated with the cargo.

- With respect to contractual disputes unrelated to cargo, while there is cover available to Operators/Owners in the form of FD&D Insurance, unfortunately no similar cover is readily available for MTO’s in India. This being the case, MTO’s should consider seeking cover from alternative markets (if such cover is available) or ensure that they have resources available to deal with contractual disputes.

#### 6. MTO’s trading with their own inventory:

- MTO’s should be insured for their inventory for both marine and war risks. Following the change in circumstances, the War Risks Insurers provide a 7-day notice of cancellation of cover. Subsequently, if the Insured wishes to seek reinstatement of cover, they would have to seek new terms, and which would be nearer and dearer.
- War Risks cover is generally provided when the containers are on water. This being the case, when the containers are discharged (either as laden or empty), the cover would cease such that the inventory will be uninsured. MTO’s may therefore wish to limit exposure by only allowing a certain amount of equipment for each location.

#### 7. Further suggestions:

- The model wordings are only model wordings. Hence, the wording can be improved including
  - providing for a specific jurisdiction
  - allowing the incorporation of the defenses/entitlements under the overlying BL’s/MTD’s

- The model wordings of MTD does suggest the incorporation of a suitable arbitration clause. It is our understand that the majority of Indian MTD's do not provide for any specific arbitration clause except to simply reproduce what has been stated in the model wordings i.e. Clause 25 — Suitable provisions

may be incorporated.... The use of arbitration would ensure that there is an effective way for disputes to be resolved and with minimal costs.

- MTO's must consider their trading risks exposures and ensure that they manage their risks including insurance coverage.

#### 8. Conclusion:

- It is time to review the wordings of the MTD's being used in the trade and ensure that it is fit for purpose.
- MTO's should consider their trading risks including risks which can and cannot be insured and take measures to deal with such exposures.

## Feature 10

## Current Conflict - Points to Ponder



### Kurien Mathew

Past Chairman (2001-2002),  
FFFAI

**(A detached perception of the various concerns, causes, costs, casualties of a seemingly regional conflict, started unilaterally, stating a hypothetical elusive reason (without any substantial facts and figures to support it), its macro-level / multi-segment / trade facilitation impact, and the long term ramifications to the various stakeholders.....both active and inactive).**

History is witness to many wars / aggressions / regional conflicts, that have been initiated in the past (in Vietnam, Libya, Iraq, Afghanistan, Syria, Venezuela, etc.), perhaps on the basis of wrong intelligence reports, paranoia, or fear psychosis, or just under the guise of establishing democracy / giving freedom to the oppressed people of those respective countries.

And the casualties and costs of such endeavors, are very clearly known, reported and is on record, in most of the cases.

Nothing worthwhile came out of any of these initiatives, their existing infrastructure was destroyed, systems were hijacked, and the people of those countries suffered

very badly, and in most of those countries, they are still struggling for getting back to normalcy.

The only exception to this result is Vietnam, wherein the Aggressor suffered heavy losses, and had to abandon that initiative, and that ravaged country learned from their loss, suffering, and over a span of time, have bounced back stronger, to become an economic force, to be reckoned with, as of date.

#### Hunters and the hunted:

Though reasons which are officially cited for aggression are many, the common pattern in the recent times seems to bring under control, the huge identified source / supply of energy & rare earths, available in those countries, which are being sought to be taken over.

Though this is a self-serving purpose, with seemingly easy low cost route for undue enrichment, the outcome in most cases have been the huge cost of such initiatives which had to be incurred by the initiating country, which could not be justified with the end results / benefits that were received.

In current case where 2 hunters have joined together, and is hunting down a common prey, their assessment of the prey seems to have been wrong, and they seem to have taken on more than what they had bargained for, and the current unexpected setbacks seems to have shaken the hunters confidence, and as days pass by, the costs are mounting for them, and it seems as

if there is a strong possibility that the script is now being written by the prey, especially since the hunters are in it for the desired results, whereas, as far as the prey is concerned, it is a fight for its very existence.

And they are thinking strategically, and implementing their strategy successfully, by choking the supply route of 20% of the world's fossil fuel source, and with the unavailability / uncertainty that has been created, the prices have already started rising, and will skyrocket if this conflict goes on for more than 60 days period, the impact of which, will be felt globally.

### **Costs and Casualties:**

The costs to the hunter, and the hunted, are fairly predictable, since it follows the standard patterns of such conflicts / clashes, and both sides will suffer losses in all segments, in varying degrees, which is subject to changing pattern, on a day to day basis..... people, power, positioning, relationships, financial costs, infrastructure, security, reputation, access to the resources (both for sustenance and for war), etc.

