

The Long Reach of War

The Middle East Conflict's Economic
Impact on Fragile Contexts



Summary

Six weeks of conflict in the Middle East and the effective closure of the Strait of Hormuz have sent economic shocks thousands of kilometers from the fighting to crisis-affected countries with little capacity to absorb them. Five countries – Somalia, Sudan, Pakistan, Ethiopia and Myanmar – starkly illustrate how these shocks have moved through fertilizer, diesel and commercial shipping channels to impact the livelihoods and food security of the world’s most vulnerable communities.

None of these countries are party to the conflict, but all are enduring its effects. In Sudan, the Strait closure has rerouted humanitarian shipments via the Cape of Good Hope – adding three weeks to delivery times to a country where 25.7 million people are already in IPC Phase 3 or worse. In Somalia, fuel prices rose 150 percent within days of the war beginning. In Ethiopia, the shock moved beyond price into physical fuel unavailability, forcing a government rationing directive. In Pakistan, the disruption arrived at the precise moment that farmers are making fertilizer decisions for the October harvest. In Myanmar, irrigation costs doubled, during its farmers' least profitable period in five years.

The ceasefire announced on 7 April – even if it holds – does not reverse the shocks that have already been transmitted. A critical agricultural threshold was passed on 9 April; the FAO Chief Economist stated that disruption beyond 40 days triggers farmer behavioral responses that carry through to outcomes for the 2026 and 2027 harvests. That threshold was crossed during the ceasefire window. Put simply, the food security consequences of this war are already written into harvests that have not yet been planted.

Across all five countries, the same pattern persists: retail fuel prices in import-dependent economies follow global benchmarks up within days but lag significantly on the way down. This asymmetry matters more than any single price movement. Even if global oil prices eventually ease, households in the case countries will continue paying war-era prices at the pump for weeks or months after the headlines have moved on.

Meanwhile, the Strait of Hormuz is still not commercially open. Iran has suspended tanker passage and the Islamic Revolutionary Guard Corps Navy (IRGCN) has published a map designating most of the waterway as a potential mine hazard area, effectively formalizing a permission-based transit regime. The Norwegian Shipowners' Association and Maersk have both stated publicly that safe passage promises are insufficient to resume operations. On 12 April, following the collapse of talks in Islamabad, President Trump announced a US Navy blockade of the Strait of Hormuz. The commercial reopening that this paper argues was never delivered by the ceasefire and following the breakdown of talks in Islamabad, is now further from reach, not closer.

This flash report presents the evidence of economic shocks that have transmitted to five crisis-affected countries, and what any ceasefire outcome would leave unresolved for the populations absorbing these impacts.

Key Findings

Global energy markets are experiencing one of the largest disruptions in modern history – and the impacts are hitting the world's poorest economies. In a joint statement issued on 8 April, the three institutional heads of the IMF, World Bank and WFP warned that the war "has already triggered one of the largest disruptions to global energy markets in modern history" and that "sharp increases in oil, gas, and fertilizer prices, together with transport bottlenecks, will inevitably lead to rising food prices and food insecurity," with the burden falling most heavily on "low-income, import-dependent economies."¹ The supporting numbers are stark: global urea prices (the global nitrogen fertilizer benchmark, and a key input cost for farmers worldwide) is up approximately 68%, Brent crude up approximately 78 percent over six weeks (from \$71 to a peak of \$126.69 per barrel on 31 March), and commercial transits through the Strait of Hormuz down approximately 94 percent.²

The ceasefire does not mean the Strait of Hormuz is open; until it reopens to commercial traffic, fertilizer, diesel and shipping shocks will continue to land. Iran suspended tanker passage on 8 April, and the IRGCN published a map the following day designating most of the waterway as a potential mine hazard area, formalizing a permission-based transit regime qualitatively different from pre-war commercial operation. The Norwegian Shipowners' Association and Maersk both stated publicly on 8 April that the ceasefire announcement does not provide sufficient certainty to resume Gulf operations. More than 800 freighters remained stuck inside the Gulf as of 8 April.³

Even if the Strait of Hormuz reopens tomorrow, it is already too late to spare the next two harvests. The FAO Chief Economist has stated that conflict beyond 40 days triggers farmer behavioral responses (reduced fertilizer use, crop switching, smaller planted areas) that carry through the 2026 and 2027 harvests. The ceasefire was announced on 7 April. The 40-day threshold was crossed two days later, on 9 April, during the ceasefire window itself. The Somali Gu, Ethiopian belg and Pakistani kharif planting seasons are active now, against a urea cost base that is already locked in.

