NHS National Services Scotland

SITREP: Strategic Sourcing Middle East Conflict Impact

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Issue Level: Low

1. Situation Overview

The Middle East conflict escalated significantly following coordinated US–Israeli military strikes on Iran on 28 February 2026, with subsequent regional retaliation. The situation has now entered a hybrid conflict phase, combining kinetic military activity with widespread cyber operations and logistics disruption.

This has resulted in material disruption to global air and sea freight, particularly through:

- Closure or commercial unviability of the Strait of Hormuz
- Renewed instability in the Red Sea / Bab el-Mandeb / Suez Canal
- Closure or severe restriction of major Middle East air cargo hubs used for pharmaceutical and medical-device logistics
- Coordinated cyber-attacks of med tech suppliers

NHSS has no dependence on medical supplies from Iran or most Middle Eastern countries, it does contract with a range of suppliers with direct and indirect links to Isreal which could increase the risk of cyber attacks

2. Impact

Impact on Global Healthcare Supply Chains

<u>Logistics & Freight</u>
Major container lines have suspended Red Sea and Hormuz routes, diverting via the Cape of Good Hope and adding 10–15 days to Asia–Europe shipments.
Air freight through Dubai, Doha, and Abu Dhabi faces severe limitations, irregular schedules, and war-risk surcharges.
Pharmaceutical cold-chain transport is particularly disrupted due to dependence on Middle East transit hubs.

<u>Cyber Dimension</u>
Iranian-aligned cyber campaigns are targeting healthcare and medical technology firms.
In March 2026, Stryker suffered a global IT disruption after an Iran-linked attack, directly impacting healthcare supply chains.
The UK National Cyber Security Centre warns of increased Iranian cyber risks for UK organisations in international supply chains.

NHS-Specific Supply Chain Impacts

Medicines

Delays and allocation risks for biologics, biosimilars, oncology drugs, specialty medicines, and short shelf-life or temperature-sensitive products. Possible price increases from higher freight, energy, and insurance costs.

Medical Devices & Consumables

Greater risk for implantable and capital equipment supplied by global manufacturers. NHS dependence on Tier-1 suppliers with R&D in Israel raises longterm disruption risk, even if manufacturing is elsewhere.

Digital & Cyber Dependency

Supplier cyber issues may cause ordering outages, shipment delays, and reduced support, sometimes without formal force majeure notices.

3. Flagged Suppliers

Isreal

The following suppliers, with current NHSS expenditure, have been identified as having touch points within Isreal. Only one supplier, Teva Pharmaceuticals, is of Israeli origin. It should be noted that suppliers with touch points in Isreal predominately relate to R&D and therefore would pose a low risk to traditional supply disruption but could be at increased risk of cyber attack.

Israeli Supplier	**Possible Touch Points in Isreal**
Teva Pharmaceuticals	Abbott Laboratories / Abbott Medical Boston Scientific Ltd Johnson & Johnson Medical Ltd Medtronic / Medtronic Ltd (Insulin Pumps) Philips Healthcare / Philips Electronics Uk Siemens / Sivantos Stryker Zimmer Biomet Ltd Hologic Ltd Karl Storz Endoscopy Bayer Plc Fresenius Kabi / Fresenius Medical Care Thermo Fisher (Oxoid / Diagnostics) Merit Medical Terumo / Terumo Aortic / Terumo Uk Ltd Insulet International Shockwave Medical Ge Medical Systems Ltd Draeger Ltd / Draeger Medical

United States of America

Of the Top 100 NHSS supplier by expenditure around 25 of these are US companies.

Middles East (Oman, Kuwait, UAE)

The below NHSS contracted suppliers have production facilities in the middle east. We do not believe the UK uses production capacity at these sites but our Medicines Category Team will confirm.

Air Liquide Healthcare
Boc / Linde-Group

Next Steps