

## Analysis: Economic Risks for Sudan Linked to Gulf Tensions

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Sudan is highly exposed to disruptions linked to the Gulf due to its reliance on key trade routes through the Red Sea and the Strait of Hormuz. These routes are critical for the import of fuel, food, fertilizers, and other essential goods, making the country particularly vulnerable to global shocks.

Global oil prices and shipping and insurance costs have surged, with war risk premiums rising from around 0.25% to approximately 3% of cargo value, increasing the cost of imports. The impacts are already being felt in Sudan, with fuel prices increasing by nearly 30% domestically. This is driving up transportation costs, with immediate knock-on effects on food prices, agricultural production, and access to basic goods and services.

Agriculture remains highly exposed to further shocks. Sudan depends heavily on imported fertilizers, much of which passes through the Strait of Hormuz. The Gulf accounts for about [54 percent](#) of Sudan's seaborne fertilizer supplies. With global fertilizer markets under pressure and prices rising, there is a growing risk of shortages and increased input costs as the planting season approaches. This could force farmers to scale back planting or accept lower yields, further reducing food availability.

These pressures are hitting an already fragile food system that has been under sustained strain in recent years. Recent analysis of Sudan's agricultural sector indicates that in Aj Jazirah, one of the country's key agricultural regions, production has declined by as much as 72%, with cultivated land reduced by around 60% compared to pre-conflict levels. Wheat production is now estimated to be up to ten times lower than in 2021, significantly reducing domestic food supply.

At the same time, farmers face structural challenges, including limited access to inputs, irrigation constraints, and reduced yields, with more than half reporting significant declines in production. These combined pressures are deepening food insecurity, with two out of three people in key agricultural areas facing crisis levels or worse.

Amidst a dynamic and rapidly evolving context, sustained growth in global energy prices and ongoing trade disruptions risk compounding an already severe situation, increasing prices of basic goods and services, including food and healthcare, and placing additional strain on households already struggling in the world's largest humanitarian crisis. As the situation continues to evolve, these dynamics are likely to shift further.