Even if global oil prices fall, the case countries will keep paying higher prices at the pump for weeks or months. This asymmetry – retail prices follow global benchmarks up within days but lag significantly on the way down – is a structural feature of import-dependent economies. Brent crude peaked at \$126.69 on 31 March and corrected to \$94.75 following the ceasefire – but that fall did not reach local fuel markets. In

¹ IMF, World Bank Group and WFP joint statement, Washington DC, 8 April 2026.

² U.S. Energy Information Administration, Europe Brent Spot Price FOB, retrieved from FRED (DCOILBRETEU), Federal Reserve Bank of St. Louis, 27 February to 31 March 2026. Hormuz transit data from IMF PortWatch, 1 to 29 March 2026.

³ Fars News Agency; ISNA via Reuters; NSA via Reuters; Maersk; Bloomberg, 8-9 April 2026.

Mogadishu, fuel prices rose 150 percent within days of the war beginning and in Myanmar, diesel rose more than 55 percent.

Shocks are landing on populations that cannot absorb them and on humanitarian responses that were already under-resourced before the war began. WFP estimates that an additional 45 million people could be pushed into acute hunger, putting the global tally above the existing record of 318 million. In Sudan, the purchasing power of a humanitarian cash transfer in April 2025 has already eroded by approximately 40 percent, before food basket inflation is counted. In Somalia, where drought-affected communities depend on trucked water, fuel prices rose 150 percent within days of the war beginning, doubling the cost of water in a context where the alternative is going without.

Methodology

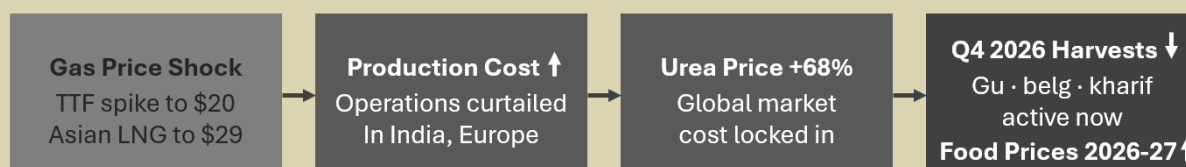
The five countries profiled in this report, Somalia, Sudan, Pakistan, Ethiopia and Myanmar, illustrate distinct dimensions of the transmission channels and are acutely vulnerable to them: dollarized import dependency with remittance exposure (Somalia), a fractured war economy compounding on existing collapse (Sudan), LNG-dependent fertilizer production at the start of the kharif planting window (Pakistan), corridor concentration risk with severe humanitarian underfunding (Ethiopia), and production-side mechanization dependency on imported diesel against a triple energy depletion picture (Myanmar). All are absorbing economic shocks that originated thousands of kilometers away.

This paper synthesizes real-time data from authoritative public sources (IMF PortWatch chokepoint transit and maritime trade flows, FRED daily energy benchmarks, OCHA Financial Tracking Service humanitarian funding data, and World Bank remittance flows) with country case annex work produced by the Mercy Corps Crisis Analysis Team during March and April 2026, and with country-level analysis and primary-source reporting from the ceasefire period (7 to 12 April 2026). It reflects conditions as of the morning of 10 April 2026, with limited updating through 13 April 2026 to capture the collapse of the Islamabad talks, the announcement of a US naval blockade of the Strait of Hormuz, and the resulting market reaction. The paper does not assess the political probability of ceasefire outcomes, does not analyze the negotiating positions of the parties at Islamabad, and does not take a view on the conduct of the war.

