

SYNTHESIS REPORT



From Hormuz to the Frontlines of Hunger

The Middle East War's Economic Reach into Six Fragile Contexts



APRIL 2026

Executive Summary

Two months on from the outbreak of conflict in the Middle East and the effective closure of the Strait of Hormuz, a vital corridor for global energy flows, shocks have rippled through economies worldwide. The impact on major fuel importers and exporters has been well documented. Less visible is the exposure of countries already grappling with economic and humanitarian crises and how these shocks compound existing vulnerability.

Economic shocks have quickly reached these countries through distinct transmission channels – fertilizer, retail and consumer fuel, commercial shipping and insurance, currency and purchasing power, and remittances – with measurable consequences for the cost of food, fuel and essential goods and services for millions of people already in need. The threat of compounding impact on remittance-receiving households from millions of foreign workers in the Gulf if the conflict persists, though not yet materialized, remains the largest forward-looking risk.

Building on a previous Mercy Corps flash report, [The Long Reach of War](#), this study traces these economic transmission channels and their impacts on six countries: Sudan, Somalia, Ethiopia, Pakistan, Myanmar and Lebanon. Each of these countries was contending with humanitarian crises prior to the outbreak of war in the Middle East and many have already exhausted their ability to absorb additional shocks. For those with more fiscal buffers to do so, prolonged disruption will further erode their long-term economic resilience, reversing hard-won development gains.

This coincides with a historic contraction in humanitarian aid: across the five countries in this report with active humanitarian response plans, none has reached even 40 per cent of its funding requirement as of 30 April 2026, with Sudan and Somalia below 20 per cent. This leaves country teams facing higher delivery costs with a weaker funding base compared to recent years.¹

The timing of these shocks means food insecurity is set to worsen for these six countries through the latter half of 2026 and into 2027. Somalia, Sudan, Pakistan and Ethiopia are entering planting seasons for staple crops critical to their populations' food security, but with compromised supply of the fuel-reliant irrigation, transport and fertilizer inputs on which adequate yields and market movement depend. Future food security impacts have already been written into these harvests. The FAO Chief Economist warned that prolonged disruption beyond 40 days could lead farmers to reduce fertilizer application, switch crops or plant smaller areas, with consequences carrying through the 2026 and 2027 harvests. That 40-day point was reached on 9 April, two days after the ceasefire was announced.²

¹ OCHA Financial Tracking Service (2026) 'Sudan Humanitarian Needs and Response Plan 2026'. Available at: <https://fts.unocha.org/plans/1514/summary> (Accessed: 29 April 2026); OCHA Financial Tracking Service (2026) 'Somalia Humanitarian Needs and Response Plan 2026'. Available at: <https://fts.unocha.org/plans/1516/summary> (Accessed: 29 April 2026); OCHA Financial Tracking Service (2026) 'Lebanon Flash Appeal 2026'. Available at: <https://fts.unocha.org/plans/1568/summary> (Accessed: 29 April 2026); OCHA Financial Tracking Service (2026) 'Myanmar Humanitarian Needs and Response Plan 2026'. Available at: <https://fts.unocha.org/plans/1505/summary> (Accessed: 29 April 2026).

² Food and Agriculture Organization of the United Nations (2026) 'FAO Chief Economist warns of severe global food security risks from disruption to Strait of Hormuz trade corridor', 26 March. Available at: <https://www.fao.org/newsroom/detail/fao-chief-economist-warns-of-severe-global-food-security-risks-from-disruption-to-strait-of-hormuz-trade-corridor/en> (Accessed: 29 April 2026).

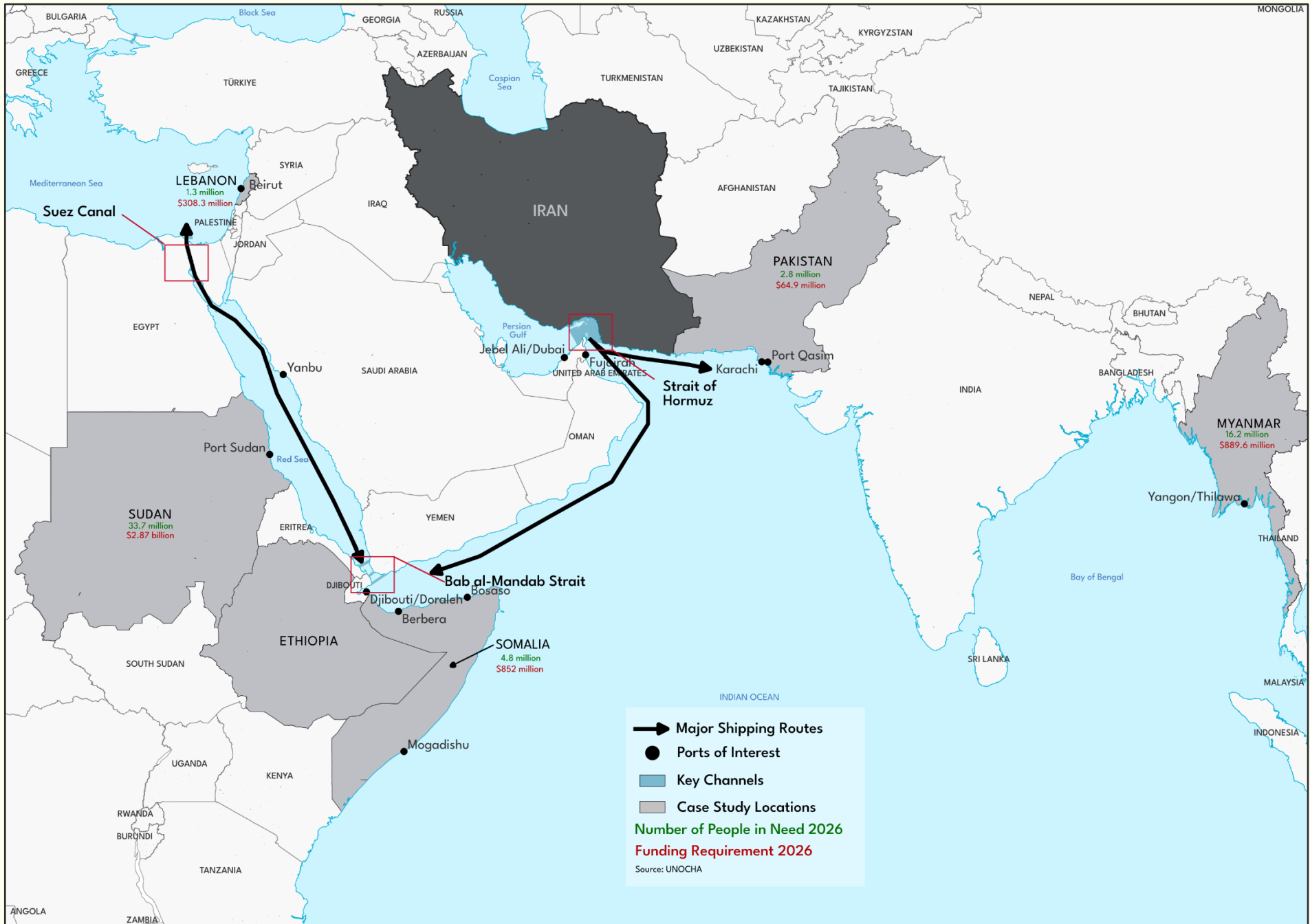
Diplomatic efforts and resulting global market shifts have not eased the transmission of these shocks. The 7 April ceasefire has not restored the Strait of Hormuz to normal commercial operation; the Strait remains under an Iranian permission-based transit regime, with mine hazard warnings covering most of the waterway. Commercial shipping operators have publicly declined to resume Gulf operations until the transit conditions change.³ A further asymmetry compounds the pressure. While global oil prices have partially dropped from their March peak, local retail fuel prices in several case countries with import-dependent economies have not fallen at the same pace: prices rise with global benchmarks within days but take weeks or months to fall again. Households and retailers across the case set are continuing to pay high prices at the pump, with second order impacts for food prices, agricultural inputs and humanitarian supply chains.

Action must be taken now to address the impact of the shocks already transmitted and to limit what is still preventable. Humanitarian cash transfer values should be reviewed against observed prices and agreed adjustment triggers, while agricultural inputs should be pre-positioned before key planting windows close. Humanitarian funding increases remain imperative, but so does the way existing commitments are deployed: front-loading disbursements, building in cost-base flexibility, and committing conditional tranches against observable triggers.

Ultimately, only full commercial reopening of the Strait of Hormuz will facilitate the functioning of the supply chains on which these populations depend. No single donor or implementing partner can address the scale of these shocks – a coordinated response across donors, UN agencies and humanitarian leadership is needed to match the geographic and sectoral breadth of this compounding crisis. This report presents the evidence for what has already transmitted to six case countries, the outlook for coming months, and the actions that cannot wait for diplomatic resolution.

³ Maersk (2026) 'Middle East Operational Update 19', 9 April. Available at: <https://www.maersk.com/news/articles/2026/04/09/middle-east-operational-update-19> (Accessed: 29 April 2026); Reuters (2026) 'Norway ships not yet ready to resume Hormuz transit, industry group says', 8 April. Available at: <https://uk.finance.yahoo.com/news/norway-ships-not-yet-ready-090449369.html> (Accessed: 29 April 2026).

Figure I. Report Reference Map



Source: Mercy Corps, OCHA FTS

Introduction and Analytical Framing

The Middle East war is not the headline crisis in any of the six countries covered in this report. Sudan is in the third year of a civil war that has produced the world's largest humanitarian emergency. Somalia entered 2026 with high food-import dependence and a severely underfunded Humanitarian Response Plan. Myanmar is contending with coup-driven inflation, and the lasting material and economic damage of the March 2025 earthquake. Lebanon is contending with a renewed Israeli military campaign. Ethiopia and Pakistan are managing fiscal and import-cost pressures that pre-date the regional conflict. The Middle East war, particularly the ongoing disruption to the Strait of Hormuz, is acting as a multiplier on these crises, not as a discrete shock alongside them. That is the conceptual frame this report works within, and the lens through which every figure that follows should be read.

This framing has a direct consequence for how much of the observed harm detailed in the report can be directly linked to the Middle East war. In most cases, the war's contribution cannot be cleanly separated from underlying fragility, domestic policy choices, conflict dynamics, pre-existing logistics constraints, currency pressure or earlier price rises. This report therefore distinguishes between findings where the data support a clear conflict-related signal, and findings where the regional conflict is one pressure among several. The reader should hold each finding to the level of confidence it claims, and no more.⁴

The bottom line for an operational reader is this: the ceasefire did not reset the costs. The Strait of Hormuz has not returned to normal commercial operation,⁵ and insurance markets continue to price Gulf transit as a heightened-risk environment.⁶ Insurance premiums, fertilizer benchmarks, freight costs and fuel supply contracts remain elevated because the conditions that priced the risk have not fully changed. Where the multiplier effect has tipped countries past operational thresholds, the response cannot wait for political resolution. Episodes of Mogadishu traders refusing Somali shilling notes, Sudanese rural transport fees reaching levels at which moving food becomes uneconomic, and Ethiopia's fuel rationing directive are observed conditions as of late April 2026, though each reflects a different level of attribution to the Middle East war. They are observed conditions as of the end of April 2026.

The report covers six countries through five economic transmission channels: retail and consumer fuel, fertilizer, commercial shipping and insurance, currency and purchasing power, and remittances. The report then assesses the humanitarian funding architecture as a cross-cutting constraint.

Each channel section sets out the mechanism, the observed evidence and the operational implications. The country sections then bring the channels together for each context. The recommendations are framed around decisions that program, donor and operational humanitarian, development and peace actors should be reviewing throughout the second quarter of 2026.

⁴ Attribution discipline is also the reason single-source findings, which are sometimes unavoidable in conflict-affected geographies, are flagged where they appear.

⁵ International Monetary Fund (2026) 'PortWatch: Trade Disruptions in the Strait of Hormuz'. Available at: <https://portwatch.imf.org/pages/eventc1000000-1> (Accessed: 29 April 2026).

⁶ Lloyd's List (2026) 'Gulf war risk premiums topping double-digit millions of dollars per trip', March. Available at: <https://www.lloydslist.com/LL1156586/Gulf-war-risk-premiums-topping-double-digit-millions-of-dollars-per-trip> (Accessed: 29 April 2026); Insurance Business (2026) 'US-Iran war strains Lloyd's as Gulf shipping crisis deepens', 23 March. Available at: <https://www.insurancebusinessmag.com/uk/news/marine/usiran-war-strains-lloyds-as-gulf-shipping-crisis-deepens-569418.aspx> (Accessed: 29 April 2026).

CONTEXT

The war between the US, Israel and Iran began on 28 February 2026, triggering the effective closure of the Strait of Hormuz – the narrow waterway through which approximately a quarter of the world’s seaborne oil supply normally passes⁷ – within days on the first strikes. Eight weeks in, the political picture remains unpredictable, but the economic direction is clear and moving in one direction. The Strait of Hormuz has not reopened to normal commercial traffic at any point since 28 February. Commercial transits fell from a pre-war baseline of approximately 95 vessels per day to a war-period floor of roughly 5 per day.⁸ Five reversals of the diplomatic picture between 7 and 20 April – the ceasefire announcement, the US naval blockade, an Iranian reopening declaration, Islamic Revolutionary Guard Corps (IRGC) gunfire on commercial vessels, and the US Navy seizure of an Iranian tanker – moved the headlines without restoring commercial shipping. On 9 April, the IRGC Navy issued a map of alternative transit routes through the Strait of Hormuz, citing the possible presence of anti-ship mines in the main traffic zone and advising vessels to coordinate with IRGC naval authorities when using the designated routes, which has persisted through every reopening announcement since. Shipping insurance markets have priced that regime, not diplomatic developments. The Norwegian Shipowners' Association and Maersk have both stated publicly that safe-passage announcements are insufficient to resume Gulf operations. The resulting economic picture in fragile contexts has not eased on the same cadence as the diplomacy.

KEY FINDINGS

The economic harm from this war is already being transmitted to households miles from the fighting – and much of it is now locked in regardless of how the political situation resolves. Harvests will be smaller where farmers reduce fertilizer use, switch crops or plant less, food will cost more, and the people least able to absorb those shocks are already at the limit of what they can withstand.

