

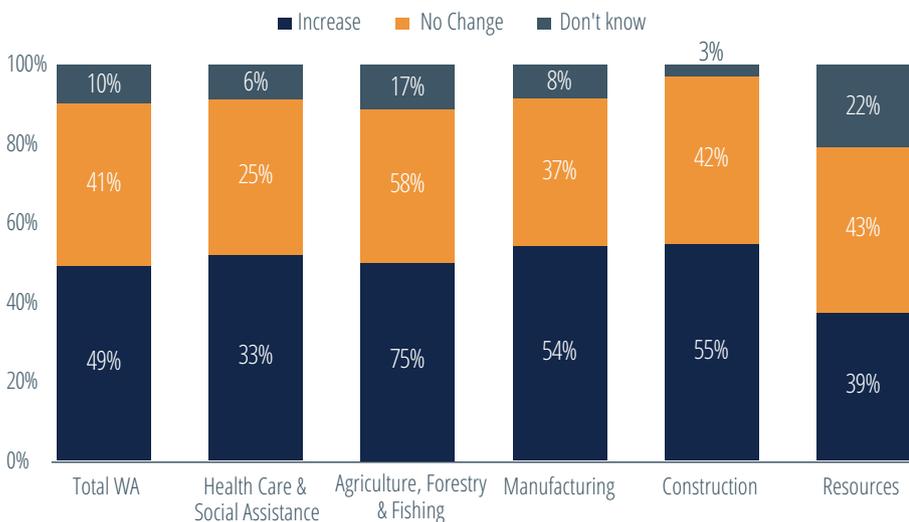
# Gulf crisis: the impact on WA businesses



Chamber of Commerce and Industry WA

## How fuel shortages are impacting businesses

Has your business been impacted by fuel shortages?



### KEY TAKEAWAYS

**45%** of all WA businesses have been impacted by fuel shortages.

**56%** of businesses across the health care & social assistance sector were impacted by fuel shortages, the highest across industry groups.

**25%** 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

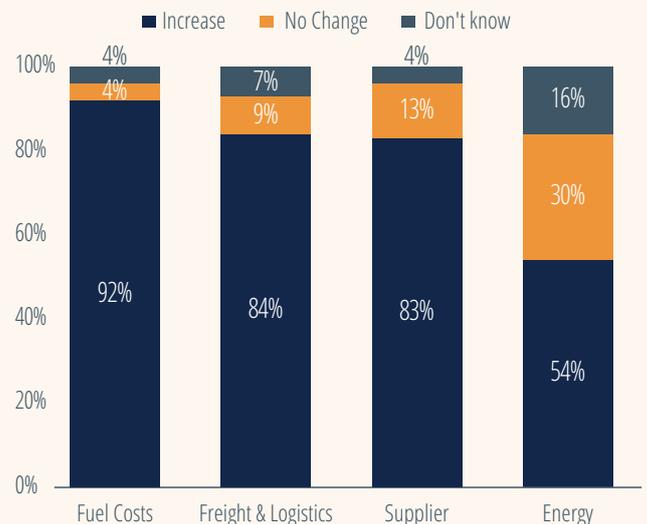
### KEY TAKEAWAYS

**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

**56%** 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 (47%)** and **passing costs on to customers (44%)**, 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 **81%** identifying this strategy.

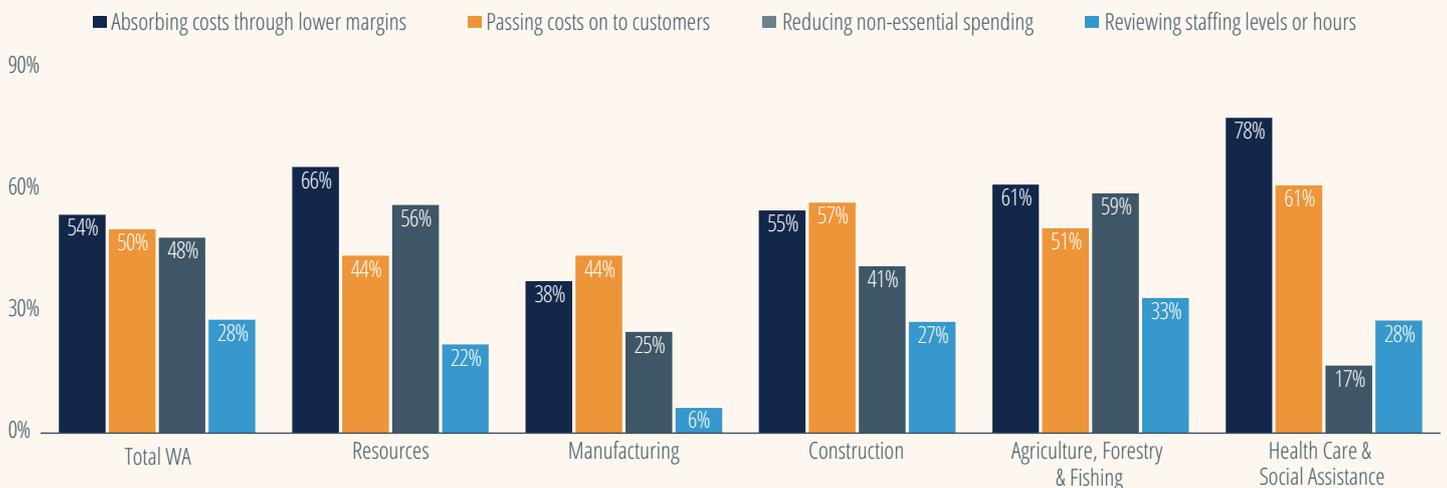
The **Agriculture, Forestry & Fishing sector** showed the strongest tendency to pass costs on to customers (**61%**) and **Construction** had the highest share delaying investment (**24%**).

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?

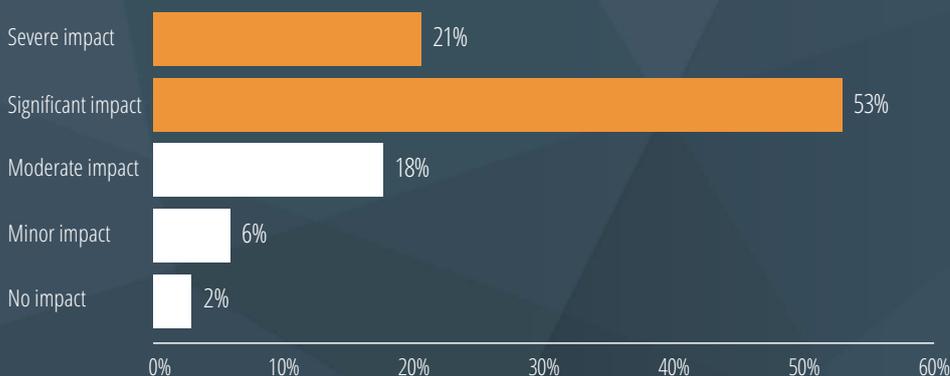


# Agriculture sector hit hard by fuel disruptions

*"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.