Notes on limited data claims: The Somalia Gu harvest outlook and Ethiopian belg outlook reflect analytical hypotheses rather than observed outcomes; confirmation requires live monitoring during the planting window. The Myanmar April harvest reduction estimate is based on analytical work rather than observed data.

Shock Transmission Channels

Channel 1: Fertilizer



How an energy shock becomes a food production crisis

Natural gas is both the raw material and energy source for nitrogen fertilizer production, typically comprising 70 to 80 percent of urea production cost. The war drove sharp gas price increases in the benchmarks that matter to plants serving the Middle East, North Africa and South Asia. At the same time, Hormuz closure took approximately 30 percent of global nitrogen fertilizer exports, predominantly from Qatari and Saudi producers, out of the market.³ Production economics deteriorated within days. Multiple major producers halted or curtailed operations, and global urea prices rose approximately 68 percent.⁴ LNG prices have retreated in post-ceasefire forecasts, but the urea price rise is already embedded in the cost base that farmers face now.

The transmission to food prices is observable. The FAO Food Price Index – the standard global measure of food price movements, where 100 represents average 2014-2016 prices – reached 128.5 points in March 2026, its highest level since September 2025, with the FAO attributing the rise to higher energy prices linked to the conflict.⁵ The FAO Chief Economist has stated that disruption beyond 40 days triggers farmer behavioral responses (reduced fertilizer application, crop switching, smaller planted areas) that carry through the 2026 and 2027 harvests. The war reached day 40 on 9 April. The Somali Gu, Ethiopian belg and Pakistani kharif planting seasons are active now, and fertilizer availability over the next six weeks determines yields in the October and November harvests. Food price effects will land in Q4 2026 and Q1 2027. This is the point at which the ceasefire becomes analytically irrelevant to the humanitarian outcome, because the decisions that shape those harvests are being made this month, against a cost base that is already locked in.

³ CME Group / Fertilizer Field, 9 April 2026.

⁴ Indian Parliament statements on 27 March indicated that gas supply to Indian fertilizer plants had fallen to 65 to 70 percent of normal levels, forcing multiple producers including IFFCO to halt or curtail production (Outlook Business, 11 March 2026; Down To Earth, 27 March 2026; CRU Group via Food Ingredients First, 28 March 2026). In Pakistan, emergency reallocation of domestic gas restored operations at the Agritech urea plant during the war period, illustrating that targeted domestic gas reallocation can mitigate the shock where capacity and reserves are available.

⁵ FAO, Rome, 3 April 2026.

Channel 2: Diesel



Local fuel prices in import-dependent economies rise with global crude benchmarks – but do not fall at the same speed

Brent crude rose from approximately \$71 per barrel immediately before the war to a peak of \$126.69 on 31 March, a 78 percent increase over six weeks. The 7 April ceasefire triggered a correction to \$94.75 on 8 April, but Brent opened at \$101.82 on 13 April, up nearly 7 percent in a single session, as the market priced in the persistence of Hormuz disruption. Goldman Sachs has flagged a sustained price above \$100 if Hormuz remains closed for another month.⁶

That correction has not reached the fuel pumps in the case countries. Mogadishu fuel prices rose 150 percent within days of the war beginning, with transport costs up 60 percent and water costs doubled in drought-affected areas.⁷ Myanmar diesel prices rose by more than 55 percent and irrigation costs doubled.⁸ In Ethiopia, the shock moved beyond price into physical fuel unavailability, with the government issuing a formal rationing directive.⁹ These are observed movements during the war period, not forecasts.

The asymmetry between global benchmark reversal and local retail reversal is a recurring feature of fuel price shocks in import-dependent economies. When global prices rise, local retail follows within days. When global prices fall, local retail lags by weeks or months, because importers protect margins, inventory cycles are slow, and in weak-currency contexts the exchange rate move that accompanied the global rise has not reversed with it.