The Strait of Hormuz has not returned to a commercial waterway and every diplomatic announcement since 28 February has moved the headlines without restoring the supply chains that fragile economies depend on. The Strait has been placed under Iranian traffic control, with mine hazard warnings covering most of the waterway and all passage requiring IRGC Navy coordination⁹ Vessels transiting without authorization face a stated threat of being targeted and destroyed.¹⁰ Every ceasefire or reopening announcement since 28 February has shifted the diplomatic picture without restoring the commercial one. Insurance markets have priced the transit regime, not the diplomacy.

⁷ International Monetary Fund (2026) 'PortWatch: Trade Disruptions in the Strait of Hormuz'. Available at: <https://portwatch.imf.org/pages/eventc1000000-1> (Accessed: 29 April 2026).

⁸ <https://portwatch.imf.org/pages/cc317ba850e34c4dadbead6f7b336fb1?> Food and Agriculture Organization of the United Nations (2026) 'FAO Chief Economist warns of severe global food security risks from disruption to Strait of Hormuz trade corridor', 26 March. Available at: <https://www.fao.org/newsroom/detail/fao-chief-economist-warns-of-severe-global-food-security-risks-from-disruption-to-strait-of-hormuz-trade-corridor/en> (Accessed: 29 April 2026); International Monetary Fund (2026) 'PortWatch: Daily Chokepoint Transit Calls and Transit Trade Volume Estimates'. Available at: https://portwatch.imf.org/datasets/42132aa4e2fc4d41bdaf9a445f688931_0/about (Accessed: 29 April 2026).

Nournews (2026) 'IRGC Navy Announces Alternative Routes for Transit in the Strait of Hormuz', 9 April. Available at: <https://nournews.ir/en/news/308724/IRGC-Navy-Announces-Alternative-Routes-for-Transit-in-the-Strait-of-Hormuz> (Accessed: 29 April 2026). Consulate General of the Islamic Republic of Iran in Mumbai (2026) X post on IRGC Navy alternative routes through the Strait of Hormuz, 9 April, embedded in Albawaba, 'Iran unveils map for ships to avoid Strait of Hormuz mines'. Available at: <https://www.albawaba.com/news/iran-unveils-map-ships-avoid-strait-1625219> (Accessed: 29 April 2026); Dawn (2026) 'IRGC issues map to help ships avoid mines in Strait of Hormuz', 9 April. Available at: <https://www.dawn.com/news/1990201> (Accessed: 29 April 2026).

¹⁰ Economic Times (2026) 'Strait of Hormuz still closed, and what is IRGC Navy's message for vessels in Persian Gulf and Oman Sea?', 9th April. Available at: <https://economictimes.indiatimes.com/news/international/us/strait-of-hormuz-still-closed-and-what-is-irgc-navys-message-for-vessels-in-persian-gulf-and-oman-sea-latest-shipping-warning-and-tanker-halt-explained/articleshow/130119554.cms> (Accessed: 29 April 2026).

The fertilizer shock has already hit planting decisions – locking in smaller harvests and higher food prices across six countries before a single seed has been sown in the most critical growing windows of 2026. The FAO Chief Economist warned that disruption beyond 40 days triggers farmer behavioral responses – reduced fertilizer application, crop switching, smaller planted areas – whose food security consequences carry through 2026 and into 2027.¹¹ That threshold was crossed on 9 April, during the ceasefire window. The Somali Gu, Ethiopian belg and Pakistani kharif planting seasons are active now. The Ethiopian Meher sowing window – which accounts for more than 80 per cent of Ethiopia's annual cereal output – opens through May and June against a dramatically increased urea cost base that is already locked in. These harvest outcomes cannot be reversed by any political settlement.

The human cost is already concrete and measurable. In Sudan, Somalia and Myanmar, the transmission has moved beyond prices into the systems through which food reaches people: transport, market access, cash-transfer adequacy and agricultural production. In Sudan, the Strait of Hormuz disruption is adding pressure to cash-transfer adequacy through higher import costs, tighter dollar availability and exchange rate divergence. It is doing so in a context where purchasing power had already collapsed: by March 2026, before the Middle East war began, a transfer sized to the April 2025 food basket had lost 41 per cent of its value because of Sudan's civil-war economy.¹² In Sudan's conflict-affected Darfur and Kordofan regions, fuel and transport costs are reaching levels at which some food movements are no longer commercially viable, with Ayin Network reporting transport fees of Sudanese pound (SDG) 1 million to SDG 1.2 million against some cargo values as low as SDG 100,000.¹³ This reflects the Middle East war adding pressure to an already constrained market system. In Somalia, markets in Mogadishu reportedly began refusing the national currency altogether in mid-April, demanding dollars or mobile money instead. In Myanmar, WFP data indicate that diesel prices surged by more than 160 per cent nationwide by the last week of March. The shock is affecting transport, irrigation, milling and humanitarian delivery in a country heavily dependent on diesel-powered agricultural and logistics systems.¹⁴ This means higher diesel prices can raise the cost of producing, processing and moving rice and other staples at the same time as households are already facing elevated food prices.

Retail fuel prices rise fast and fall slowly – meaning households across the six case countries can expect to continue paying war-era prices for months after any political settlement. In import-dependent economies, prices track global benchmarks upward within days but take weeks or months to fall again. Importers immediately pay the higher global price for new stock. When global prices ease, distributors are still working through inventory bought at the peak. Government subsidies that softened the rise have already spent the fiscal space needed to reverse it. Households across the six case countries will continue paying elevated prices for months, not weeks.

¹¹ Reuters (2026) 'World food price rise set to continue if Iran war lasts, FAO says', republished by GMA News, 3 April. Available at: <https://www.gmanetwork.com/news/topstories/world/982505/world-food-prices-rose-in-march-as-iran-war-lifted-energy-costs-fao-says/story/> (Accessed: 28 April 2026).

¹² Author calculation using WFP Sudan Market Monitor food-basket data. The calculation compares a fixed-SDG transfer sized to the April 2025 food basket with the March 2026 food basket: $SDG\ 48,214 \div SDG\ 81,268 = 0.593$, implying a purchasing-power loss of 40.7 per cent, rounded to 41 per cent. See World Food Programme (2026) Sudan Market Monitor – March 2026, 30 March. Available at: <https://logcluster.org/en/documents/sudan-wfp-sudan-market-monitor-march-2026> (Accessed: 27 April 2026).

¹³ Ayin Network (2026) 'Sudan and escalating, crippling fuel prices', 3 April. Available at: <https://3ayin.com/en/fuel-4-/>

¹⁴ World Food Programme (2026) *Myanmar Market Monitor: March 2026*. Myanmar Country Office, March. Shared by the Cash and Markets Working Group Myanmar (Accessed: 29 April 2026).

The contraction in humanitarian aid budgets is structural, not cyclical – the international system was already failing these populations before the war began, and the conditions driving that contraction will outlast the conflict itself. Higher global prices, slower economic growth in Western economies and defense reprioritization are pulling aid budgets in the same direction for at least the remainder of 2026. Across the four case countries with published 2026 humanitarian response plans (HRPs), all remain heavily underfunded as of 30 April 2026 per OCHA Financial Tracking Service: Sudan at 18.8 per cent (USD 544 million of USD 2.9 billion required), Somalia at 14.3 per cent (USD 122 million of USD 852 million required), Lebanon's Flash Appeal at 38 per cent (USD 117 million of USD 308 million required), and Myanmar's HNRP at 30 per cent (USD 270 million of USD 890 million required). Country teams are facing higher delivery costs from the war against a weaker funding base than in recent response cycles.¹⁵ The dissolution of USAID on 1 July 2025 means US headline contribution figures may understate the effective reduction in delivery capacity, including slower grant processing, reduced partner-management capacity and more constrained disbursement pipelines.

Documented supply-chain rerouting and delay costs are rising at the moment the funding envelope is tightening. WFP reported on 31 March that 70,000 metric tonnes of food were affected by Middle East war-related supply-chain disruption, with shipments delayed across bulk vessels, containers, ports and onward routing.¹⁶ One WFP shipment of more than 1,700 tonnes of liquid nutritional supplements purchased in India for Port Sudan was rerouted around the Cape of Good Hope and through the Mediterranean to the Suez Canal after the carrier was unwilling to sail through Bab el-Mandeb. The rerouting of a separate WFP shipment of rice and biscuits donated by South Korea to Tajikistan added three weeks and USD 500,000 to a single delivery.¹⁷

Medical supply chains are also affected: the International Rescue Committee reported that USD 130,000 of pharmaceutical supplies for Sudan, enough to support approximately 20,000 people, were stranded in Dubai due to shipping disruption,¹⁸ while Save the Children reported that medical supplies intended to support more than 400,000 children in Sudan were also stuck in Dubai, placing more than 90 primary healthcare facilities at risk of running out of essential medicines. Save the Children also reported wider disruption to shipments for Yemen and Afghanistan, including rerouting costs of USD 1,000–2,000 per container for Sudan-bound supplies and air-freight costs of more than USD 240,000 for Afghanistan nutrition supplies that would otherwise have moved overland via Iran.¹⁹

¹⁵ OCHA Financial Tracking Service, plan funding data as of 30 April 2026. Sudan Plan ID 1514, Somalia Plan ID 1516, Lebanon Flash Appeal Plan ID 1568, Myanmar Plan ID 1505. Plan requirements: Sudan HRP 2026 (OCHA Summary, March 2026); Somalia HNRP 2026 (OCHA, 26 January 2026); Lebanon Flash Appeal March-May 2026 (OCHA, March 2026); Myanmar HNRP 2026 (OCHA, 10 December 2025).

¹⁶ World Food Programme (2026) 'Global disruptions to supply chains are driving tomorrow's hunger crisis', press briefing transcript, 31 March. Available at: <https://www.wfp.org/news/global-disruptions-supply-chains-are-driving-tomorrows-hunger-crisis> (Accessed: 28 April 2026).

¹⁷ Think Global Health (2026) 'How the Iran War Is Straining Humanitarian Aid, in Three Charts', Council on Foreign Relations, 1 April. Available at: <https://www.thinkglobalhealth.org/article/how-the-iran-war-is-straining-humanitarian-aid-in-three-charts> (Accessed: 28 April 2026).

¹⁸ International Rescue Committee (2026) 'IRC warns Iran war is disrupting fuel and aid supply chains, threatening life-saving operations across Africa', 1 April. Available at: <https://www.rescue.org/eu/press-release/irc-warns-iran-war-disrupting-fuel-and-aid-supply-chains-threatening-life-saving> (Accessed: 28 April 2026).

¹⁹ Save the Children (2026) 'Middle East regional conflict blocking lifesaving aid for over 400,000 children', 18 March. Available at: <https://www.savethechildren.org/us/about-us/media-and-news/2026-press-releases/middle-east-conflict-blocking-lifesaving-aid> (Accessed: 28 April 2026).

The shocks created by the conflict are not a future risk but a current operational reality. The window to limit what is still preventable is measured in weeks, not months. Waiting for diplomatic clarity is not an option. Urgent action is needed now to protect purchasing power, input access and logistics capacity before the planting windows that will determine food security through late 2026 and into 2027 close.

PURPOSE AND SCOPE

This report synthesizes real-time economic data with Mercy Corps Crisis Analysis Team and country office research to trace how economic shocks from the 2026 Middle East conflict are transmitting through five channels – fuel, fertilizer, commercial shipping and insurance, currency and purchasing power, and remittances – into six crisis-affected countries: Sudan, Somalia, Ethiopia, Pakistan, Myanmar and Lebanon. The political situation is changing too rapidly to forecast with confidence. This report therefore does not predict ceasefire outcomes, assign probabilities to political developments, or take a view on the conduct of the war. The economic transmission, by contrast, is observable now through measurable prices, flows and fiscal positions. This report describes observed conditions, forward risks and indicators to watch.

Significant analytical work exists on the global economic consequences of the Hormuz disruption. The Food and Agriculture Organization of the United Nations (FAO) has modeled the agrifood and fertilizer supply implications.²⁰ UN Trade and Development (UNCTAD) has assessed the macroeconomic and trade consequences for developing economies.²¹ ACAPS has documented ripple effects across humanitarian contexts.²² Together they illustrate the global picture. This report adds a country-level operational layer to the existing body of evidence: it translates global shocks into what they mean for programming decisions, funding architecture and operational priorities in specific fragile contexts, grounded in Mercy Corps operational knowledge, in-house Crisis Analysis Team capacity and real-time data. The recommendations are designed to be actionable within a contracting funding environment – focusing on how existing commitments should be deployed. This report is accompanied by upcoming country analysis briefs for selected case countries, providing deeper analysis of the transmission channels and impacts documented here. This report builds on the earlier Mercy Corps flash analysis, *The Long Reach of War*, published 10 April 2026.

HOW TO READ THIS REPORT

The report proceeds in four parts. The transmission channel section that follows documents observed evidence of economic shock transmission across five channels and six case countries. The country summaries identify each country's primary exposure and the populations most directly affected. The funding architecture section situates the analysis within the broader financing constraints facing the humanitarian system. The recommendations section identifies specific, time-bound actions that are warranted by the evidence and defensible under any ceasefire outcome.

²⁰ Global Agrifood Implications of the 2026 Conflict in the Middle East, FAO, 19 March 2026. <https://openknowledge.fao.org/items/67a1fe95-98f2-4f23-8be7-99491bfd8343>. Accessed 28 April 2026.

²¹ Strait of Hormuz disruptions: Implications for global trade and development, UNCTAD, 10 March 2026. <https://unctad.org/publication/strait-hormuz-disruptions-implications-global-trade-and-development>. Accessed 28 April 2026.

