

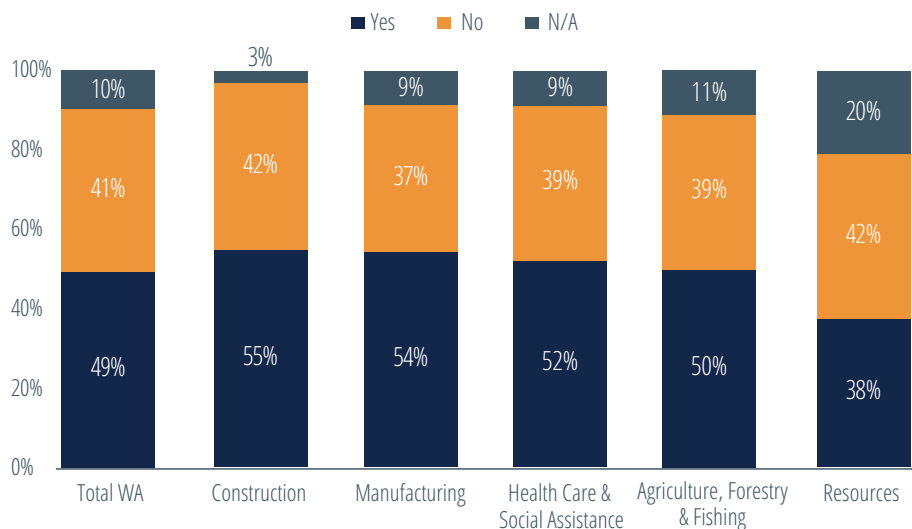
Gulf crisis: the impact on WA businesses



Chamber of Commerce and Industry WA

How fuel shortages are impacting businesses

Has your business been impacted by fuel shortages?



KEY TAKEAWAYS

49% of all WA businesses have been impacted by fuel shortages.

55% of businesses across the construction sector were impacted by fuel shortages, the highest across industry groups.

38% of businesses in the resources sector were impacted by fuel shortages, the lowest across industries.

32% of businesses say they have less than two weeks of fuel supply.

The impact on business operating costs

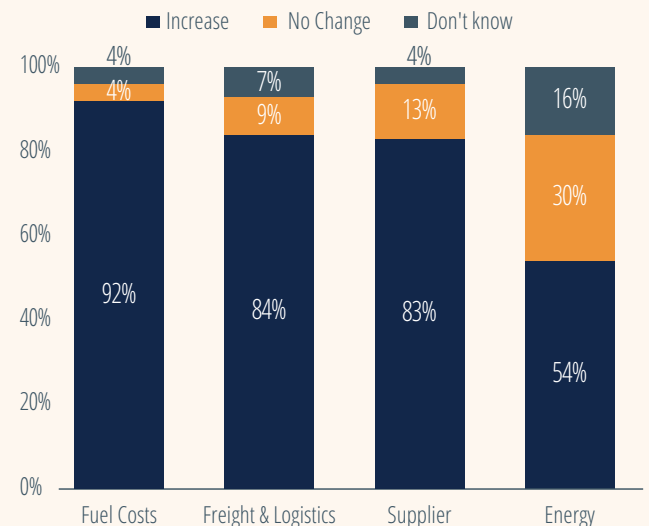
KEY TAKEAWAYS

Fuel costs have become a near-universal burden for firms, with a staggering **92%** of respondents reporting increases to fuel costs. This creates significant pressure on the cost-of-doing business, as fuel price volatility flows directly into operational overheads.

More than eight in ten (84%) businesses have reported rising freight costs with a similar share of **83%** of businesses seeing **increases passed on from suppliers**.

Energy costs continue to act as a persistent structural headwind, with **over half (54%)** of businesses noting increases.

To what extent has the Middle East conflict impacted business expenditure on the following overheads?



How businesses are responding to higher costs

KEY TAKEAWAYS

54% of businesses said they were absorbing costs through lower margins – this was the most popular strategy.

Businesses are also responding by **reducing non-essential spending (50%)** and **passing costs on to customers (48%)**, suggesting pressure is being managed through a mix of internal restraint and price adjustment.

Responses varied notably by sector.