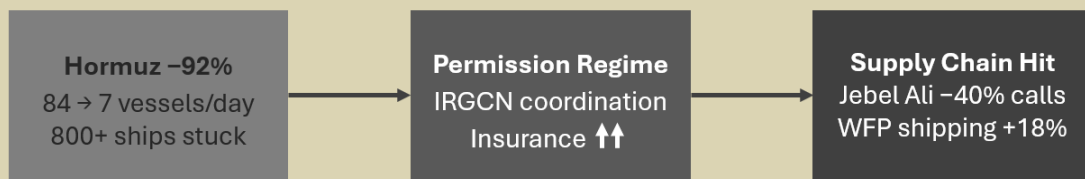
⁶ Trading Economics, Brent crude oil spot CFD, 13 April 2026 intraday.

⁷ Reuters, ITV News, late March 2026.

⁸ Irrawaddy, Mizzima, March 2026.

⁹ Capital Ethiopia, 29 March 2026.

Channel 3: Commercial shipping and insurance



Why the Strait of Hormuz did not reopen with the ceasefire, and the supply chains that are still waiting

Commercial shipping through the Strait of Hormuz collapsed by approximately 94 percent during the war period, from a pre-war baseline of 84 vessels per day to an average of five. The post-ceasefire signal is in line with the war period rather than recovery: on 11 April, four days into the ceasefire, Windward Maritime Intelligence recorded 17 vessels transiting in a day, still roughly 80 percent below the pre-war baseline, and industry sources describe the situation as “constrained, inconsistent, and dependent on permissions rather than open navigation.”¹⁰

What has emerged from the ceasefire is not a reopening but a formalized permission-based transit regime, further constrained by the 12 April US blockade announcement. On 8 April, Iran suspended tanker passage and its Ports and Maritime Organization issued a safe navigation advisory warning that anti-ship mines may be present in the main traffic area. On 9 April, the IRGCN published a complementary map designating narrow corridors near Larak Island as the only safe routes, with the rest of the waterway treated as a mine hazard area and all passage requiring IRGCN coordination.

This regime is qualitatively different from pre-war commercial operation and will outlast the political ceasefire whatever its outcome: mine hazard declarations cannot be unmade by a handshake, IRGCN coordination protocols once embedded require formal unwinding, and commercial insurance markets price the regime, not diplomacy. The commercial sector has read the signal accordingly, with the Norwegian Shipowners' Association and Maersk both publicly declining to resume Gulf operations on current terms. Sultan Al Jaber, CEO of UAE state oil company ADNOC and the UAE's Minister of Industry and Advanced Technology, wrote in a public LinkedIn post on 9 April: "Let's be clear: the Strait of Hormuz is not open. Access is being restricted, conditioned and controlled. Iran has made clear – through both its statements and actions – that passage

¹⁰ IMF PortWatch, Strait of Hormuz transit data, 1-29 March 2026. Windward Maritime Intelligence Daily, 12 April 2026.

is subject to permission, conditions and political leverage. That is not freedom of navigation. That is coercion." ¹¹

The downstream effects on humanitarian logistics are already observable. The price gap between Gulf-origin crude and oil routed outside of Hormuz has widened – a direct market measure of how shipping risk through Hormuz is being priced.¹² War risk insurance premiums for Gulf transits have risen substantially, making Gulf routes prohibitively expensive for smaller operators, including humanitarian logistics providers. The Jebel Ali transshipment hub, the primary humanitarian logistics gateway for Somalia and other Horn of Africa operations, has lost approximately 40 percent of vessel calls, and WFP has reported shipping cost increases of around 18 percent for its own operations.

Bab el-Mandeb is currently functioning normally, and the Houthi pause on Red Sea commercial shipping attacks has held since the Iran war began. However, the pause is not resolution. The International Crisis Group has characterized the hold as possible Iranian strategic patience rather than de-escalation, and the Washington Times has reported that since 28 March the Houthis have launched at least eight missile and drone barrages at Israel, including a coordinated strike with Iran and Hezbollah the day before the ceasefire announcement.¹³ A simultaneous disruption at both Hormuz and Bab el-Mandeb would affect a substantially larger share of global seaborne energy trade than Hormuz alone, and any dual-chokepoint scenario for Somalia is contingent on whether the Houthi commercial-shipping pause continues to hold.

¹¹ Sultan Al Jaber, public LinkedIn post, 9 April 2026, reported by Al Jazeera, CNBC, The National and Reuters.