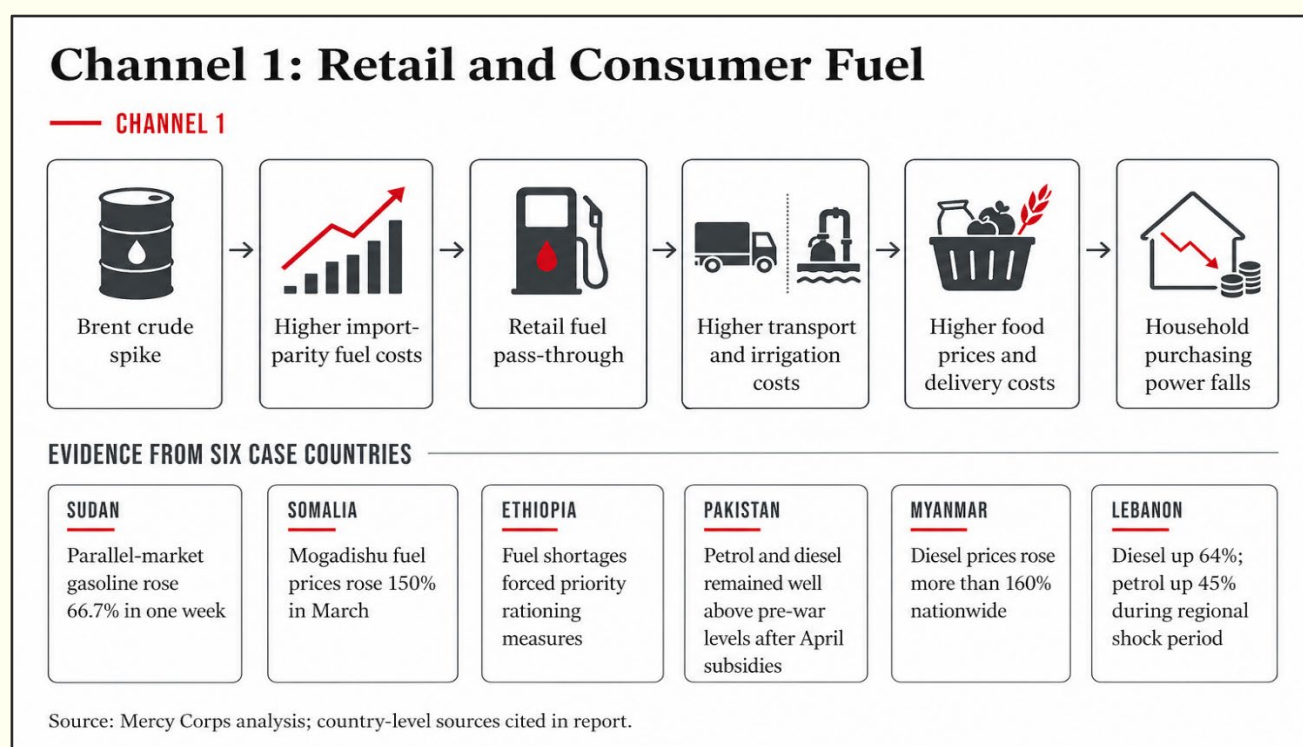
²² Middle East Conflict Ripple Effects & Scenarios: How Might This Crisis Shape Humanitarian Needs Worldwide? ACAPS, 20 March 2026. <https://www.acaps.org/en/countries/archives/detail/middle-east-conflict-ripple-effects-and-scenarios>. Accessed 29 April 2026.

Observed Transmission: how the war's economic shocks are reaching fragile contexts

Economic shocks are traveling through five channels: fertilizer, retail and consumer fuel, commercial shipping and insurance, currency and purchasing power, and remittances. Four channels already show observed transmission. Remittances are treated as the largest forward-looking risk; no war-attributable disruption is yet visible in available data.

CHANNEL 1: RETAIL AND CONSUMER FUEL

Global oil prices rose sharply in the first month of the war and passed through to retail fuel prices in the case countries within days. Despite a partial global correction, retail fuel prices in the case countries have remained close to peak levels. Across the six case countries, the people absorbing this shock are those with the least capacity to absorb it: daily-wage laborers whose transport costs are not negotiable; urban poor households in Mogadishu, Addis Ababa, Khartoum and Omdurman facing fuel-driven transport and food inflation on cash incomes that have not shifted; smallholder farmers whose irrigation pumps run on diesel; and humanitarian logistics operators whose delivery costs have risen against a tightening funding envelope.



KEY FACTS

- Brent crude rose from approximately USD 71 per barrel immediately before the war to USD 126.69 on 31 March 2026, the cross-case reference point used in this report.²³ It later reached a

²³ U.S. Energy Information Administration (2026) Crude Oil Prices: Brent – Europe, retrieved via Federal Reserve Economic Data, series DCOILBRETEU. The daily series records Brent at USD 71.32 per barrel on 27 February 2026 and USD 126.69 per barrel on 31 March 2026. The daily Europe Brent Spot FOB price diverged sharply from the front-month ICE Brent futures contract in late March and early April 2026, reflecting backwardation linked to disrupted Strait of Hormuz flows. Available at: <https://fred.stlouisfed.org/series/DCOILBRETEU> (Accessed: 30 April 2026).

higher daily close of USD 138.21 on 7 April, prior to the ceasefire announcement, before correcting to USD 122.11 on 8 April – an 11.6 per cent single-day fall.²⁴

- The monthly Brent average price rose 46 per cent month-on-month February to March. This monthly movement is the more relevant benchmark for import-parity pricing, which determines what fuel-import-dependent countries pay once crude prices, transport costs, insurance, tariffs and other import costs are reflected in landed fuel prices.
- By 27–28 April, Brent remained approximately 46 to 51 per cent above its pre-war level.²⁵ After partially correcting from the 7 April daily high, prices climbed back to USD 108.11 on 27 April as US-Iran peace talks stalled and the Hormuz blockade tightened, before settling at approximately USD 104 on 28 April.²⁶

OBSERVED TRANSMISSION

Sudan: Parallel-market gasoline in the Khartoum region rose from SDG 18,000 per gallon to SDG 30,000 per gallon in the week to early April 2026, a 66.7 per cent rise.²⁷ The shock is landing on a fuel system already degraded by Sudan’s civil war: the Al-Jaili refinery near Khartoum was destroyed in 2023, several oil fields are offline, and domestic refining capacity is operating at only 15 to 20 per cent of reported capacity.²⁸ This has left Sudan heavily dependent on fuel imports and parallel-market supply at the same time that global fuel and freight costs are rising.

Somalia: Fuel prices in Mogadishu reportedly more than doubled. Save the Children, citing Somali government data, reported that Mogadishu fuel prices rose 150 per cent in March 2026, from USD 0.60 to USD 1.50 per liter.²⁹ One Mogadishu tuk-tuk driver reported that his daily fuel bill doubled from USD 8 to USD 16, while his net daily earnings fell from USD 15-20 to USD 7-10.³⁰ This makes the Somalia fuel shock an immediate income shock for urban informal workers as well as a transport-cost shock for households.

Ethiopia: Physical fuel unavailability at Addis Ababa and regional stations forced a government rationing directive. Ethiopia depends heavily on a single import route through Djibouti, at the point where Gulf, Red Sea and Horn of Africa shipping routes meet. More than 90 per cent of Ethiopia’s trade moves through this route, so any disruption there can quickly affect national fuel availability.³¹

²⁴ U.S. Energy Information Administration (2026) *Europe Brent Spot Price FOB*, retrieved via Federal Reserve Economic Data, series DCOILBRENTU. Available at: <https://fred.stlouisfed.org/series/DCOILBRENTU> (Accessed: 27 April 2026).

²⁵ The Guardian (2026) ‘Oil prices stay high as US-Iran peace talks stall – business live’, 27 April. Available at: <https://www.theguardian.com/business/live/2026/apr/27/oil-prices-high-us-iran-peace-talks-stock-markets-house-prices-latest-news-updates> (Accessed: 29 April 2026).

²⁶ US Energy Information Administration (2026) *Europe Brent Spot Price FOB*. Available at: <https://www.eia.gov/dnav/pet/hist/rbrted.htm> (Accessed: 28 April 2026). Trading Economics (2026) *Brent Crude Oil Price Chart*. Available at: <https://tradingeconomics.com/commodity/brent-crude-oil> (Accessed: 28 April 2026).

²⁷ Xinhua (2026) ‘Sudan-Omdurman-Fuel Crisis’, 7 April. Available at: <https://www.bignewsnetwork.com/news/278968055/sudan-omdurman-fuel-crisis> (Accessed: 27 April 2026).

²⁸ Xinhua (2026) ‘Feature: Sudan faces worsening fuel crisis as prices soar’, 7 April. Available at: <https://english.news.cn/africa/20260407/3eb033b58b7d41afa85a08eb2973c9aa/c.html> (Accessed: 27 April 2026).

²⁹ Save the Children (2026) ‘Somalia emergency escalates as Middle East conflict drives up food and fuel prices, delays aid’, 31 March. Available at: <https://www.savethechildren.net/news/somalia-emergency-escalates-middle-east-conflict-drives-food-and-fuel-prices-delays-aid> (Accessed: 28 April 2026).

³⁰ Xinhua (2026) ‘Feature: Soaring fuel prices push Somalia’s three-wheeler drivers to brink’, 5 April. Available at: <https://english.news.cn/africa/20260405/cf8ed8bca8094fca86160b85a6e9be7e/c.html> (Accessed: 27 April 2026).

³¹ Institute of Foreign Affairs Ethiopia (2026) ‘The Hormuz Shock: Ethiopia’s Energy Security in a World of Chokepoints’, 9 March. Available at: <https://www.ifa.gov.et/2026/03/09/the-hormuz-shock-ethiopias-energy-security-in-a-world-of-chokepoints/> (Accessed: 29 April 2026).

Pakistan: Pakistan recorded its largest single-day fuel price adjustments on 3 April,³² when the Oil and Gas Regulatory Authority (OGRA) raised petrol by Rs137.24 and diesel by Rs184.49, bringing retail prices to approximately 72 per cent and 85 per cent above pre-war levels respectively.³³ Targeted government subsidies on 10 and 11 April brought down prices partially before a further increase on 25 April, with Pakistan's petroleum minister citing renewed regional tensions and International Monetary Fund (IMF) fiscal commitments as drivers.³⁴ Both remain well above pre-war levels. Daily-wage laborers in Karachi, Lahore and Faisalabad have absorbed the full pass-through costs through informal transport costs reliant on retail diesel. Smallholder farmers in Punjab, Sindh and Khyber Pakhtunkhwa face higher diesel costs for tube-well irrigation in the run-up to the critical June-July kharif planting season.

Myanmar: WFP's March Market Monitor found that diesel prices had surged by more than 160 per cent nationwide by the last week of March, with the country's largest city Yangon recording the steepest increase at 174 per cent. Prices in Sittwe and Myitkyina reached approximately MMK 13,000 per liter, nearly five times higher than pre-crisis levels in Yangon.³⁵ By 24 April, WFP reported that national average diesel prices had declined by 9 per cent compared with the previous week but remained 144 per cent above the Myanmar Petroleum Regulatory Department baseline, while Octane 95 prices remained 99 per cent above baseline.³⁶ Aviation fuel shortages also disrupted domestic connectivity, with five Myanmar carriers halting domestic ticket sales and suspending most local routes for four days before domestic operations resumed on 25 March.³⁷ Local reporting also indicated that some airfares rose sharply during the disruption, with baggage allowances reduced as airlines responded to aviation-fuel shortages.³⁸

Lebanon: Lebanon's fuel prices have risen sharply since the regional conflict began, with diesel up approximately 64 per cent and petrol up approximately 45 per cent against pre-war levels by end-March 2026. The Mercy Corps Lebanon Crisis Analytics Team (LCAT) data does not isolate the Hormuz-specific component from the wider regional-conflict effect, including the renewed Israeli military campaign. The Lebanon case is therefore treated here as evidence of fuel-price pass-through during the regional shock period, not as a clean Hormuz-only transmission.³⁹

³² Associated Press (2026) 'Pakistan increases fuel prices as Iran war disrupts global oil markets', 3 April. Available at: <https://apnews.com/article/d649ed3d36e603d57ed5a0e374858832> (Accessed: 29 April 2026).

³³ Pakistan Today (2026) 'Petrol jumps to Rs458.41, diesel to Rs520.35', 3 April. Available at: <https://www.pakistantoday.com.pk/2026/04/03/petrol-jumps-to-rs45841-diesel-to-rs52035> (Accessed: 28 April 2026).

³⁴ Dawn (2026) 'Surprise fuel hike adds to burden on consumers', 25 April. Available at: <https://www.dawn.com/news/1994919> (Accessed: 28 April 2026).

³⁵ World Food Programme (2026) *Myanmar Market Monitor: March 2026*. Myanmar Country Office, March. Shared by the Cash and Markets Working Group Myanmar (Accessed: 29 April 2026).

³⁶ <https://www.wfp.org/stories/how-mideast-crisis-deepening-hunger-far-beyond-front-lines>

World Food Programme Myanmar Country Office (2026) *Spillover Effects: How the Middle East Crisis Threatens Food Security – Focus on Myanmar*. Reporting period: week of 20 April. Released 28 April. Shared by the Cash and Markets Working Group Myanmar (Accessed: 29 April 2026).