However, the sum of such direct costs are miniscule, compared to the total global costs which are to be borne by all those countries who are not even a party to the decision, initiative, and implementation of this conflict.

Every country / segment in the world will be impacted, either directly, or indirectly, and we look at a few segments which will be impacted as an outcome of the current ongoing conflict.

International Trade:

Quantum of trade will come down (shrink), drastically, due to the uncertainty, and the rising costs of trade facilitation.

### **1. Transport:**

Transport costs will skyrocket, and since many contracts have been entered into earlier, cost to the transport operator (even with an exit option using force majeure clause) will go up in case they have to undertake the transportation, but will cost much more in terms of loss of clientele, in case they do not perform. Needless to mention here, that the cost of redundancy of transport vehicles / specialized manpower, will be another burden.

### **2. Suppliers:**

Supply chains will be impacted in every segment of the trade, across countries, and especially those countries which are dependent on imported goods for their survival, will be directly / immediately affected.

An interesting point here, is that, countries which sustain on export revenue to meet their import targets, will be hardest hit, since there will be glut in the domestic market, due to the exports not being facilitated (which can perhaps result in a temporary lower price for those items in the local market), unless they control the earlier quantum of production targeting exports.

But if they do restrict the production to maintain the domestic prices, then the manufacturers / exporter revenue will also be negatively impacted.

### **3. Markets:**

International markets will readjust, and the choice of purchase will be more based on a realistic reassessment of their changed priorities. In this context, a shift in the purchasing pattern of the super-rich countries / people, vis a vis the extreme poor countries /

people may not change much, whereas the middle segment will drastically change, based on a more prudent / life style change in their requirements / procurement.

### **4. Routing:**

Established Trade Routes, both, of goods, and of services, will change, and payment mechanism will change too, since there will be fresh stipulations to newer Trade deals.

Movement of manpower also will be affected, and the costs / timelines will be negatively impacted.

### **5. Infrastructure:**

Since international trade of goods / movement of people, are facilitated by a "hubs and spokes" concept, wherein huge investments (both time and capital) are required for setting up such infrastructure, as well as for getting it up and running, and since getting a favorable market share will also take time, any disruption in the transport / travel flow, wherein the current hubs cannot be used will pave way for the users seeking alternate facilities, and once they shift their movement pattern, even if the existing hubs are operational once again, after the conflict ceases, the usage / patronage will not be same as that of the pre conflict times.

Since any major infrastructure development is done with a substantial investment, and the ROI / investment recoupment is spread over a decade or two, the redundancy of such infrastructure will be a huge cost to those countries / owners (who had promoted / created those facilities), and have to meet their financial obligations.

If the current conflict goes on beyond a period of 60 days, it would be a major setback for the cargo trade, and the passenger traffic, not to mention the high

redundancy possibilities of the various global hubs, especially those near to the conflict zone.

#### **6. Banking:**

When the Trade and Commerce are being negatively impacted, the direct hit will be on the Banking industry, and unless the respective governments intervene, and support the banks, many banks will buckle down under pressure.

Such a scenario can be expected, if the crises prolongs beyond a period of six months.

#### **7. Insurance:**

In all these turmoil, the insurance companies are likely to make higher revenue, since cost of risk mitigation that is being charged will be higher (which remains constant for a certain period), whereas the decreasing movements may give the benefit of lesser risks falling onto those companies by way of claims for compensation.

#### **8. Redundant work force:**

There is bound to be a huge redundant work force, if the conflict goes beyond a period of 3 months, and the negative worldwide impact on the people, in general, and specifically on the economies of those countries, which are dependent on the foreign exchange earnings, of their citizens working abroad,

being send back to the respective countries, would have longer term impact.

And in such countries where the dependency has been high, if alternate employment opportunities cannot be provided in their home countries, a high possibility of civil unrest in such countries may also arise.

#### **A spider story:**

Touch a spider's web, and the disturbance will be felt all over the web, and the current conflict is similar to that, since the impact is being felt all over the world, in some way, or the other.

Many insects, both big and small, get caught in the web that has been intricately woven, and many a time fight amongst themselves, assuming that the winner will survive, and be able to escape from the web.

The real spider is a patient predator, who waits for the right movement, and then strikes.

In the current context, the role of the spider is not being played, either by the Hunters, or the hunted, but by a strong strategic thinker, who has wisely invested across the globe, in multiple countries, in vantage points, in multiple segments, for having continuous assured supply of

resources required for continuing with their manufacturing, trade and commerce segments, has the biggest block of USD foreign exchange reserves in the world, has under their storage, resources which are required to carry on their current activities/ food security for their large population, for another 9 months / 2 years, respectively, and has stayed away from directly getting involved in this conflict.