¹² The Brent-Dubai crude price spread, which measures the premium paid for oil not requiring Gulf transit, widened from minus \$0.48 in December 2025 to plus \$2.81 in February 2026 before the war, and widened further during the war period.

¹³ Michael Hanna, quoted in The National, 17 March 2026, The Washington Times, 9 April 2026.

Country Exposure

The five country cases below draw on Mercy Corps Crisis Analysis Team data collection conducted during March and April 2026. Each has a distinctive profile, and each is absorbing the Middle East war shock on top of pre-existing humanitarian emergencies that were already stretching response capacity.



Sudan A fractured war economy compounding on existing collapse

For Sudan, the Middle East war is not a new emergency. It is another weight on a fractured war economy that was already collapsing under the world's largest displacement crisis. 27.4 million people are displaced inside the country or as refugees in neighboring countries, 25.7 million are in IPC Phase 3 or worse, and the 2026 Humanitarian Response Plan is funded at 16.2 percent against a \$2.87 billion requirement. Sudan imports the majority of its refined fuel from Gulf sources transiting Hormuz, and the war has fed directly into transport, water trucking and healthcare operating costs. Humanitarian shipments to Sudan are now being rerouted via the Cape of Good Hope, adding approximately 6,000 miles and three weeks to transit times.¹⁴ The Sudanese pound has continued to depreciate through the war period, eroding the purchasing power of humanitarian cash transfers by approximately 40 percent before food basket inflation is counted. Most formal institutions have already ceased to function. There are no macro-level absorption mechanisms left. The shock compounds the acute crisis rather than creating a new one.



Somalia Dollarized import dependency with remittance exposure

Somalia's import-dependent, dollarized economy means there is nothing standing between a global price spike and what a family pays for food or fuel. The shock transmits directly, without the buffering that a local currency can provide in other contexts. Somalia was already in severe crisis before the war, with the April 2026 IPC update showing approximately 6.04 million people in Phase 3 or worse after the fourth consecutive failed rainy season. The 2026 Humanitarian Response Plan is funded at 12.2 percent against an \$852 million requirement. Somalia imports 60 to 70 percent of its

¹⁴ Al Jazeera, 9 April 2026.

cereals and nearly all of its refined petroleum products, with UAE-sourced imports directly exposed to Hormuz. Because the economy is heavily dollarized, there is no exchange rate buffering between global benchmarks and retail prices. Mogadishu fuel prices rose 150 percent within days of the war beginning, with transport up 60 percent and water costs doubled in drought-affected areas. Transfer values were already covering only 70 percent of the minimum expenditure basket before the war. The Gu planting season is underway, and the collision with Hajj 2026 in late May to early June creates additional pressure on Somali livestock export routes during the peak pre-Hajj demand window.



Pakistan LNG-dependent fertilizer production at the start of the kharif planting window

Pakistan's exposure runs through its dependency on LNG supply – most of it sourced from Qatar and routed through Hormuz – arriving at the worst possible moment for the kharif planting season. The 2026 Floods appeal is funded at 15.8 percent against a \$65 million requirement covering 2.8 million people in need; this figure captures only the acute flood-affected population and understates Pakistan's broader humanitarian exposure. The majority of Pakistan's LNG imports, predominantly sourced from Qatar, are routed through Hormuz, creating direct exposure to the shipping disruption and to the gas price shock that is driving fertilizer production costs. The kharif planting season runs from June to July and requires fertilizer restocking through May, which makes the current six-week window the critical period for yield outcomes in the October and November harvests.

Emergency reallocation of domestic gas restored operations at the Agritech urea plant during the war period, showing that targeted domestic action can partially offset the fertilizer shock where capacity and reserves are available. Pakistan's macroeconomic position gives it more absorption room than the others in the case set, and the government is already deploying it: on 10 April it cut petrol prices by Rs 80 per liter to Rs 378 per liter through targeted subsidies.¹⁵ This buys time but does not eliminate the LNG and fertilizer exposure.

¹⁵ OGRA Pakistan, 10 April 2026.