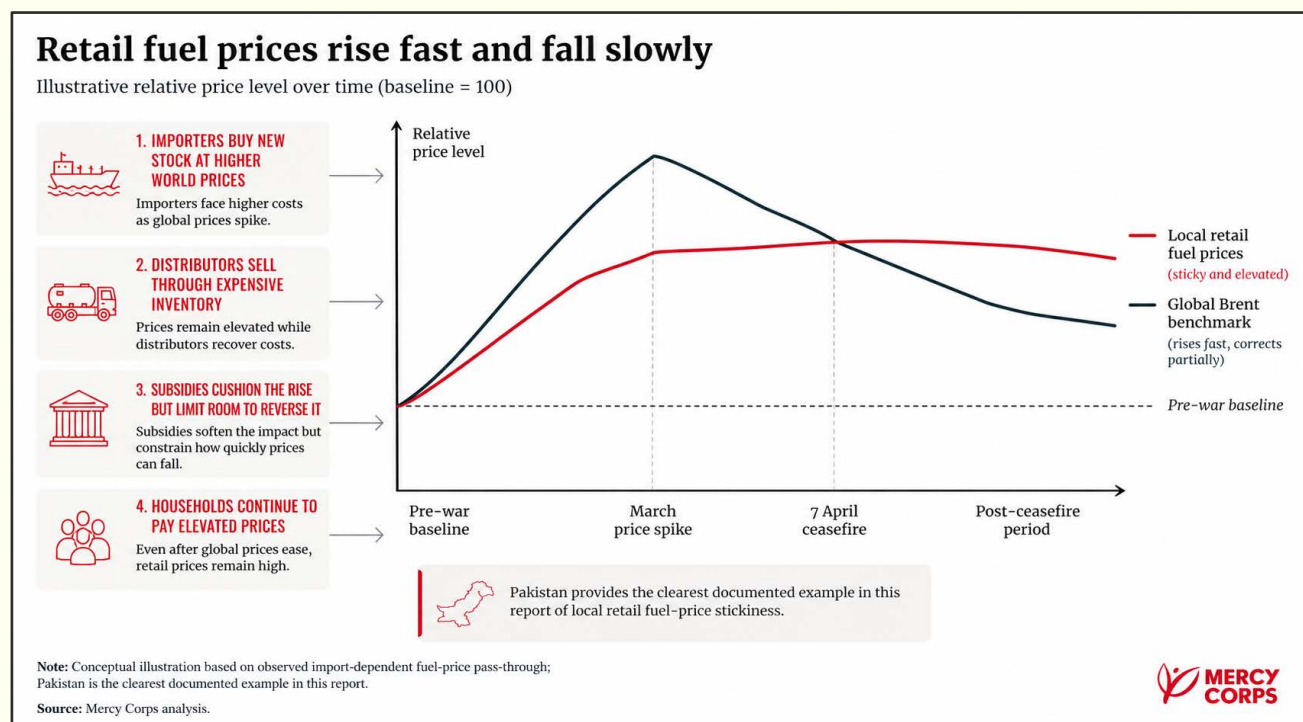
³⁷ 'Myanmar carriers resume domestic flights amid fuel shortage', 30 March. Available at: <https://www.ch-aviation.com/news/165375-myanmar-carriers-resume-domestic-flights-amid-fuel-shortage> (Accessed: 28 April 2026).

³⁸ Burma News International / Mizzima (2026) 'Myanmar airfares triple and baggage allowances slashed amid global fuel crisis', 23 March. Available at: <https://www.bnionline.net/en/news/myanmar-airfares-triple-and-baggage-allowances-slashed-amid-global-fuel-crisis> (Accessed: 28 April 2026).

³⁹ February-to-mid-March readings showed smaller increases; the end-March figures cited here reflect the fuller transmission period. Mercy Corps Lebanon Crisis Analytics Team (2026) *Flash Report: Economic and Humanitarian Impacts of Higher Global Oil Prices on Lebanon*, March, p. 5. Fuel-price figures cite IPT Group, *Fuel Prices*, 26 March 2026, and Fuel Distributors Syndicate interviews. Available at: <https://mercycorps.org.lb/economic-and-humanitarian-impacts-of-higher-global-oil-prices-on-lebanon/> (Accessed: 27 April 2026).

RETAIL-FUEL STICKINESS

Even where global oil prices have eased from their early-April peak, that partial correction has not translated into lower local fuel prices. In import-dependent economies, retail prices rise with global benchmarks within days but take weeks or months to fall again. Prices rise quickly because importers pay the higher global price for new stock. When global prices fall, distributors are still working through inventory bought at the peak. Where governments used subsidies to soften the rise, fiscal measures to reverse prices may now be more limited, and are not available to push prices down on the way back.



Pakistan is the clearest documented case of this mechanism. Retail petrol first rose by Rs55 per liter in early March, from Rs266.17 to Rs321.17, with diesel rising by the same amount from Rs280.86 to Rs335.86.⁴⁰ Prices then reached Rs458.41 per liter for petrol and Rs520.35 for diesel on 3 April.⁴¹ Two government subsidy interventions on 10 and 11 April reduced prices to Rs366.58 for petrol and Rs385.54 for diesel, but prices remained well above pre-war levels.⁴²

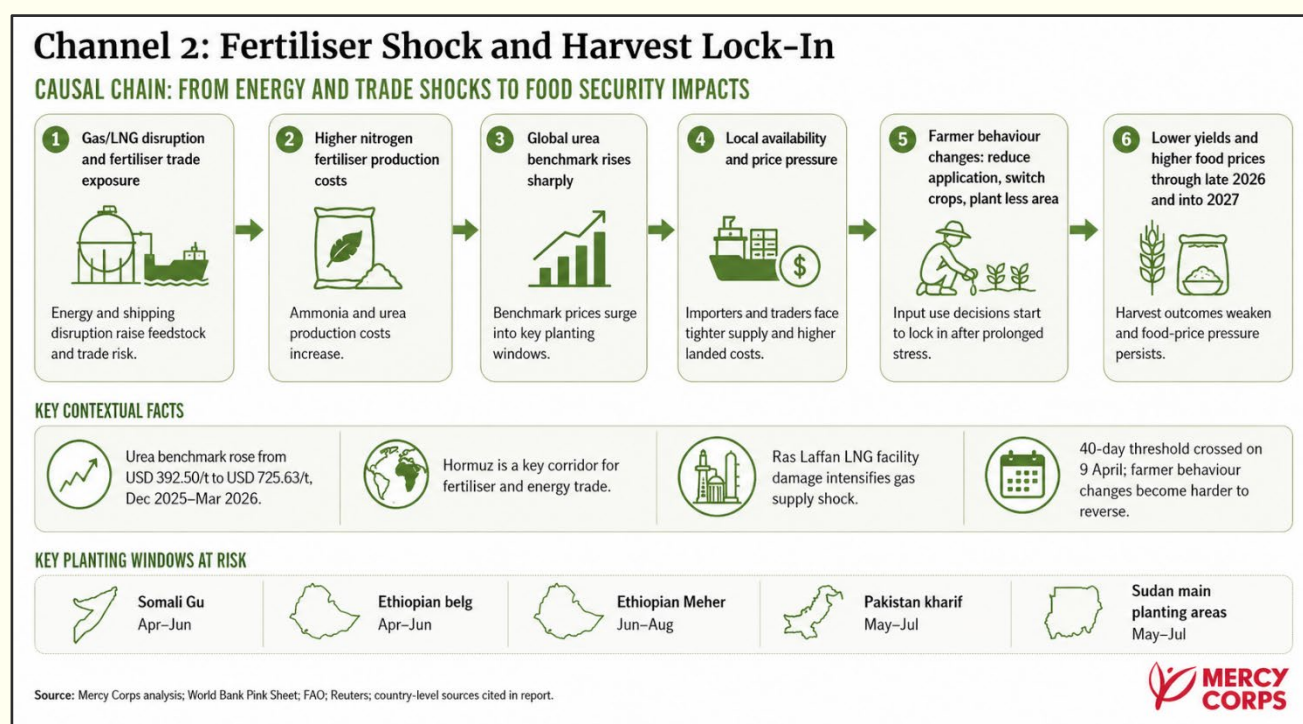
⁴⁰ Pakistan Today (2026) 'Govt announces Rs55 per litre increase in petrol and diesel prices', 7 March. Available at: <https://www.pakistantoday.com.pk/2026/03/07/government-raises-petrol-and-diesel-prices-by-rs55-per-litre> (Accessed: 27 April 2026).

⁴¹ Business Standard / Press Trust of India (2026) 'Pakistan hikes petrol, diesel prices by record 43% and 55% amid Iran war', 3 April. Available at: https://www.business-standard.com/world-news/pakistan-hikes-petrol-diesel-prices-by-record-43-and-55-amid-iran-war-126040300353_1.html (Accessed: 27 April 2026).

⁴² Pakistan Hub 360 (2026) 'Petrol prices in Pakistan, April 2026', 11 April. Available at: <https://www.pakistanhub360.com/2026/04/petrol-prices-in-pakistan-april-2026.html> (Accessed: 27 April 2026).

CHANNEL 2: FERTILIZER

Global fertilizer prices have seen one of the largest moves among major agricultural inputs in the war period; urea, the global nitrogen fertilizer benchmark and a key input for farmers worldwide, increased by 85 per cent between December 2025 and March 2026, from USD 392.50 to USD 725.63 per ton.⁴³ Natural gas is both the raw material and energy source for nitrogen fertilizer production, typically comprising 70 to 80 per cent of urea production cost.⁴⁴ In addition to gas transportation disruption, Reuters reported that an Iranian missile strike on Qatar’s Ras Laffan gas facility damaged infrastructure equivalent to approximately 17 per cent of Qatar’s LNG export capacity, with QatarEnergy expecting a multi-year repair period.^{45,46} The shock has landed at the start of the main northern hemisphere planting window that will determine food security across the six case countries through late 2026 and into 2027. At community level, that could mean a smallholder farmer in Punjab making fertilizer restocking decisions in the coming weeks facing a cost base that has risen by as much as 85 per cent since December, based on global benchmark prices. The decisions made now, whether to plant at full area and full application, reduce inputs, or switch to a less input-intensive crop, will determine what that household eats and earns in October and November this year.



⁴³ World Bank (2026) *Commodity Markets: Pink Sheet Data – Monthly Prices*, March 2026. Urea benchmark price, USD 725.63 per ton; December 2025 benchmark price, USD 392.50 per ton. Available at: <https://www.worldbank.org/en/research/commodity-markets> (Accessed: 28 April 2026).

⁴⁴IMARC Group (2026) *Urea Production Plant Cost, Setup Report*. The report states that natural gas, as feedstock and fuel, accounts for approximately 70–80 per cent of urea production operating expenses. Available at: <https://www.imarcgroup.com/urea-manufacturing-plant-project-report> (Accessed: 28 April 2026).

⁴⁵ Reuters (2026) 'Iran attack wipes out 17% of Qatar’s LNG capacity for up to five years: QatarEnergy CEO', republished by *The Daily Star*, 19 March. Available at: <https://www.thedailystar.net/news/world/middle-east/news/iran-attack-wipes-out-17-qatars-lng-capacity-five-years-qatarenergy-ceo-4132736> (Accessed: 29 April 2026).

⁴⁶ S&P Global Commodity Insights (2026) 'QatarEnergy expects 3–5 years to repair LNG facilities after strikes', 19 March. Available at: <https://www.spglobal.com/energy/en/news-research/latest-news/electric-power/031926-qatarenergy-expects-3-5-years-to-repair-lng-facilities-after-strikes> (Accessed: 29 April 2026).

KEY FACTS

- World Bank Pink Sheet urea rose 85 per cent December 2025 to March 2026, from USD 392.50 to USD 725.63 per ton.
- The export price of urea from the Middle East rose from approximately USD 485 per ton in mid-February to USD 795.00 per ton on 7 April, a rise of approximately 64 per cent.⁴⁷
- Hormuz carries approximately 30 per cent of internationally traded fertilizers and roughly 50 per cent of global sulfur trade, a critical phosphate-fertilizer input.⁴⁸
- The 19 March Iranian missile strike on Qatar's Ras Laffan gas facility damaged infrastructure equivalent to approximately 17 per cent of Qatar's LNG export capacity and is expected to sideline⁴⁹ 12.8 million tons of annual LNG production for three to five years.⁵⁰
- Chinese fertilizer export controls were tightened in mid-March, with urea exports still subject to existing bans and government-issued quotas; market reporting suggested any easing would not come before May.⁵¹

OBSERVED TRANSMISSION

The point at which input decisions begin to shape harvest outcomes has been reached in several key planting windows. The FAO Chief Economist warned that if disruption extends beyond 40 days while input costs remain high and margins low, farmers may reduce input use, plant less area, or switch to less fertilizer-intensive crops, with consequences for yields and food supply through the rest of 2026 and into 2027.⁵² The Ethiopian belg (the short-rains planting window), and the Somali Gu (April to June rains) are active now against a urea cost base that is locked in. Pakistan is entering the kharif planting window, whose October and November harvests feed millions of Pakistani families and determine whether smallholder farmers can cover their costs through the coming year. The Ethiopian Meher input and sowing window opens through May and June. Meher produces more than 80 per cent of Ethiopia's annual cereal output and is the sharpest time-sensitive intervention window in the case set.

⁴⁷ Investing.com (2026) *Urea Granular FOB Middle East Futures Historical Data*. Available at: <https://www.investing.com/commodities/urea-granular-fob-middle-east-futures-historical-data> (Accessed: 29 April 2026).

⁴⁸ Food and Agriculture Organization of the United Nations (2026) 'FAO Chief Economist warns of severe global food security risks from disruption to Strait of Hormuz trade corridor', 26 March. Available at: <https://www.fao.org/newsroom/detail/fao-chief-economist-warns-of-severe-global-food-security-risks-from-disruption-to-strait-of-hormuz-trade-corridor/en> (Accessed: 28 April 2026).]

⁴⁹ Reuters (2026) 'Iran attack damage wipes out 17% of Qatar's LNG capacity for three-five years — QatarEnergy', 19 March. Available at: <https://www.reuters.com/business/energy/iran-attack-damage-wipes-out-17-qatars-lng-capacity-three-five-years-qatarenergy-2026-03-19/> (Accessed: 28 April 2026).