However, recently they have been able to shift the oil trade, with two of the nations (to whom they are supplying their manufactured goods), for effecting settlement in their own national currency (instead of USD), and have obtained a blanket permit for movement of oil and gas through the Strait of Hormuz, without disruption, from the blockading country.

This has in effect negated the 1974 agreement for Petrodollars being used as the international currency for trading in oil and gas.....and has paved way for a new alternate.

This, if left unchecked, can create a new global order, wherein a new predator, and their allies, will start dictating terms and conditions, and will have control over the global economic resurgence, post this conflict's resolution.



### Operation Barbarossa's Hidden Weakness The Operation Barbarossa failed partly because:

- Different railway gauges in USSR
- Inadequate winter supplies

*Logistics, not just resistance, stalled the German advance.*



## Dr. Joshua Ebenezer

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### Introduction

In 2026, a farmer in Bihar can file a case, attend a hearing, and receive a judgment, all through a smartphone, without ever visiting a courthouse. This is not an aspiration. It is the present reality of India's e-Courts Mission Mode Project Phase III, a seven-thousand-crore initiative building fully digital, paperless courts across the country. Over 637 crore pages of records have been digitised. Virtual courts dispose of traffic and minor offences without physical appearances. SUPACE helps judges quickly review thousands of precedents. SUVAS has translated over 36,000 Supreme Court judgments into Hindi and 18 regional languages.

Yet the transition carries warning signs. In Feb 2026, the Supreme Court flagged AI-drafted petitions citing judgments that do not exist. Chief Justice Surya Kant called it "alarming." The Digital Personal Data Protection Act, 2023, is still being phased in, leaving gaps in how sensitive court data is protected. And for millions of Indians without smartphones, broadband, or digital literacy, the digital court risks becoming a new kind of wall, not an open door.

Reimagining law for the digital era is not simply a matter of digitizing paper records. It requires a principled rethinking of how technology can serve and must be constrained by constitutional

values: equality under Article 14, access to justice under Article 39A, and the right to dignity and privacy under Article 21.

### From Paper to Pixels

India's digitisation of its judiciary began with the Information Technology Act, 2000, which established the legal validity of electronic records. It accelerated during COVID-19, when courts shifted to virtual hearings overnight. e-Courts Phase III (2023–2027) builds on that momentum: universal e-filing, digital payments, e-Sewa Kendras for litigants without digital access, and the National Judicial Data Grid providing real-time case tracking. These changes address a stubborn reality of nearly five crore cases pending in district and High Courts as of late 2025 by cutting administrative delay and freeing judges from paperwork.

### The Current Landscape

SUPACE and SUVAS: AI in the Courtroom

SUPACE - The Supreme Court Portal for Assistance in Courts Efficiency uses natural language processing to analyse case facts, identify precedents, and produce research summaries. What it does not do is decide. Separate modules handle file search, evidence extraction, and summaries; no module substitutes for the judge. Operating in pilot at the Bombay and Delhi High Courts for criminal cases, SUPACE was

described by the Supreme Court's November 2025 AI White Paper as "responsible AI" with built-in fairness audits, though the Feb 2026 warning about fabricated citations shows how quickly the boundary between assistance and over-reliance can blur.

SUVAS, the companion translation system, has made Indian jurisprudence accessible to millions of non-English speakers: 36,000 judgments across 19 regional languages, all subject to mandatory human review. For a country where most litigants do not read English, SUVAS is not a convenience; it is a matter of constitutional equality.

### Virtual Hearings and Digital Courts 2.1

What began as a pandemic necessity is now embedded in law. Amendments to the CPC and CrPC formally recognised virtual proceedings. Digital Courts 2.1, piloted in select High Courts since 2025, adds paperless courtrooms with unified databases, automated order templates, ASR-SHRUTI voice-to-text dictation, and PANINI real-time multilingual translation. Kerala's September 2025 memorandum mandating Adalat AI for subordinate court witness depositions, a Malayalam-optimised speech-to-text tool already piloted in Ernakulam for atrocity and sexual violence cases, offers a model for responsible regional implementation: no AI in judicial reasoning, mandatory

human verification, and cloud restrictions to protect confidentiality under the DPDPA.