Ethiopia Trade corridor concentration risk with severe humanitarian underfunding

Ethiopia's vulnerability is structural: a single trade corridor through Djibouti, over 90 percent of its fertilizer sourced from Gulf producers, and a belg planting season that is active right now. Ethiopia generates over 90 percent of its electricity from renewables but remains entirely petroleum-dependent for transport, logistics and agricultural mechanization. Over 95 percent of its international trade passes through the Djibouti corridor. When Hormuz closed and Djibouti's capacity to receive and process fuel shipments partially failed, there was no alternative route at scale. Ethiopia moved from price pressure to physical fuel unavailability at regulated prices during the war period, and the government issued a formal rationing directive. Food price effects will materialize from Q3 2026 for belg zones and Q4 2026 for the meher harvest.



Myanmar Production-side mechanization dependency on imported diesel against a triple energy depletion picture

The Middle East war's impact on Myanmar is not visible in food import prices but in irrigation costs that have doubled and diesel prices that have risen more than 55 percent. Myanmar's primary food security channel runs through fuel and fertilizer inputs to domestic production, hitting a farming sector that has shifted from animal to machine power over the past decade, with no fallback when diesel supply fails. Before the war, Myanmar farmers were at their least profitable in five years per World Bank analysis. The 2026 Humanitarian Response Plan is funded at 25.9 percent against an \$890 million requirement covering 16.2 million people in need – the best coverage ratio in this case study set but still leaving three quarters of the requirement unfunded. Myanmar faces compounding energy depletion: domestic gas production from the Yadana field is down 47 percent, and the Shwe field is projected to begin declining from 2026. Each shock alone would be manageable. In combination they constitute a structural energy crisis – triggering sharp price increases, widespread rationing and diesel affecting farming, food production and humanitarian operations – that the country's pre-existing civil war and humanitarian emergency context cannot absorb.

Aggregate Picture

WFP's estimate that an additional 45 million people could be pushed into acute hunger globally, the IMF/World Bank/WFP joint warning that the burden will fall most heavily on "low-income, import-dependent economies," and the FAO Food Price Index reaching its highest level since September 2025 all describe the same transmission landing on fragile contexts far from the Gulf.

Across the four case countries with standalone 2026 Humanitarian Response Plans, 57.5 million people are already in acute humanitarian need against a combined plan requirement of \$4.7 billion, funded between 12 and 26 percent. The Sudan Emergency Regional Refugee Response Plan, which covers Sudanese refugees in Ethiopia and other host countries, is funded at just 4.2 percent, the lowest coverage of any major 2026 plan. Ethiopia does not have a standalone 2026 country plan; its caseload is covered under regional instruments. These five countries are not exceptional within the global picture. They are illustrative of it: the same transmission compounding pre-existing crises worldwide, against a humanitarian response pipeline that was set before the war. The cost of any further escalation would land on populations that are already exhausting their absorptive capacity.

Country	People in need	2026 HRP requirement	Funding coverage	Lead transmission
Sudan	33.7 million	\$2.87 billion	16.2 percent	Compounding on war economy
Myanmar	16.2 million	\$890 million	25.9 percent	Production-side mechanization
Somalia	4.8 million	\$852 million	12.2 percent	Dollarized import dependency
Pakistan (Floods)	2.8 million	\$65 million	15.8 percent	LNG and planting window
Ethiopia (Sudan RRP)	2.6 million	\$497 million	3.5 percent	Corridor concentration
Total	60.1 million	~\$5.2 billion		

Source: OCHA Financial Tracking Service, as of 8 April 2026. Total row includes Ethiopia under the Sudan Emergency Regional Refugee Response Plan. The 57.5 million and \$4.7 billion figures cited in the paragraph above reflect only the four countries with standalone 2026 Humanitarian Response Plans (Sudan, Myanmar, Somalia, Pakistan), consistent with how those plans are published by OCHA.