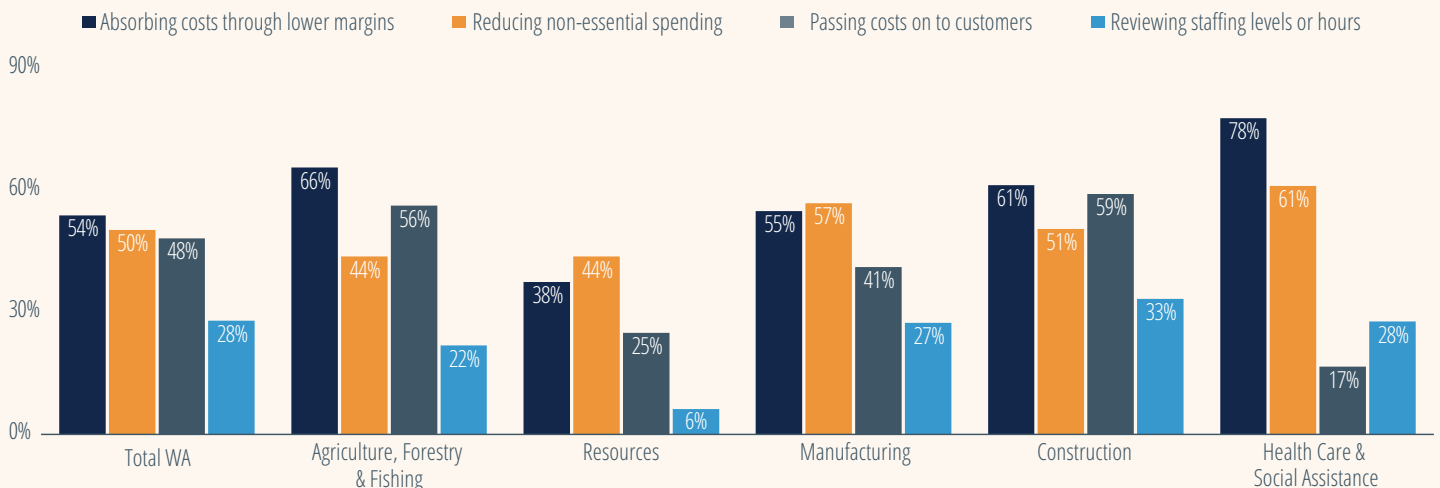
Businesses across the **Health Care & Social Assistance** sector have less ability to pass costs on, instead needing to absorb costs through lower margins, with **78%** identifying this strategy.

The **Construction** sector showed the strongest tendency to **pass costs on to customers (59%)**.

More than a quarter (**28%**) of businesses are reviewing **staffing levels** or **hours to mitigate rising costs**, a trend led by the **Construction sector (33%)**.

“We provide nurses who travel to patient’s homes in the community. Higher fuel prices equal higher costs.”
Health Provider respondent

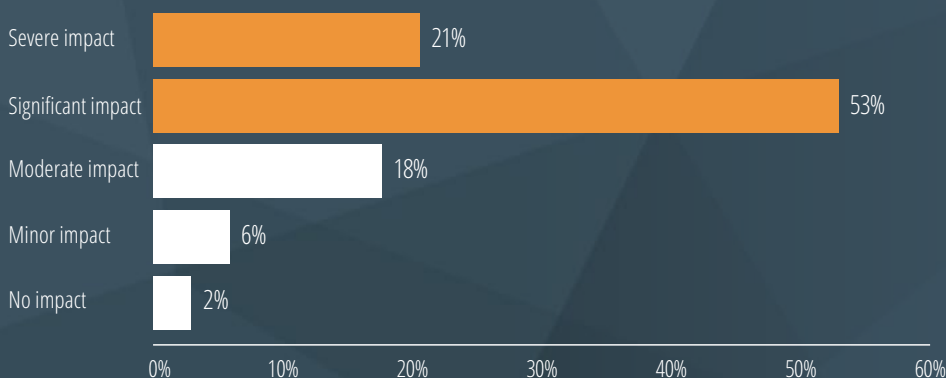
How is your business responding to higher costs associated with the current global environment?



Agriculture sector hit hard by fuel disruptions

“We need a reliable supply of fuel and certainty about the supply of fertilisers.”
Agricultural respondent

To what extent has the conflict increased cost pressures for fuel, fertiliser, chemicals, freight or irrigation-related inputs?



KEY TAKEAWAYS

74% of respondents reported either severe or significant impacts.

18% of businesses were feeling a “moderate impact”.

8% reported no or only minor impact, showing that while the effects are broad-based, they are not being felt uniformly across all businesses.