### The Digital Personal Data Protection Act, 2023

The DPDPA, India’s first comprehensive privacy law, became operational through the DPDP Rules notified on November 13–14, 2025. Data Fiduciaries must obtain explicit informed consent, collect only what is necessary, encrypt all data, and notify the Data Protection Board and affected individuals of any breach within 72 hours. Violations carry fines of up to two hundred and 50 crores. Phased enforcement of foundational provisions live now, full obligations by May 2027, gives institutions time to adapt, but also leaves gaps in the interim. In the context of digital courts, the DPDPA directly governs e-filing systems, virtual hearing platforms, and case management databases. It operationalises the right to privacy recognised as fundamental under Article 21 in K.S. Puttaswamy.

### Global Benchmarks

India is not alone in this transition, but the scale of its challenge is distinctive:

### A Practitioner’s View

The transformation is not merely statistical; it is felt in the work. What once required three to five hours of travel, waiting, and administrative

delay now takes fifteen to twenty minutes of focused engagement. The multi-screen environment of virtual hearings sharpens advocacy: a show-cause notice, the relevant statutory provisions, and binding precedents open simultaneously, allowing point-by-point responses with a precision that a physical setting rarely affords.

For clients, the change is tangible. Reduced travel, lower overhead, and faster scheduling make representation more affordable. Article 39A’s directive on equal access to justice stops being a constitutional aspiration and starts being operationally achievable. Efficiency and rigour, in this environment, do not trade off against each other; they reinforce each other.

### The Challenges That Cannot Be Ignored

#### Algorithmic Bias

AI systems trained on historical judicial data will, without careful auditing, reproduce the biases in that data, such as caste-based over-policing, gender disparities in bail decisions, and systematic disadvantage for marginalised litigants. The warning from the US is clear: Pro-Publica’s 2016 investigation into the COMPAS sentencing tool found Black defendants flagged as high-risk at nearly twice the rate of white defendants by an algorithm its

designers called neutral. India’s context is no less fraught. Studies from 2025–2026 show AI systems inferring caste from surnames and generating outcomes that favour higher-status litigants. SUPACE, drawing from existing case law, is not immune. The Supreme Court’s 2025 AI White Paper calls for mandatory bias audits; the gap between that call and implementation is where the constitutional risk lives.

### Privacy and Data Security

Digital court records hold some of the most sensitive information in any person’s life, including identity documents, financial disclosures, medical records, and details of domestic violence. Concentrating this data in e-filing and virtual hearing platforms creates real exposure to breach, leak, and misuse. The DPDPA provides the right framework, but uneven rollout leaves rural and under-resourced courts lagging on encryption and staff training. A woman in a domestic violence matter who fears a data leak revealing her location to her abuser may avoid digital filing entirely. Privacy here is not a technicality; it is a condition of safety. Court-specific data protection protocols, not just general DPDPA compliance, are essential.

### The Risk of Diminished Human Judgment

Particulars	India (e-Courts III)	Estonia (e-File & KIS)	UK (Online Procedure Rules)	Singapore (e-Litigation)
Infrastructure	₹7,210 crore; NJDG real-time tracking; e-filing and virtual hearings	Unified KIS; fully paperless since 2023	Online Procedure Rules for civil, family, tribunals	Integrated e-filing; mobile access; AI workflows
Key Features	SUPACE/SUVAS; multilingual translation; e-Sewa Kendras	E-filing; AI transcription at 92% accuracy (Salme)	Plain language standards; pre-action digital guidance	AI case summarization; high mobile integration
Efficiency	637+ crore pages digitized; 5.5 crore pending cases	#2 fastest proceedings in Europe; near-instant processing	Emphasis on early dispute resolution	100%+ clearance rates in Supreme Court
Inclusion	19-language SUVAS; rural e-Sewa Kendras	Strong digital ID integration	Multiple formats; speech-to-text for vulnerable users	Mobile-first; self-represented litigant support

The deepest concern is not what AI does wrong, but what it leads judges to do less carefully. Under the pressure of a five-crore-case backlog, the risk that courts defer too heavily to AI-generated summaries is real. Justice is not a pattern-matching exercise. It requires empathy, contextual reasoning, and moral discretion, qualities that no algorithm possesses. The February 2026 hallucination episode, AI tools inventing judgments that were then filed in court, is a symptom of a broader risk: that speed and convenience erode the scrutiny that adjudication demands. The solution is not to reject these tools but to insist on mandatory human verification, clear ethical guidelines, and a judiciary trained to know where AI ends and judgment must begin.