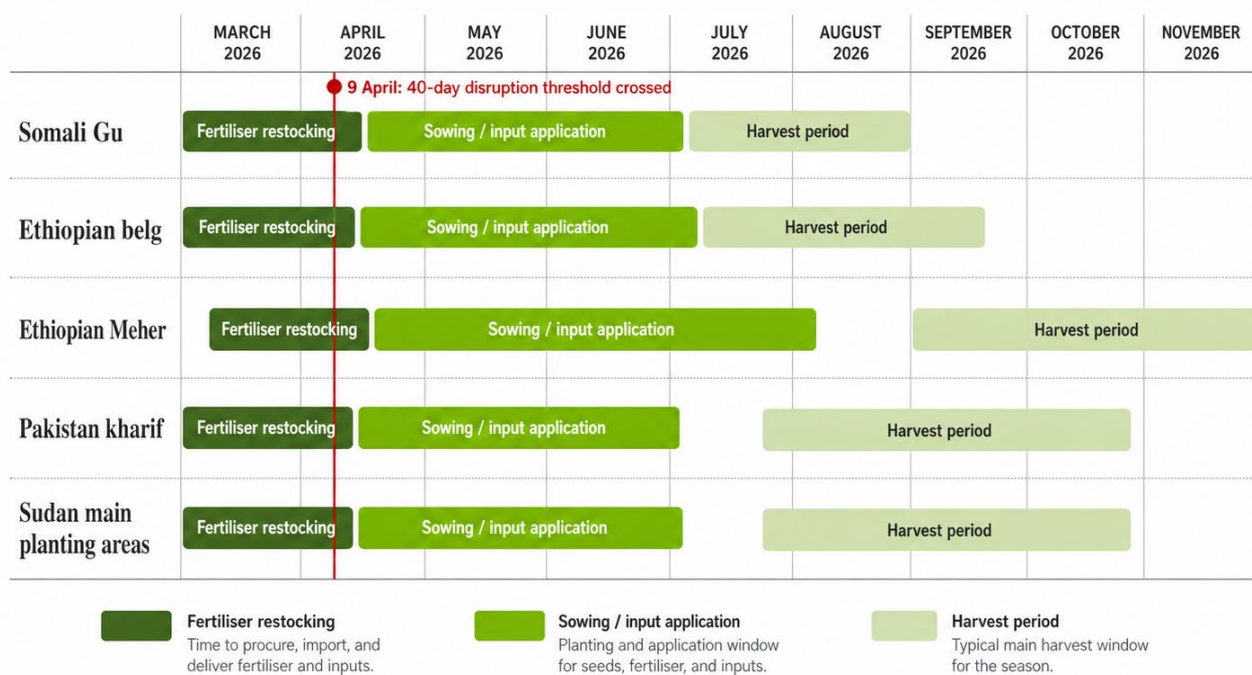
⁵⁰S&P Global Commodity Insights (2026) 'QatarEnergy expects 3–5 years to repair LNG facilities after strikes', 19 March. Available at: <https://www.spglobal.com/energy/en/news-research/latest-news/electric-power/031926-qatarenergy-expects-3-5-years-to-repair-lng-facilities-after-strikes> (Accessed: 27 April 2026).

⁵¹ Reuters (2026) 'China restricts Fertiliser exports, further crimping war-tightened supply', 20 March, republished by *The Jakarta Post*. Available at: <https://www.thejakartapost.com/business/2026/03/20/china-restricts-Fertiliser-exports-further-crimping-war-tightened-supply.html> (Accessed: 27 April 2026).

⁵² Food and Agriculture Organization of the United Nations (2026) 'FAO Food Price Index rises in March as Near East conflict raises energy costs', 4 April. Available at: <https://www.fao.org/newsroom/detail/fao-food-price-index-rises-in-march-as-near-east-conflict-raises-energy-costs/en> (Accessed: 27 April 2026).

The Window to Protect 2026 Harvests Is Closing

2026 PLANTING CALENDAR TIMELINE



⚠ Decisions made now shape food security through late 2026 and into 2027.

ⓘ Timings reflect typical patterns for main production zones and may vary by location.

Source: FAO GIEWS; FEWS NET; national agricultural calendars; Mercy Corps analysis. Dates are approximate and subject to variation.

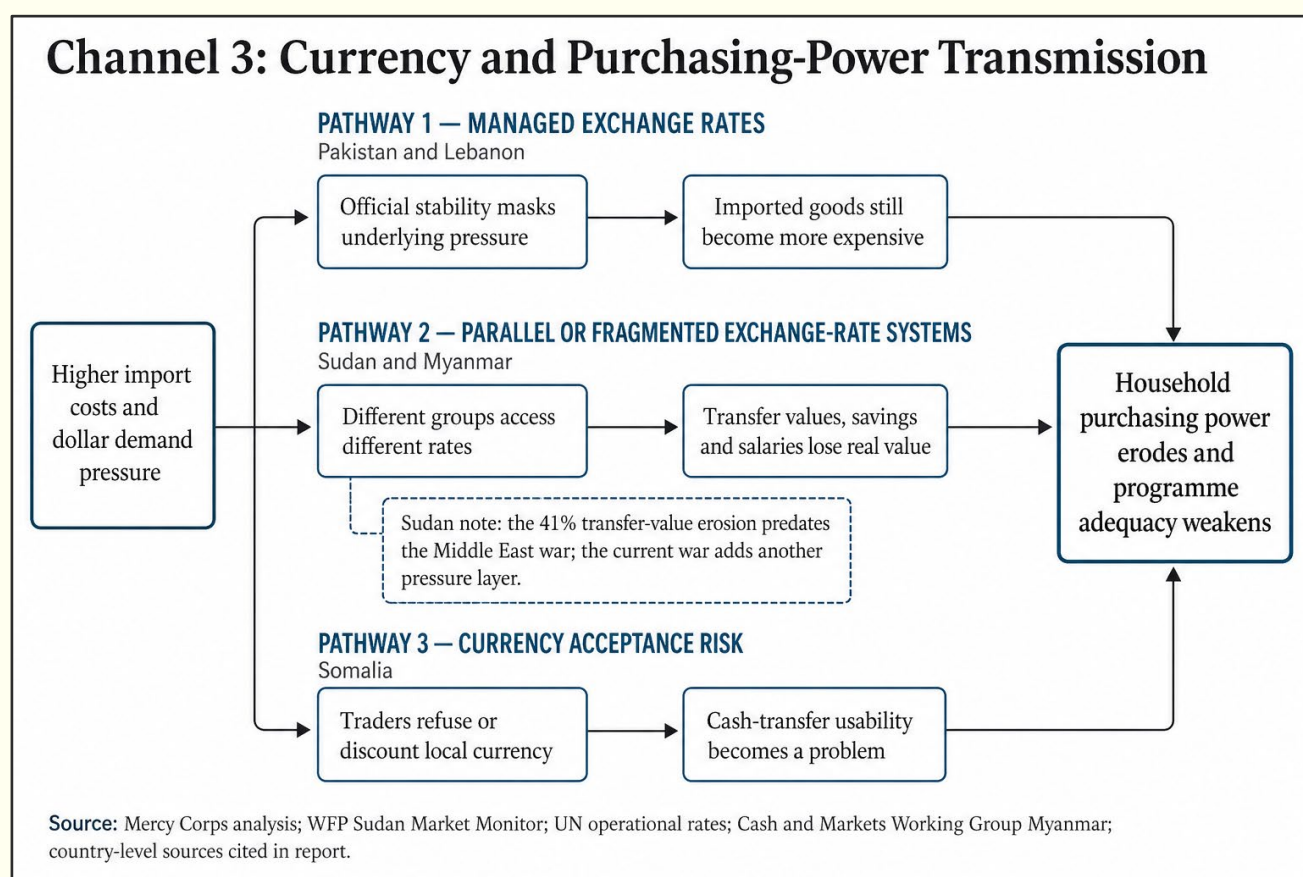
COUNTRY PASS-THROUGH

The key missing information across the case set is how much of the global fertilizer price rise is reaching farmers when they buy locally. Public price monitoring does not consistently show weekly fertilizer prices at the local-dealer level, and WFP market monitors and cash working-group price trackers generally focus on food, fuel and basic household items rather than fertilizer. This matters because even a partial pass-through of the 85 per cent global urea price rise could force smallholder farmers to reduce fertilizer use, plant less land, or switch crops. Pakistan’s kharif geographies, Ethiopia’s belg and Meher geographies, Somalia’s Gu-producing areas and Sudan’s main planting areas should therefore be monitored throughout 2026 for local fertilizer availability, dealer prices and farmer purchasing behavior.

Sudan’s fertilizer exposure is different. Rainfed sorghum and millet systems are generally less fertilizer-intensive than Pakistan’s wheat and rice or Ethiopia’s maize, though some semi-mechanized and irrigated sorghum systems do use chemical fertilizers. Sudan’s vegetable production and irrigated cash-crop production are more directly exposed to fertilizer-price pass-through, meaning the impact may appear first in diet quality and nutrition before broader cereal-supply effects become visible.

CHANNEL 3: CURRENCY AND PURCHASING POWER

Exchange rate stability in several case countries is masking rather than absorbing the shock. In Pakistan and Lebanon where exchange rates are tightly managed, the price at which the national currency converts to dollars has barely moved, masking underlying dollar demand that is already visible in informal markets. For households in Sudan, the gap between formal exchange rates and market-clearing rates is already eroding the value of salaries, savings and cash transfers. In Myanmar, exchange-rate fragmentation is a pass-through risk for program budgets, imported goods and delivery channels, but transfer-value adequacy should be assessed against observed Minimum Expenditure Basket (MEB) and food-basket prices rather than the exchange rate spread alone. In Somalia, the problem is different but equally concrete: a household whose transfer arrives in shillings may find the market refuses to accept them. The operational issue is not whether the official exchange rate has moved, but whether there is a large gap between the dollar-national currency official rate and the rate households and traders can actually use, whether different groups are accessing different rates, and whether the currency itself is being accepted in transactions at all.



KEY FACTS

- The US dollar has strengthened against emerging-market and frontier-market currencies since the war began, raising the local-currency cost of imported food, fuel and medicine in import-dependent economies.
- Dollar shortages hit hardest in countries with divided or fragmented governance, or where the dollar is already widely used in daily transactions, compared with countries where the government actively manages its exchange rate.

OBSERVED TRANSMISSION

The impact varies across the six countries in three patterns: tightly managed exchange rates in Pakistan and Lebanon; large gaps between formal and real-world rates in Sudan and Myanmar; and in Somalia, periodic outright refusal by market traders to accept the national currency at all.

Managed bands, Pakistan and Lebanon: In Pakistan and Lebanon, official exchange rates have barely moved, but that stability reflects active monetary management, not shock absorption. Informal dollar markets are already pricing a 4–5 per cent premium over the official rate for the Pakistani rupee, a signal that demand for dollars is outrunning official supply. The next disbursement of approximately USD 1.2 billion under the IMF Extended Fund Facility and Resilience and Sustainability Facility, announced on 28 March, remains subject to Executive Board approval and is the single largest forward variable for currency stability.⁵³

Lebanon's peg has held, and informal dollar-market premiums remain below the levels that would signal peg stress. The absence of exchange rate movement does not mean absence of transmission; the shock is arriving not through currency depreciation but through the prices of dollar-denominated imported goods rising directly, with no currency buffer for Lebanese households.

Parallel-dominant regimes – Sudan and Myanmar: In both countries the official exchange rate is a poor guide to what households can actually buy. In Sudan, purchasing power erosion is calculable: a household receiving the same cash transfer as a year ago can buy less than half as much today. In Myanmar, the same structural fragmentation applies but the data does not support an equivalent figure and is treated as a priority monitoring case throughout this report.

Sudan's currency system is fragmented. Different rates apply across formal banking channels, commercial banks, parallel markets and local cash transactions, and those rates vary across markets and areas of control. The UN operational rate stood at SDG 3,350 per US dollar on 1 April 2026, but everyday market transactions often clear at materially higher rates.⁵⁴

For cash programming, the issue is transfer value adequacy. Before the Middle East war began, Sudan's civil-war economy had already sharply reduced what cash transfers could buy: by March 2026, a transfer sized to the April 2025 food basket had lost around 41 per cent of its value.⁵⁵ The Strait of Hormuz disruption is now adding a second layer of pressure. Higher import costs are increasing demand for dollars, while tighter dollar availability and Sudan's fragmented exchange-rate system widen the gap between the rates used for some transfers and the rates people face in markets.

The result is not a clean, separately measurable Middle East war loss. It is a compounding effect: a transfer that covered the April 2025 food basket would now cover roughly 43 per cent of that basket, equivalent

⁵³ <https://www.nation.com.pk/28-Mar-2026/imf-pakistan-reach-staff-level-agreement-dollar-1-2-billion-loans> IMF (2026) 'IMF Reaches Staff-Level Agreement on the Third Review for the 37-month Extended Arrangement under the Extended Fund Facility (EFF) and the Second Review for 28-month Arrangement Under the Resilience and Sustainability Facility (RSF) – Pakistan', Press Release No. 26/095, 27 March. Available at: <https://www.imf.org/en/news/articles/2026/03/27/pr-26095-pakistan-imf-reaches-agreement-3rd-rev-37mo-ext-arrang-eff-2nd-rev-28mo-arrang-rsf> (Accessed: 28 April 2026).

⁵⁴ United Nations Treasury (2026) *United Nations Operational Rates of Exchange*. Available at: <https://treasury.un.org/operationalrates/default.php/default.php> (Accessed: 27 April 2026).

⁵⁵ Author calculation using WFP Sudan Market Monitor food-basket data. The calculation compares a fixed-SDG transfer sized to the April 2025 food basket with the March 2026 food basket: $SDG\ 48,214 \div SDG\ 81,268 = 0.593$, implying a purchasing-power loss of 40.7 per cent, rounded to 41 per cent. See World Food Programme (2026) *Sudan Market Monitor – March 2026*, 30 March. Available at: <https://logcluster.org/en/documents/sudan-wfp-sudan-market-monitor-march-2026> (Accessed: 27 April 2026).

to a combined loss of around 57 per cent.⁵⁶ That figure should be read as current transfer adequacy due to overlapping Sudan civil-war and Middle East war-related pressures, not as the standalone impact of the Middle East war.

Myanmar's currency market is fragmented across commercial bank, licensed moneychanger, informal market rates, and hundi – an informal broker-based money transfer system operating outside the banking sector – but the operational issue for cash programming is not the nominal official peg. Transfer value adequacy should be assessed against observed MEB and food-basket prices, using the Cash and Markets Working Group's (CMWG) agreed price-based review process. The current CMWG trigger is a 20 per cent increase against the August 2025 baseline; as of the 9 April review, monitored food and essential goods prices remained below that threshold. Exchange-rate fragmentation still matters, but mainly as a pass-through risk for imported goods, agency budgets, hundi commissions, liquidity and the rate at which programs can actually move funds.⁵⁷

Because Myanmar has state-level MEBs and transfer values, the key operational question is whether price pressure is concentrated in specific states and regions rather than whether a national transfer value should move uniformly.⁵⁸

Transfer instrument rejection – Somalia: A shilling-denominated cash transfer may be vulnerable to market refusal, regardless of its nominal value. In mid-April, Mogadishu traders and transport operators were reported to have begun rejecting Somali shilling notes, especially the worn 1,000-shilling note, and many demanded US dollars or mobile money instead. On 17 April, the Banadir Regional Governor issued a directive requiring traders to accept the shilling and warning that refusal would be treated as unlawful.⁵⁹ Major markets, including Bakaara, reportedly resumed accepting 1,000-shilling notes within days.

