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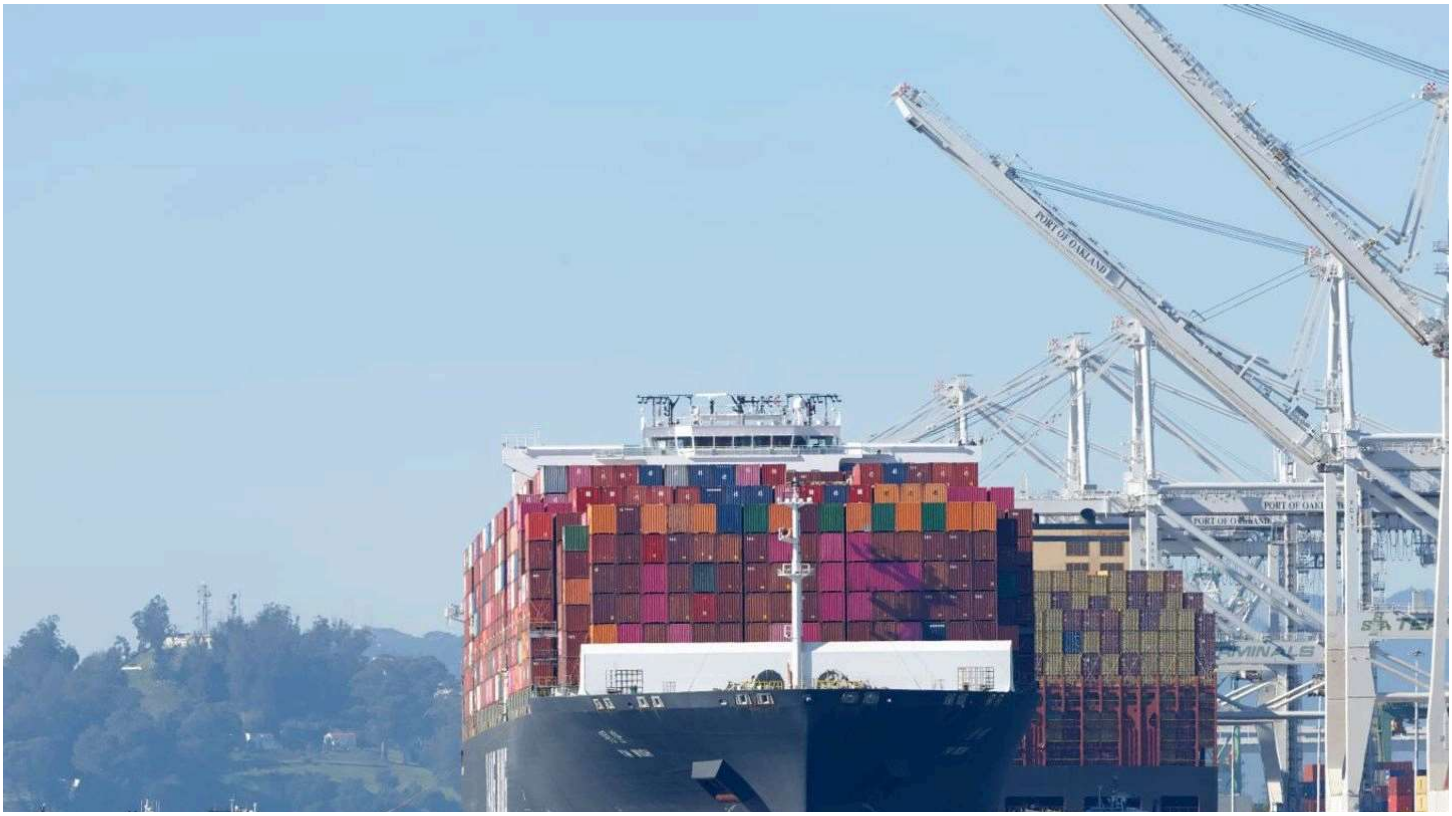
War reignites tussle between ocean carriers, cargo owners over fuel surcharges



Ocean carriers have implemented emergency fuel surcharges since the start of the Middle East war ranging from $30 to $300 per TEU depending on the trade lane. Photo credit: Sheila Fitzgerald / Shutterstock.com.

Greg Knowler, Senior Editor Europe | Mar 18, 2026, 11:05 AM EDT

The speed and severity of the jump in global oil prices amid the war in the Middle East have reignited long-standing suspicions by cargo owners that fuel surcharges levied by ocean carriers are used as a revenue stream rather than a cost recovery mechanism.

Container lines defend the fees, ranging from $30 to $300 per TEU depending on the trade lane, arguing that what is widely seen as the most significant energy shock in history has forced them to recoup costs with fees beyond the lagging quarterly bunker adjustment factor (BAF). Bunker fuel prices contribute approximately 15% to 30% of operating costs, depending on the year, according to various container line financial reports.

And while the traditional linkage between fuel costs and BAFs has fractured due to the rapid escalation of the war and the effective closure of the Strait of Hormuz, according to a Vizion analysis, shippers nonetheless are retaining a cynical view of the emergency fuel surcharges.

“Shipping lines always seem to manage to turn a crisis into a cash-grab,” was the blunt message from James Hookham, director of the Global Shippers Forum. “This apparent ‘double-dipping’ brings the whole sordid practice of surcharging into further disrepute.”