### The Digital Divide

Technology democratises only for those who can access it. Digital literacy in India sits at roughly 6.5% in any functional sense. Rural connectivity is uneven. Elderly litigants, women in conservative households, and the rural poor face structural obstacles that formal digital equality cannot paper over. A farmer who cannot connect to a virtual land hearing loses his voice in the system meant to protect his rights. The e-Sewa Kendra model is the right response, but its expansion has been inconsistent. Hybrid models preserving the option of physical attendance, multilingual interfaces, and targeted digital literacy programs are not supplementary measures they are prerequisites.

### The Way Forward

Ethical AI governance must move from principle to practice. The Supreme Court's 2025 AI White Paper sets the right standards; they now need independent audits with real consequences, transparent

disclosure of training data, and enforceable limits on when AI assistance is permissible.

Inclusive digitisation is a constitutional obligation, not a policy preference. Expanding e-Sewa Kendras, mandating multilingual interfaces, and preserving hybrid hearing options are conditions of legitimacy for any digital court system.

DPDPA enforcement in the judicial context must be unambiguous. Ambiguities in the Act's application to court institutions should be resolved in favour of the litigant. The Data Protection Board needs capacity proportionate to the scale of what it is being asked to oversee.

Human-centred design must govern every tool the judiciary adopts: AI that surfaces what a judge needs to think, not what an algorithm has concluded; systems that flag inconsistency rather than recommend outcomes; and code that treats judicial wisdom as the point, not the problem.

### Conclusion

India's digital court transformation is real, significant, and still unfinished. The promise is genuine: a farmer in Bihar accessing justice through a smartphone, a non-English speaker reading a High Court judgment in her own language, a five-crore-case backlog yielding to algorithmic efficiency. None of this should be dismissed.

But the risks are equally real: algorithms that embed historical bias, data systems that expose vulnerable litigants to breach, AI tools that erode the human judgment at the soul of adjudication, a digital divide that turns technology from equaliser into gatekeeper.

The measure of this transformation will not be pages digitised or virtual hearings conducted. It will be

whether the farmer, the survivor, the non-English speaker, and the rural litigant experience justice as reliably as anyone else. Code must serve Articles 14, 21, and 39A, not merely gesture toward them.

That is the only version of digital justice worth building.

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## Managing Committee List

1.	<b>Mr. Shantanu Bhadkamkar</b>	President
2.	<b>Mr. Devpal Menon</b>	Vice President
3.	<b>Mr. Haresh Lalwani</b>	Hon Secretary
4.	<b>Mr. Vasant Pathak</b>	Hon Treasurer
5.	<b>Mr. Arun Kumar</b>	Immediate Past President
6.	<b>Mr. Xerrxes Master</b>	Executive Committee Member
7.	<b>Mrs. Priya Anil Thomas</b>	Executive Committee Member
8.	<b>Mr. George Abrao</b>	Special Invitee
9.	<b>Mr. Shankar Shinde</b>	Special Invitee
10.	<b>Mrs. Anjali Bhide</b>	Special Invitee
11.	<b>Mr. Ravindra Gandhi</b>	Special Invitee
12.	<b>Mr. R.K. Rubin</b>	Special Advisor
13.	<b>Mr. Nailesh Gandhi</b>	Advisor
14.	<b>Mr. Vivek Kele</b>	Advisor
15.	<b>Mr. Tushar Jani</b>	Advisor
16.	<b>Mr. Anand Sheth</b>	Advisor
17.	<b>Mr. Shashi Tanna</b>	Advisor
18.	<b>Mr. Sailesh Bhatia</b>	Advisor
19.	<b>Mr. Prashant Popat</b>	Convenor WRC
20.	<b>Dr. Sharmila Amin</b>	Co-Convenor WRC
21.	<b>Mr. Ramesh Varadarajan</b>	Convenor NRC
22.	<b>Mr. Supratim Majumdar</b>	Co-Convenor NRC
23.	<b>Mr. Vivek Choudhury</b>	Convenor ERC
24.	<b>Mr. Avishkar Srivastava</b>	Co-Convenor ERC
25.	<b>Mr. Naveen Prakash</b>	Convenor SRC
26.	<b>Mr. Biju Sivakumar</b>	Convenor NVOCC Council
27.	<b>Mr. Sriram Swaminathan</b>	Co-Convenor NVOCC Council
28.	<b>Mr. Ramakrishna</b>	Convenor Taxation
29.	<b>Mr. Clarence Xavier</b>	Information Security - Convenor
30.	<b>Mr. Brij Lakhotia</b>	Co-ordinator ERC
31.	<b>Mr. Dushyant Mulani</b>	Advocacy & Policy Committee - Co- Convenor
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