The directive appears to have stabilized the immediate rejection, but the underlying drivers remain unresolved: the physical condition and low denomination of the note, weak confidence in the currency, dollarization, mobile-money dominance, and a long-delayed currency reform process.

⁵⁶ Author calculation combining WFP Sudan Market Monitor food-basket data with the UN operational rate. Underlying food-basket data from World Food Programme (2026) *Sudan Market Monitor – March 2026*, 30 March. Available at: <https://logcluster.org/en/documents/sudan-wfp-sudan-market-monitor-march-2026> (Accessed: 27 April 2026); UN operational rate from United Nations Treasury (2026) *United Nations Operational Rates of Exchange*. Available at: <https://treasury.un.org/operationalrates/default.php/default.php> (Accessed: 27 April 2026). This combined figure should be read as an estimate of current transfer adequacy under overlapping Sudan civil-war and Middle East war-related pressures, not as a measure of the Middle East war's standalone impact.

⁵⁷ Cash and Markets Working Group Myanmar (2026) *Fuel Crisis & Transfer Value Review: Monitoring MEB Basket Price Increases*. 9 April. Shared by the Cash and Markets Working Group Myanmar (Accessed: 29 April 2026).

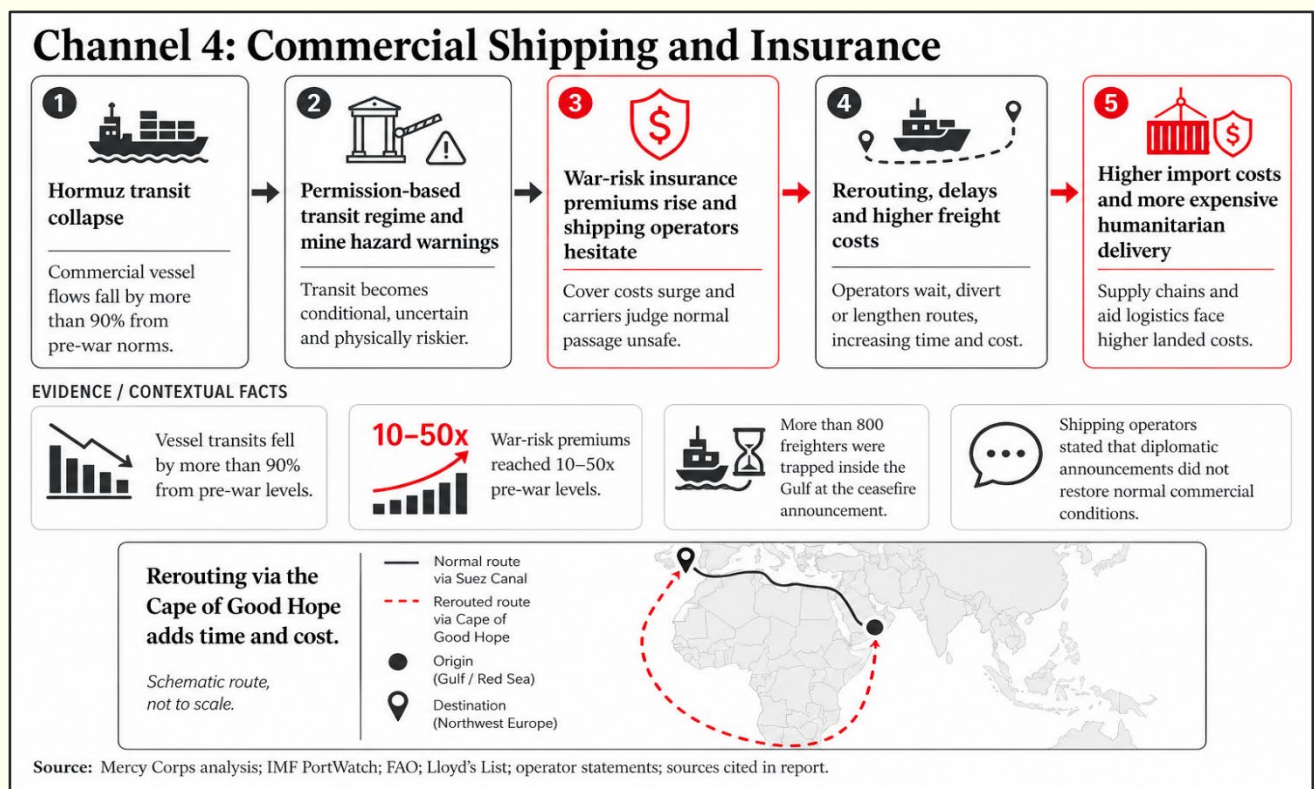
⁵⁸ Cash and Markets Working Group Myanmar (2026) *Ad Hoc Meeting – Fuel Crisis and Implications for Cash Programming*. 9 April. Shared by the Cash and Markets Working Group Myanmar (Accessed: 29 April 2026).

⁵⁹ TRT Afrika (2026) 'Somalia warns traders against rejecting shilling notes', 17 April. Available at: <https://www.trtafrika.com/africa/somalia-warns-traders-against-rejecting-shilling-notes-18284948> (Accessed: 29 April 2026).

CHANNEL 4: COMMERCIAL SHIPPING AND INSURANCE

Reported commercial traffic through the Strait of Hormuz fell by more than 90 per cent in the early conflict period and has not returned to normal commercial operation at any point since 28 February. Insurance markets continue to price a permission-based transit regime that does not match a normal ceasefire outcome. On 26 March, Iranian Foreign Minister Abbas Araghchi named five countries whose vessels would be allowed to transit the Strait: China, Russia, India, Iraq and Pakistan. Malaysian and Thai vessels were subsequently added. The protected-access framework does not extend to the other case countries in this series.

On 8 April, Iran's Revolutionary Guard published a map confirming mines in the Strait's main shipping lane and designating alternative routes under direct IRGC surveillance. Vessels transiting without IRGC authorization face a stated threat of being "targeted and destroyed." This is no longer a commercial waterway operating under normal conditions. It is a permission-based regime, and the Norwegian Shipowners' Association has said explicitly that this is among the issues that must be resolved before Gulf shipping can resume at scale. Alternative routing is not a reliable substitute. Saudi Arabia's East-West pipeline reached full capacity by early March, and on 19 March an Iranian drone strike near the Yanbu refinery forced a temporary export halt. Some 70 to 75 per cent of Saudi exports routed via the Red Sea remain exposed to Houthi interference. The bypass exists, but it is not secure.



KEY FACTS

- Hormuz transits fell from approximately 95 vessels per day to 5 per day.⁶⁰
- At the start of April, Lloyd's Joint War Committee war-risk premiums were reported at ten to fifty times pre-war levels.⁶¹
- War-risk insurance on some Red Sea routes has reportedly reached as high as 10 per cent of vessel value, partly a pre-existing Houthi-cycle premium and partly a war-driven increment. According to the FAO, insurance premiums on some Red Sea shipping routes have reached 10 per cent of a vessel's value, resetting every seven days.⁶²
- More than 800 freighters were stuck inside the Gulf at the time of the ceasefire announcement.⁶³
- The Norwegian Shipowners' Association and Maersk both signaled that safe-passage announcements are insufficient to resume operations.⁶⁴

OBSERVED TRANSMISSION

Medical logistics operators across the case set face higher air cargo costs for critical medicines, pharmaceuticals and vaccines that must move by air. Pharmaceutical and medical supply chains are exposed through air cargo as well as seaborne routing. Around a third of global pharmaceuticals, and most critical medicines and vaccines, move by air freight.⁶⁵ Gulf air cargo capacity fell sharply in the opening days of the war, India air cargo rates have risen materially, and Hormuz shipping insurance costs have multiplied tenfold. The International Rescue Committee documented USD 130,000 in Sudan-bound pharmaceuticals stranded in Dubai in late March. Fragile, aid-dependent countries already under severe humanitarian pressure before the war, including Sudan, Somalia, Myanmar and Lebanon, are most

⁶⁰ Food and Agriculture Organization of the United Nations (2026) *CL 180/3: Global Agrifood Implications of the 2026 Conflict in the Middle East*, April. The FAO report states that, within days of the conflict's outbreak, tanker traffic through the Strait of Hormuz fell by more than 90 per cent, from an average of approximately 106 ship transits per day in February 2026 to 7–16 per day in early March 2026. Available at: <https://openknowledge.fao.org/server/api/core/bitstreams/b9d6b43d-9f34-4803-a365-0b525c9e5b6c/content> (Accessed: 28 April 2026); International Monetary Fund (2026) *PortWatch: Daily Chokepoint Transit Calls and Transit Trade Volume Estimates*. Available at: https://portwatch.imf.org/datasets/42132aa4e2fc4d41bdaf9a445f688931_0/about (Accessed: 28 April 2026).

⁶¹Lloyd's List (2026) 'Gulf war risk premiums topping double-digit millions of dollars per trip', March. Available at: <https://www.lloydslist.com/LLI156586/Gulf-war-risk-premiums-topping-double-digit-millions-of-dollars-per-trip> (Accessed: 28 April 2026); Insurance Business (2026) 'US-Iran war strains Lloyd's as Gulf shipping crisis deepens', 23 March. Available at: <https://www.insurancebusinessmag.com/uk/news/marine/usiran-war-strains-lloyds-as-gulf-shipping-crisis-deepens-569418.aspx> (Accessed: 28 April 2026).

⁶² Lloyd's Market Association (2026) *Joint War Committee*. The Joint War Committee issues Listed Areas for regions deemed to present enhanced marine war risks. Available at: <https://lmalloyds.com/committee/joint-war-committee/> (Accessed: 28 April 2026); Food and Agriculture Organization of the United Nations (2026) 'FAO Chief Economist warns of severe global food security risks from disruption to Strait of Hormuz trade corridor', 26 March. FAO reports war-risk insurance premiums rising from 0.25 per cent to as high as 10 per cent of vessel value, with coverage resetting every seven days. Available at: <https://www.fao.org/newsroom/detail/fao-chief-economist-warns-of-severe-global-food-security-risks-from-disruption-to-strait-of-hormuz-trade-corridor/en> (Accessed: 28 April 2026); NDTV Profit (2026) 'War-risk insurance premiums shoot up to 7.5% as US-Iran war disrupts global shipping', 24 March, citing Lloyd's of London market data. Available at: <https://www.ndtvprofit.com/world/war-risk-insurance-premiums-surge-up-to-7-5-as-iran-conflict-disrupts-global-shipping-11259361> (Accessed: 28 April 2026).

⁶³ Business Standard (2026) 'Shipowners eye Hormuz ceasefire window to move over 800 trapped vessels', 8 April. Available at: https://www.business-standard.com/world-news/shipowners-eye-hormuz-ceasefire-window-to-move-over-800-trapped-vessels-126040800144_1.html (Accessed: 29 April 2026).

⁶⁴ Reuters (2026) 'Norway ships not yet ready to resume Hormuz transit, industry group says', 8 April, republished by Bilyonaryo. The Norwegian Shipowners' Association stated that the ceasefire had not provided enough clarity for Norwegian ships to resume Strait of Hormuz sailings. Available at: <https://bilyonaryo.com/2026/04/08/norway-ships-not-yet-ready-resume-hormuz-transit-industry-group-says/trade/> (Accessed: 28 April 2026); Financial Express (2026) 'Will Strait of Hormuz operations return to normal? Shipping firm Maersk cautions', April. Available at: <https://www.financialexpress.com/world-news/will-strait-of-hormuz-operations-return-to-normal-shipping-firm-maersk-cautions/4199885/> (Accessed: 28 April 2026).

⁶⁵Think Global Health (2026) 'How the Iran War Is Straining Humanitarian Aid, in Three Charts', 1 April. Available at: <https://www.thinkglobalhealth.org/article/how-the-iran-war-is-straining-humanitarian-aid-in-three-charts> (Accessed: 29 April 2026).

exposed because they rely on time-sensitive medical imports but have limited funding and logistics capacity to absorb higher air cargo, insurance and rerouting costs.

Shipping disruption is reaching all six countries, though through different channels. Sudan's Port Sudan, the country's only functioning international port since Khartoum's transit infrastructure was destroyed in 2023, now carries both the pre-existing Red Sea war-risk premium and the new Hormuz-driven freight costs. Somalia's Mogadishu, Berbera and Bosaso ports sit between two disrupted corridors, Hormuz to the east and Bab el-Mandeb to the west, a pincer that alternative routing cannot relieve. Humanitarian cargo bound for Sudan and Somalia faces compound freight and insurance cost increases at a funded ratio below 17 per cent.

Humanitarian logistics in the rerouting period

The shipping disruption has translated into specific, documented humanitarian logistics costs. WFP's Director of Supply Chain reported on 31 March 2026 that the agency had 70,000 metric tonnes of food impacted by the Middle East war,⁶⁶ with shipments delayed in bulk vessels, containers, ports and onward routing. A WFP shipment of more than 1,700 tonnes⁶⁷ of liquid nutritional supplements purchased in India for Port Sudan was rerouted around the Cape of Good Hope and through the Mediterranean to the Suez Canal after the carrier was unwilling to sail through Bab el-Mandeb.

A separate WFP shipment of rice and biscuits donated by South Korea to Tajikistan was rerouted around the Cape of Good Hope to Georgia and then by road, adding three weeks and USD 500,000 to a single delivery.⁶⁸ The International Rescue Committee reported that USD 130,000 of pharmaceutical supplies for Sudan, enough to support approximately 20,000 people, were stranded in Dubai due to shipping disruption.⁶⁹ Save the Children separately reported that USD 600,000 of essential medicines bound for Sudan were stuck in Dubai, putting more than 90 primary healthcare facilities at risk of running out of medicines.⁷⁰

These costs are landing on a humanitarian system already hollowed out. WFP's annual income has fallen from more than USD 14 billion in 2022 to around USD 6.4 billion in 2025,⁷¹ reducing the cushion available to absorb rerouting, delay and fuel-cost shocks.

⁶⁶ World Food Programme (2026) 'Global disruptions to supply chains are driving tomorrow's hunger crisis', press briefing transcript, 31 March. Available at: <https://www.wfp.org/news/global-disruptions-supply-chains-are-driving-tomorrows-hunger-crisis> (Accessed: 28 April 2026).

