



As tensions in the Middle East continue to rise, there is growing concern regarding the potential disruption of oil and gas supplies through the Strait of Hormuz, a key transit route for global energy. Any closure or interference could have immediate economic effects across global markets, including the UK.

Even though the UK does not rely directly on oil or gas from the Gulf, global prices are heavily influenced by supply disruptions in the region. This means UK businesses could be exposed to rising energy costs, transport price increases, and renewed inflationary pressures.

With these risks in mind, we recommend that business owners begin to consider practical steps to protect their operations and maintain financial stability. This is a good time to schedule a conversation with your accountant or adviser to assess how global developments might affect your business and to put a suitable response plan in place.

Here are a few areas to explore:

- **Energy contracts**  
Review your current energy supply agreements. It may be worth discussing whether fixed-rate contracts or forward purchasing can reduce your exposure to future price volatility.
- **Supply chain vulnerabilities**  
Collaborate with your adviser to map out key suppliers and delivery routes. If your business depends on imports, consider identifying alternative sources or building up stock levels where feasible.

- **Cost management and pricing strategy**

Rising input costs may put pressure on margins. Now is a good time to review your pricing model, cost base, and cash flow projections to build in some resilience.

- **Financial headroom**

Explore options for increasing access to working capital, whether through credit lines, reserves, or revised payment terms. Flexibility will be important if conditions become more volatile.

- **Monitoring and forecasting**

Speak to your accountant about updating your forecasts to factor in potential changes in costs and market sentiment. Regular scenario planning can support faster decision-making.

While there is no certainty that the situation will escalate further, it is wise to take a precautionary approach. The combination of energy sensitivity and economic uncertainty means UK businesses could feel indirect effects very quickly.

## **We can help**

If you would like to discuss any of the above issues or review your business continuity plans, please get in touch. As your trusted adviser, we are here to help you stay informed, prepared, and one step ahead. Call us on **01753 888 211** or email **[info@nhllp.com](mailto:info@nhllp.com)**