Implications & Priorities

Shipping logistics: The first week of post-ceasefire Hormuz activity has confirmed the pattern. Limited transits resumed briefly on 8 April before Iran suspended passage, and by 9 April the IRGC Navy had formalized a permission-based transit regime. Four days in, on 11 April, Windward Maritime Intelligence recorded only 17 vessels transiting in a single day, roughly 80 per cent below the pre-war baseline. On 12 April the US Navy blockade announcement further constrained the outlook. Humanitarian aid logistics through Jebel Ali and Dubai corridors should expect continued elevated costs and delays through the remainder of 2026, even under an optimistic diplomatic scenario.

Fertilizer monitoring in the active planting windows: The Somali Gu, Ethiopian belg and Pakistani kharif planting seasons determine Q4 2026 and Q1 2027 food price outcomes in those three countries. Fertilizer availability and cost over the next six weeks is the decisive variable. Food security actors should track retail-level fertilizer availability in each and specifically monitor whether the global urea price rise has passed through to local agrodealer pricing.

Transfer value revision: This is the most immediate operational decision point in every country in the case set. In Sudan, parallel rate movement has eroded the purchasing power of an unrevised April 2025 transfer value by approximately 40 percent before food basket inflation. In Somalia, the pre-war value was already at 70 percent of the minimum expenditure basket. Cash working groups in each country should be considering interim top-ups pending full Minimum expenditure basket (MEB) recalculation.

Seeds and fertilizer: Pre-positioning of seeds and tools ahead of further supply disruption would reduce exposure to both fuel price increases and physical lack of availability. Where fertilizer prices are rising sharply, targeted voucher or in-kind distribution to smallholders (combined with support for micro-dosing techniques to stretch limited supplies) is likely more effective than generalized subsidies, with available fertilizer supplies prioritized toward food rather than export or cash crops.

Coordination and monitoring: The scale and speed of transmission across multiple supply channels warrants urgent convening of key donors and delivery partners (at country level and globally) to monitor impacts, identify operational efficiencies, and assess whether alternative delivery modalities are warranted. Funding timelines should be reviewed: for highly time-sensitive inputs such as fertilizer, front-loading disbursements ahead of planting deadlines may be more cost-effective than responding to shortfalls after the window has closed. The lengthening of humanitarian transit times

creates an urgent case for pre-positioning critical supplies in-country or at regional hubs before the logistics window narrows further.

Monitoring

Hormuz transit volumes (daily) IMF PortWatch chokepoint transit data provides a daily public signal. As of 11 April, four days into the ceasefire, 17 vessels transited in a single day (Windward Maritime Intelligence), still roughly 80 per cent below the pre-war baseline. A sustained rise above 20 vessels per day would indicate the permission-based regime is easing. A sustained figure below 10 would indicate it is formalizing into the new operational baseline.

Urea retail prices in planting-window countries (weekly) The global urea price rise has locked into importer purchase cost. Pass-through to agrodealer retail in Somalia, Ethiopia and Pakistan will materialize over the next four to six weeks and is the earliest observable signal of whether the production-side shock is landing on farmers in the active planting window.

MEB updates (by mid-May) Cash working groups in all five countries should be recalculating the MEB against the post-war cost base. Any country where this has not happened by mid-May is one where transfer values are operating against an outdated baseline and the purchasing power erosion documented here will continue.

Iranian state messaging on the transit regime (ongoing) Iran's 12 April statement that the strait remains open for civilian vessels while military ships 'will be dealt with severely' is the most recent datapoint and represents a selective tightening of the 8-9 April regime. Further statements loosening or tightening this selective framing will be an early indicator of how the blockade standoff is translating into commercial access.

Bab el-Mandeb Houthi posture (ongoing) The Houthi pause on Red Sea commercial shipping attacks has held since the war began, but the pause applies only to commercial shipping: since 28 March the Houthis have launched at least eight missile and drone barrages at Israel, including a coordinated strike with Iran and Hezbollah. A resumption of Houthi operations against shipping in the southern Red Sea would create dual-chokepoint exposure for Somalia and would mark a material worsening of the shipping channel. Early signals will appear in Houthi public messaging before operational attacks.

FAO Food Price Index April release (early May) The first benchmark measurement of whether the fertilizer-to-food transmission is continuing or stabilizing. A further rise above 128.5 points would confirm transmission is continuing. A fall would suggest earlier stabilization than this paper expects.