⁶⁷ Think Global Health (2026) 'How the Iran War Is Straining Humanitarian Aid, in Three Charts', Council on Foreign Relations, 1 April. Available at: <https://www.thinkglobalhealth.org/article/how-the-iran-war-is-straining-humanitarian-aid-in-three-charts> (Accessed: 28 April 2026).

⁶⁸ Think Global Health (2026) 'How the Iran War Is Straining Humanitarian Aid, in Three Charts', Council on Foreign Relations, 1 April. Available at: <https://www.thinkglobalhealth.org/article/how-the-iran-war-is-straining-humanitarian-aid-in-three-charts> (Accessed: 28 April 2026).

⁶⁹ International Rescue Committee (2026) 'IRC warns Iran war is disrupting fuel and aid supply chains, threatening life-saving operations across Africa', 1 April. Available at: <https://www.rescue.org/eu/press-release/irc-warns-iran-war-disrupting-fuel-and-aid-supply-chains-threatening-life-saving> (Accessed: 28 April 2026).

⁷⁰ Save the Children (2026) 'Middle East regional conflict blocking lifesaving aid for over 400,000 children', 18 March. Available at: <https://www.savethechildren.org/us/about-us/media-and-news/2026-press-releases/middle-east-conflict-blocking-lifesaving-aid> (Accessed: 28 April 2026).

⁷¹ World Food Programme (2025) 'WFP Management Plan 2026–2028'. Available at: https://executiveboard.wfp.org/document_download/WFP-0000170246 (Accessed: 29 April 2026).

Ethiopia is the most structurally exposed: over 90 per cent of national fuel imports move through a single corridor via Djibouti. This corridor dependency exposes the entire humanitarian supply chain to a single chokepoint disruption. Pakistan's Karachi and Qasim ports continued receiving vessels through March, but at higher cost as Gulf routing premiums fed through. Pakistani textile exporters and seafood exporters face narrower margins on rising shipping costs at the moment domestic input costs are also rising. Myanmar and Lebanon route primarily outside the Gulf via the South China Sea and Mediterranean, respectively, but are not insulated: higher bunker fuel costs are passing through to freight rates rather than direct war-risks premiums.

The permission-based transit regime has outlasted each diplomatic announcement to date. Commercial insurance markets continue to price the transit regime, not political announcements.

Humanitarian Logistics: Delay Costs Are Already Visible

Route disruptions, rerouting and delay are already raising the cost and complexity of life-saving supply delivery.

1. WFP PIPELINE

70,000 metric tonnes of WFP food affected by Middle East war-related supply-chain disruption

Bulk vessels, containers, ports and onward routing delayed

Supply-chain disruption raises delivery costs



2. PORT SUDAN NUTRITION SHIPMENT

- More than 1,700 tonnes of liquid nutritional supplements
- Purchased in India for Port Sudan
- Rerouted around the Cape of Good Hope and through the Mediterranean/Suez route

3. SOUTH KOREA TO TAJIKISTAN SHIPMENT

- Rerouting added three weeks and USD 500,000 to a single delivery

+3 weeks

+USD 500,000

- Rerouted around the Cape of Good Hope to Georgia, then by road



Schematic route, not to scale.

URGENT IMPACT



Sudan-bound medicines stranded in Dubai, putting essential health services at risk.















Delays are increasing costs, straining resources and reducing the reach of life-saving supplies.

Source: Mercy Corps analysis; WFP; Think Global Health; IRC; Save the Children; sources cited in report.



Primary Freight Exposure by Country

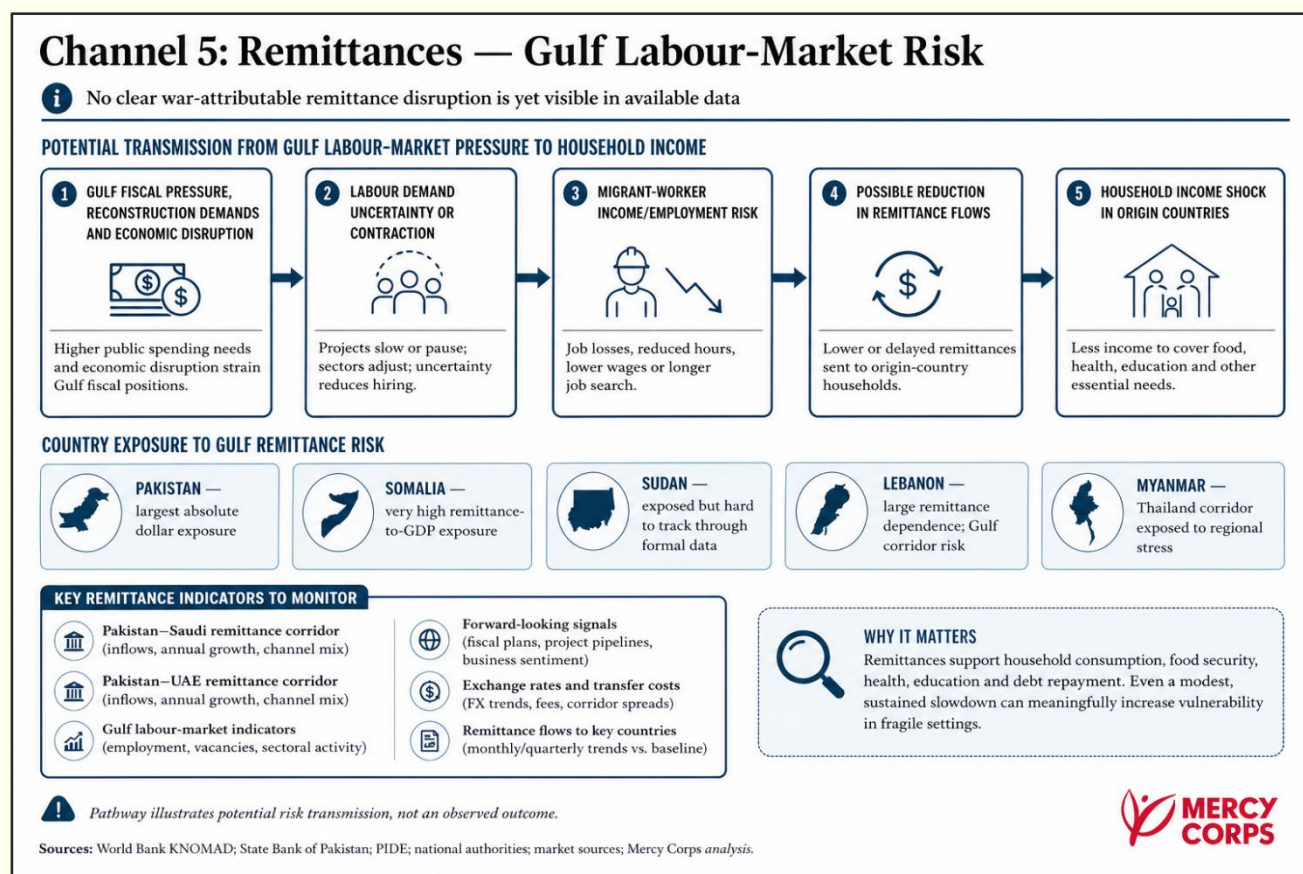
COUNTRY	PRIMARY ROUTE/CORRIDOR	TYPE OF EXPOSURE	MAIN OPERATIONAL IMPLICATION	RELATIVE RISK LEVEL
Ethiopia	 Djibouti corridor	Single-port dependency	National fuel and fertiliser supply exposed to single-corridor disruption	 VERY HIGH
Somalia	 Hormuz and Bab el-Mandeb	Double-corridor pressure	Aid and food-import costs	 HIGH
Sudan	 Port Sudan / Red Sea	Sole functioning seaport and war-risk premium	Humanitarian and market-movement pressure	 VERY HIGH
Pakistan	 Karachi / Port Qasim	Cost premium, not physical absence	Import and export margin stress	 MODERATE-HIGH
Lebanon	 Mediterranean	Regional war-risk repricing	Cost pass-through	 MODERATE
Myanmar	 South China Sea	Indirect bunker-fuel and freight-cost pass-through	Rising agriculture and logistics costs	 MODERATE-HIGH

Note: Relative risk level reflects freight exposure only, not overall country humanitarian severity.

Source: Mercy Corps analysis of maritime and market data; country-level sources cited in report, April 2026.

CHANNEL 5: REMITTANCES

Remittances have not yet shown war-attributable disruption in the available data, but the lag between economic shock and household impact means the damage may already be in motion.⁷² Gulf states are under compound fiscal pressure: lower oil revenues as Hormuz shipping volumes fall, reconstruction costs following Iranian strikes, including the 19 March attack on Qatar's Ras Laffan LNG complex, and competing post-Gaza reconstruction claims. Labor demand and remittance flows respond on a weeks-to-months lag. The March 2026 State Bank of Pakistan (SBP) release, published on 8 April, showed remittances at USD 3.8 billion, up 16.5 per cent month-on-month but down 5.5 per cent year-on-year against March 2025. Saudi Arabia contributed USD 918.4 million and the UAE USD 823.7 million.⁷³ One month does not establish a trend, and the year-on-year decline may reflect normal volatility rather than war-attributable transmission. The April 2026 release, expected in the first half of May based on SBP's monthly publication pattern, will be the next test of whether Gulf labor market pressure is feeding through to remittance flows.



⁷² This channel analysis was reached through literature scrape from country-level press and through forward-risk framing rather than through formal modelling due to data limitations. See methodology note for more information.

⁷³ State Bank of Pakistan (2026) *Press Release of Workers' Remittances for March 2026*, 8 April. Available at: <https://www.sbp.org.pk/press/2026/Pr-08-Apr-2026.pdf> (Accessed: 27 April 2026).

OBSERVED TRANSMISSION

Pakistan carries the largest absolute exposure. The country received a record USD 38.3 billion in formal remittances in FY2025,⁷⁴ approximately 9 to 10 per cent of GDP, with Middle East corridors accounting for approximately 54 per cent of total remittances.⁷⁵ Around 6 million Pakistani workers are employed in the region. Pakistan Institute of Development Economics (PIDE) projects that, if the conflict persists, around 500,000 prospective workers may be unable to migrate to the Middle East in 2026 and a further 500,000 existing workers could be forced to return, reducing remittances by USD 3–4 billion annually under that scenario.⁷⁶ No war-attributable disruption is yet visible in the published data.⁷⁷ Households in Khyber Pakhtunkhwa and South Punjab, where Gulf remittances are the primary income source for many families, carry the sharpest domestic exposure.

Somalia and Sudan face proportionally severe exposure relative to the size of their economies. Somalia's remittance dependency is high, but estimates vary because there is no single current authoritative public time series. The World Bank's most recent personal remittances indicator puts Somalia at 17.7 per cent of GDP in 2024,⁷⁸ while older institutional estimates place remittances at around 23 to 25 per cent of GDP. Gulf corridors are important, particularly for parts of southern Somalia, but the precise Gulf share is not robustly documented in public data. Sudan is also exposed, but its remittance channels are less visible in formal data because many transfers move through informal money transfer (hawala) networks rather than banks. Myanmar's Thailand migrant labor corridor, estimated at USD 2 billion annually, faces growing risk as Thai domestic economic pressure from the regional fuel shock feeds through.

Across the six countries covered in this report, remittances remain the largest single risk still to fully materialize, and the channel where early monitoring carries the highest return. None of these households is currently absorbing a clear war-attributable remittance shock. All would absorb one quickly if Gulf labor markets were to contract.

One low-frequency, high-impact trigger warrants specific attention. Gulf Cooperation Council (GCC) states produce approximately 40 per cent of the world's desalinated water. Iran, by contrast, relies on desalination for roughly 3 to 5 per cent of municipal supply. The asymmetry is acute: Gulf states could face a humanitarian emergency within 48 to 72 hours of a sustained attack on desalination capacity. A sustained Iranian strike on Gulf desalination infrastructure, capability demonstrated by an 8 March drone strike on a Bahraini facility, would force a rapid departure of Gulf-based migrant labor, converting a slow-moving fiscal risk into an acute corridor shock within weeks rather than months. This remains a tail risk, not a baseline projection.

⁷⁴ State Bank of Pakistan (2025) *Press Release of Workers' Remittances in June, 2025*, 9 July. Available at: <https://www.sbp.org.pk/press/2025/Pr-09-Jul-2025.pdf> (Accessed: 28 April 2026).

⁷⁵ Pakistan Institute of Development Economics (2026) 'The Middle East Conflict and Its Implications for Pakistani Migrant Workers', Policy Viewpoint No. 54:2026. Available at: <https://pide.org.pk/research/the-middle-east-conflict-and-its-implications-for-pakistani-migrant-workers/> (Accessed: 28 April 2026).

⁷⁶ Pakistan Institute of Development Economics (2026) 'The Middle East Conflict and Its Implications for Pakistani Migrant Workers', Policy Viewpoint No. 54:2026. Available at: <https://pide.org.pk/research/the-middle-east-conflict-and-its-implications-for-pakistani-migrant-workers/> (Accessed: 28 April 2026).

⁷⁷ Pakistan Institute of Development Economics (2026) 'The Middle East Conflict and Its Implications for Pakistani Migrant Workers', Policy Viewpoint No. 54:2026. Available at: <https://pide.org.pk/research/the-middle-east-conflict-and-its-implications-for-pakistani-migrant-workers/> (Accessed: 28 April 2026).

⁷⁸ World Bank (2026) *Personal remittances, received (% of GDP)*, World Development Indicators. Available at: <https://data.worldbank.org/indicator/BX.TRF.PWKR.DT.GD.ZS> (Accessed: 28 April 2026).