Emergency bunker adjustment factors (EBAFs) on top of quarterly fuel price adjustments to recover costs in what is a core operational expense were acceptable for the current contract period ending March 26, said Antonios Rigalos, managing partner of shipper network ShiftX. But going forward, increased bunker costs should be recovered by the quarterly BAF review, he noted.

“The BAF reviews executed for Q3 will reflect the higher bunker costs for the previous quarter [March/April/May], and an EBAF plus BAF review would create a double charging of customers,” Rigalos said. “While we understand the situation of carriers and that increased bunker costs have a big impact that somehow needs to be recovered, it needs to be carried out in a fair way and not by double charging BCOs [beneficial cargo owners] and clients.”

Several carriers have announced emergency bunker fuel surcharges on top of quarterly fuel price adjustments to recover costs in what is a core operational expense, but the moves have sparked growing concern from shippers.

An Asia-Europe shipper based in Hong Kong said he negotiated contracts based on the Shanghai Containerized Freight Index (SCFI) that covers both BAF and EBAF surcharges.

“We adjust the bunker fuel surcharge bi-monthly and as far as we are concerned, we will fight any additional emergency fuel surcharge from the carriers,” the source said.

Long hauls hit with surcharges

CMA CGM this week announced an upward review of its “emergency fuel surcharge” imposed on March 16 that will increase from $150 per TEU to $265/TEU on all long-haul trade lanes.

OOCL said it will impose a temporary emergency bunker surcharge (EBS) from March 23 to manage global challenges to fuel availability because the increased costs are "beyond the scope of existing fuel cost recovery and low sulfur adjustment mechanisms."

Cosco Shipping has also announced emergency bunker surcharges on various trades between Europe, South America and Africa, while Mediterranean Shipping Co. introduced a temporary emergency bunker surcharge on March 16 that varies from $30/TEU to $300/TEU depending on the trade lane.

Maersk on March 10 announced it would implement an emergency bunker surcharge of $200/TEU on all long hauls "to safeguard cargo integrity and maintain the stability of our network."

"This surcharge covers the impact of fuel availability, cost and mix outside of what is covered in our fossil fuel fee [FFF]," the carrier said in a statement. "This means we are better positioned to have the necessary access to fuel and the ability to move it to necessary locations."

Maersk CCO Karsten Kildahl said the carrier was being forced to take the unprecedented step of filling ships with fuel in the US and Europe and transferring the bunkers to vessels in Asia as supplies at bunkering hubs dried up.

Most of the emergency fuel surcharges will be reviewed by carriers every two weeks, but with the Strait of Hormuz — through which about 20% of global oil and liquefied natural gas supplies move each day — out of bounds to commercial shipping, there is little chance the EBAF will be dropped anytime soon.

The speed with which the fuel surcharges were imposed by carriers made it "nigh on impossible" for shippers to recover costs from their own customers or suppliers, Hookham told the *Journal of Commerce.*

"For smaller businesses, that cash flow hit can be fatal when payments are likely to be late due to late or non-delivery of cargo," he said, noting that the number of surcharges being introduced made it difficult for shippers to track which ones applied to their shipments.

"The US got it right when the [Federal Maritime Commission] required 30-day notice periods before surcharges could take effect on US services," Hookham said. "The current surcharging behavior will only hasten demands for similar notice periods to become mandatory worldwide."

Fractured fuel links

While carriers roll out their fuel surcharges to try to recover rising costs, freight tracking platform Vizion believes the traditional linkage between fuel costs and BAFs has fractured due to the rapid escalation of the war and the effective closure of the Strait of Hormuz.

In a recent review of bunker surcharges, Vizion noted that average very low sulfur fuel oil (VLSFO) prices of $535 per metric ton in 2025 were down 14.4% year over year, the lowest since 2020, with BAF contributing just 10% to 20% to total freight costs.

The launch of US and Israeli strikes on Iran on Feb. 28 triggered a 73% fuel price spike to $939/metric ton in under two weeks, and carriers within days responded with emergency surcharges of $60/TEU to $190/TEU, far faster than standard quarterly BAF adjustments. That shows the traditional BAF fuel-price correlation has weakened as carriers shift to emergency mechanisms to manage extreme volatility, according to Vizion.

But Vizion said a deeper trend was emerging with a market fracture in progress as carriers divided into two camps: immediate risk transfer versus contract stability. Carriers such as Maersk initially absorbed the volatility to protect long-term contract relationships, although the carrier has subsequently announced an emergency fuel surcharge. A more aggressive strategy was taken by MSC and CMA CGM, with both adopting a rapid pass-through of fuel spikes to protect their margins immediately.

Shippers with locked-in rates will enjoy a short-term cost advantage, but it will be a temporary relief before fuel adjustments hit. Vizion warned that over the next three to six months, shippers can expect aggressive second-quarter BAF corrections to capture the remaining fuel cost delta.

Chantal McRoberts, director and head of advisory at Drewry Supply Chain Advisors, said shippers understand they will pay an increased fuel cost in the third quarter as that is part of the BAF policy that enables carriers to recover fuel costs over time.

“The concern around the introduction of EBAF is the potential for double recovery,” McRoberts told the *Journal of Commerce*. “In practice, a shipper may pay an EBAF during Q2 to reflect higher fuel prices and then see its underlying BAF increase in Q3 as the formula catches up with those same Q2 fuel costs. At that point, the EBAF risks becoming revenue-generating rather than purely cost-recovering.

“This is the dilemma currently facing shippers,” she added. “As a result, those operating under transparent, formula-based BAF mechanisms are, in many cases, pushing back on EBAF charges.”

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