About this report

Produced by the Mercy Corps Crisis Analysis Team during the two-week ceasefire pause announced on 7 April 2026. It draws on authoritative public data, country-level analysis from Mercy Corps teams, and contemporaneous primary-source reporting from the ceasefire period.

Source register

Publicly available data: IMF PortWatch chokepoint transit and maritime trade flow data (through 29 March 2026); FRED daily Brent crude and Henry Hub prices (through 30 March 2026); OCHA Financial Tracking Service Humanitarian Response Plans 2026 (8 April 2026); IPC food security classifications; World Bank bilateral remittance data.

Country-level sources (Mercy Corps Global Crisis Analysis, March-April 2026): Somalia: IPC/FSNAU, WFP, FAO, UNICEF, OCHA, MSF, Reuters, ITV News, Al Jazeera, Central Bank of Somalia. Sudan: REACH/IMPACT JMMI, WFP Market Monitor, NRC North Darfur trader assessment, SPARC, Cash Consortium of Sudan, IOM DTM. Pakistan: Pakistan Bureau of Statistics, State Bank of Pakistan, OGRA, USDA FAS, World Bank. Ethiopia: Capital Ethiopia, Ministry of Finance, WFP Ethiopia, Institute for Food and Agricultural Policy. Myanmar: World Bank Myanmar, WFP Myanmar, MIMU, Irrawaddy, Mizzima.

Ceasefire-period sources (March-April 2026): IMF, World Bank Group and WFP joint statement issued by the Heads of the three institutions, Washington DC, 8 April 2026 (worldbank.org); WFP Deputy Executive Director Carl Skau, press briefing in Geneva, via NBC News; FAO Food Price Index March 2026 release, Rome, 3 April 2026 (fao.org); FAO Chief Economist Maximo Torero, UN press briefing, 26 March 2026; Norwegian Shipowners' Association statement via Reuters, 8 April 2026, with direct quote from NSA CEO Knut Arild Hareide; Maersk public statement, 8 April 2026; MarineTraffic commercial vessel tracking data, 8 April 2026; Bloomberg reporting on Persian Gulf vessel backlog, 8 April 2026; Axios reporting on Brent crude 8 April correction and S&P Global Platts dated Brent record peak; Reuters wire coverage of Brent pre-war close, 27 February 2026; Fars News Agency report via international wire services on Iran suspension of tanker passage, 8 April 2026; Iran Ports and Maritime Organization safe navigation advisory for the Strait of Hormuz, 8 April 2026; Islamic Revolutionary Guard Corps Navy statement and map on alternative shipping routes, 9 April 2026, via ISNA and Reuters; CRU Group urea price analysis via Food Ingredients First, 28 March 2026; Indian Parliament statements reported by Outlook Business (11 March 2026) and Down To Earth (27 March 2026); CME Group / Fertilizer Field, 9 April 2026 (global nitrogen fertilizer export disruption); NBC News, 8-9 April 2026 (post-ceasefire Hormuz transit count); Trading Economics, Brent crude oil CFD data, 13 April 2026 (Brent opening price \$101.82, up 6.95 percent intraday); Goldman Sachs sustained \$100 forecast referenced in Bloomberg reporting, 9 April 2026); Windward Maritime Intelligence Daily, 12 April 2026 (post-ceasefire Strait of Hormuz transit observations); International Crisis Group commentary via The National, 17 March 2026 (Michael Hanna on Houthi strategic patience); Washington Times, 9 April 2026, 'As Iran ceasefire wobbles, Houthis hold next potential chokepoint on oil, commerce' by Waseem Abu Mahadi and Jacob Wirtschafter (Houthi operational tempo post-28 March); Al Jazeera, 9 April 2026 (UAE national oil company chief statement on Strait of Hormuz; Sudan humanitarian shipment rerouting via Cape of Good Hope); OGRA Pakistan, 10 April 2026 (petrol price reduction notification).

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CONTACT

Crisis Analysis Team
crisisanalysis@mercycorps.org



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45 SW Ankeny Street
Portland, Oregon 97204
888.842.0842
[mercycorps.org](https://www.mercycorps.org)