Country Impact Summaries

Six Fragile Contexts: Primary Exposure by Channel

COUNTRY	FUEL	FERTILISER	SHIPPING AND INSURANCE	CURRENCY AND PURCHASING POWER	REMITTANCES / FORWARD RISK	SUMMARY NOTE
Sudan	HIGH	MEDIUM	HIGH	HIGH	MONITOR	cash-transfer adequacy, Port Sudan and famine risk
Somalia	HIGH	HIGH	HIGH	HIGH	MONITOR	fuel, food prices and currency acceptance
Ethiopia	HIGH	HIGH	HIGH	MEDIUM	MONITOR	Djibouti dependency and Meher-season exposure
Pakistan	HIGH	HIGH	MEDIUM	MEDIUM	HIGH	fuel, fertiliser and remittance risk
Myanmar	HIGH	HIGH	MEDIUM	HIGH	MONITOR	diesel agriculture and fertiliser import gap
Lebanon	HIGH	MONITOR	MEDIUM	HIGH	MONITOR	fuel pass-through and displacement pressure

- HIGH** — Highest relative concern within this case set
- MEDIUM** — Moderate relative concern
- MONITOR** — Emerging or forward-looking concern

Relative analytical concern, not a formal quantitative index.

SUDAN

Sudan was already experiencing the largest humanitarian and displacement crisis in the world prior to the outbreak of the Middle East war. The Strait of Hormuz disruption is adding pressure through higher import costs, tighter dollar availability and exchange rate divergence, but it is landing on an already severely eroded baseline: by March 2026, before the Middle East war began, a transfer sized to the April 2025 food basket had lost 41 per cent of its value because of Sudan's civil-war economy.

El Fasher town in North Darfur and Kadugli town in South Kordofan were classified in Famine, Integrated Phase Classification (IPC) Phase 5, in the September 2025 IPC analysis, with the February–May 2026 projection continuing to flag heightened famine risk linked to conflict, displacement and access constraints.⁷⁹ Nationwide, 19.1 million people – 41 per cent of Sudan's population – are at IPC Phase 3 or worse in the February to May 2026 projection.⁸⁰ The Middle East war has added a new layer of pressure on top of an active civil war: parallel-market gasoline in the Khartoum region rose 66.7 per cent in a single week in early April, at a time in which some transport routes were already reaching levels at which moving food had become commercially uneconomic due to the Sudan conflict. The Ayin Network documented transport fees exceeding the commodity value of some cargo, indicating that fuel and transport costs are

⁷⁹ IPC (2025) 'Sudan: Acute Food Insecurity Situation for September 2025 and Projections for October 2025–January 2026 and February–May 2026', released 3 November 2025. Available at: <https://www.ipcinfo.org/ipc-country-analysis/details-map/en/c/1159787/> (Accessed: 28 April 2026).

⁸⁰ IPC (2025) 'Sudan: Acute Food Insecurity Situation, September 2025–May 2026', released 3 November. Available at: <https://www.ipcinfo.org/ipc-country-analysis/details-map/en/c/1159787/> (Accessed: 28 April 2026).

constraining food movement rather than stopping it uniformly across the country.⁸¹ Sudan's sole functioning international port, Port Sudan, now carries both the pre-existing Red Sea war-risk premium and the new Hormuz-driven freight costs. Against a humanitarian plan that was 18.8 per cent funded as of 30 April 2026, per-person aid in Sudan stood at USD 16.15, the lowest in this case set alongside Myanmar at USD 16.69.⁸²

The people most directly exposed are those already living in or on the edge of famine, whose food supply depends on logistics that are becoming more costly and less reliable. Displaced people and residents in North Darfur and South Kordofan remain among the populations of highest concern following the IPC Phase 5/Famine classification. Rural producers across Darfur and Kordofan face rising costs and access constraints in moving food to market. East-west movement across areas of control remains heavily constrained, meaning some goods from central and eastern markets are not reaching Darfur through Port Sudan routes and are instead moving through Chad, with additional transport and facilitation costs. The pressure on humanitarian service delivery extends beyond Sudan's borders. More than 3.8 million people have fled Sudan to neighboring countries, including Chad, Egypt, South Sudan, Ethiopia and CAR. Where assistance depends on cross-border logistics and regional supply chains, higher fuel, freight and access costs are making that assistance more expensive to deliver and harder to sustain.⁸³

SOMALIA

The economic shocks from the Middle East war are landing in Somalia at a moment of acute vulnerability, pushing a country already on the edge of famine closer to the threshold. Somalia entered the war with the weakest structural absorption capacity in this case set: 60 per cent food import dependence, a dollarized Mogadishu economy, and a Humanitarian Response Plan funded at 14.3 per cent as of 30 April 2026. The January 2026 IPC analysis places 6.5 million people at Phase 3 or worse, with Phase 5 conditions already present in pockets and projected to widen during the April–June window.⁸⁴

Fuel prices roughly doubled in the opening weeks of the conflict.⁸⁵ Essential commodity prices are up at least 20 per cent, reflecting the Middle East conflict compounding already severe food-price pressure in Somalia.⁸⁶ Somalia sits between two disrupted shipping corridors – Hormuz to the east, Bab el-Mandeb to the west – a pincer that no alternative routing can relieve. In mid-April, Mogadishu markets reportedly began rejecting Somali shilling payments altogether in favor of dollar cash and mobile money. This is not a currency depreciation problem – the shilling has barely moved. It is a currency acceptance problem: traders no longer trust it as a means of exchange, and that requires a different programmatic response than a standard transfer value adjustment.

⁸¹ Ayin Network (2026) 'Sudan and escalating, crippling fuel prices', 3 April. Available at: <https://3ayin.com/en/fuel-4/> (Accessed: 28 April 2026).

⁸² OCHA Financial Tracking Service (2026) 'Sudan Humanitarian Needs and Response Plan 2026', funding data pulled 14 April. Available at: <https://fts.unocha.org/plans/1514/summary> (Accessed: 14 April 2026).

⁸³ UNHCR (2026) Sudan emergency / Sudan Situation. UNHCR states that Sudanese have fled to neighbouring countries including Chad, South Sudan, Egypt, Ethiopia and the Central African Republic. Available at: <https://www.unhcr.org/where-we-work/countries/sudan> (Accessed: 29 April 2026)

⁸⁴ IPC (2026) 'Somalia: Acute Food Insecurity Situation, January–March 2026 and Projection for April–June 2026', January. Available at: <https://www.ipcinfo.org/ipc-country-analysis/details-map/en/c/1159798/> (Accessed: 28 April 2026).

⁸⁵ Xinhua (2026) 'Feature: Soaring fuel prices push Somalia's three-wheeler drivers to brink', 5 April. Available at: <https://english.news.cn/africa/20260405/cf8ed8bca8094fca86160b85a6e9be7e/c.html> (Accessed: 28 April 2026).

⁸⁶ Save the Children (2026) 'Somalia emergency escalates as Middle East conflict drives up food and fuel prices, delays aid', 31 March. Available at: <https://www.savethechildren.net/news/somalia-emergency-escalates-middle-east-conflict-drives-food-and-fuel-prices-delays-aid> (Accessed: 28 April 2026).

US aid contributions to Somalia have effectively collapsed. In 2024 the US provided USD 462 million to Somalia's humanitarian response – representative of a contribution that historically has covered 50 to 60 per cent of Somalia's total humanitarian assistance.⁸⁷ In 2025, that fell to USD 67.4 million following the foreign aid freeze and termination of several bilateral humanitarian programs.⁸⁸ Year-to-date 2026 contributions stand at USD 2.9 million.⁸⁹ The trajectory is not a temporary dip – Somalia's largest historical donor is on course to provide a fraction of its historical contribution at a moment of acute need in a year when IPC projections place Somalia closer to famine conditions than at any point in recent years.⁹⁰ Somalia's 2026 Humanitarian Response Plan stands at 14.3 per cent funded against a USD 852 million requirement as of 30 April 2026 – a figure that has already been cut 40 per cent from the 2025 requirement.

The people most directly exposed are those whose survival depends on humanitarian assistance reaching them through supply chains that are now both more expensive and less reliable. Two million people are already at IPC Phase 4, one step below famine, with pockets projected to reach IPC Phase 5 – the internationally recognized classification for famine or famine-like conditions – between April and June 2026.⁹¹ IDP households in Baidoa, Dhusamareb and Galkayo – inland, rapidly growing urban settlement hubs in the central and southwestern regions of the country, accessible only by road through fuel-dependent supply chains – are entirely dependent on that assistance. Pastoralists in Central and Lower Shabelle depend on fuel-driven water trucking, owing to chronic drought and depletion of water sources. Smallholder farmers across the Gu cropping areas of Bay, Bakool and the Jubas – key agropastoral and riverine production zones in southern Somalia – are entering the planting window against a fertilizer cost base that has nearly doubled since December. Urban households in Mogadishu face compound fuel, food and currency-acceptance pressure on incomes that have not moved.

ETHIOPIA

Ethiopia's fuel and fertilizer supply chains are heavily dependent on the Djibouti corridor: Djibouti port, on the Red Sea. Over 90 per cent of national fuel imports and nearly all fertilizer route through this one chokepoint, and there is no viable alternative at a large scale. In Ethiopia, the shock has moved beyond price into reported physical fuel-supply disruption: the government issued a rationing directive in response to fuel unavailability at stations across Addis Ababa and regional capitals.⁹² The Ministry of Trade and Regional Integration announced on 2 April 2026 that long-standing Middle East fuel supply contracts had been disrupted and that more than 180,000 metric tons of fuel already in the procurement process had

⁸⁷ OCHA Financial Tracking Service (2024) 'Somalia Humanitarian Response Plan 2024', <https://fts.unocha.org/plans/1180/summary> (Accessed: 29 April 2026).

⁸⁸ OCHA Financial Tracking Service (2025) 'Somalia Humanitarian Response Plan 2025', <https://fts.unocha.org/plans/1221/summary> (Accessed: 29 April 2026).

⁸⁹ OCHA Financial Tracking Service (2026) 'Somalia Humanitarian Response Plan 2026' <https://fts.unocha.org/plans/1516/summary> (Accessed: 29 April 2026).

⁹⁰ IPC 'Somalia: Acute Food Insecurity Situation January 2026 and Projections for February to March 2026 and for April to June 2026', 24 February 2026. <https://www.ipcinfo.org/ipc-country-analysis/details-map/en/c/1161024/?iso3=SOM> (Accessed: 29 April 2026).

⁹¹ IPC (2026) 'Somalia: Acute Food Insecurity Situation, January–March 2026 and Projection for April–June 2026', January. Available at: <https://www.ipcinfo.org/ipc-country-analysis/details-map/en/c/1159798/> (Accessed: 28 April 2026).

⁹² Ethiopian Broadcasting Corporation (2026) 'Ethiopia Rolls Out New Fuel Priority Measures Amid Global Supply Disruptions', 31 March. Available at: <https://www.ebc.et/english/Home/NewsDetails?NewsId=4641> (Accessed: 28 April 2026).

failed to arrive.⁹³ The disruption cut daily diesel supply from 9.2 million liters to 4.5 million liters,⁹⁴ forcing the government onto alternative markets at sharply higher prices.⁹⁵ A partial buffer has been arranged through an alternative fuel supply contract, but it has not restored normal supply levels.

The belg short-rains season is already active across parts of Oromia and Ethiopia's southern highland regions, and farmers are already making input decisions against the current elevated cost base. But the most time-sensitive exposure is the Meher cereal season, which accounts for more than 80 per cent of annual cereal output. Its fertilizer application and sowing window opens through May and June across the highland farming regions of Amhara, Oromia, Sidama, Central Ethiopia, South Ethiopia and Southwest Ethiopia, which together include many of the country's key cereal producing areas. All of them depend entirely on the Djibouti corridor for fuel and fertilizer inputs and decisions made in the next six weeks will lock outcomes for food security in the fourth quarter of 2026.

The people most directly exposed are those whose food security depends on a supply chain with a single point of failure. Smallholder farmers in Amhara, Oromia and Ethiopia's southern highland regions face higher diesel costs for water trucking and irrigation at the opening of the Meher window. Drought-affected households in Somali and Afar regions depend on assistance supply chains carrying the same single-corridor risk.

PAKISTAN

Pakistan felt the economic shock from the Middle East war among the fastest of the countries studied in this report. Within the first six weeks of the war, Pakistan's fuel regulator issued the largest single-day price adjustment in the country's history – a direct pass-through of the global oil price spike to household fuel costs. Despite two rounds of subsidies in April, retail petrol and diesel remained well above pre-war levels, with petrol rising again to Rs393.35 and diesel to Rs380.19 after the 25 April increase, in line with where global oil prices sit. The rupee's apparent stability reflects active management under the IMF program, not absorption of the shock: informal dollar markets are pricing a 4 to 5 per cent premium over the official rate, the live signal of underlying pressure. The fertilizer shock is the most time-sensitive exposure. Pakistan's kharif planting window is active now – the summer growing season that runs primarily across Punjab in the country's east and Sindh in the southeast, the two provinces that together produce the majority of Pakistan's wheat and rice. The harvests those planting decisions determine feed millions of families nationwide in October and November. The point at which farmer behavior changes irreversibly – reducing fertilizer use, switching crops, planting smaller areas – was crossed on 9 April.

The people most directly exposed share a common vulnerability: they were already operating without a financial cushion before the war began, and the shock has removed what remained. Daily-wage laborers in Karachi, Lahore and Faisalabad – Pakistan's three largest cities, spanning the southern coast and the Punjab heartland – have absorbed the full fuel cost increase through informal transport. Smallholder wheat

⁹³ Ethiopian Broadcasting Corporation (2026) 'Ethiopia Rolls Out New Fuel Priority Measures Amid Global Supply Disruptions', 31 March. Available at: <https://www.ebc.et/english/Home/NewsDetails?NewsId=4641> (Accessed: 28 April 2026). EBC reports Minister Kassahun Gofe's statement that long-standing Middle East fuel contracts had been interrupted, leaving more than 180,000 metric tons of fuel in the procurement process undelivered.

⁹⁴ Ethiopian Broadcasting Corporation (2026) 'Ethiopia Rolls Out New Fuel Priority Measures Amid Global Supply Disruptions', 31 March. Available at: <https://www.ebc.et/english/Home/NewsDetails?NewsId=4641> (Accessed: 28 April 2026). EBC reports daily diesel supply falling from 9.2 million liters to 4.5 million liters.

⁹⁵ Capital Ethiopia (2026) 'Over 180,000 Metric Tons of Fuel Failed to Arrive Due to Conflict', 31 March. Available at: <https://capitalethiopia.com/2026/03/31/over-180000-metric-tons-of-fuel-failed-to-arrive-due-to-conflict/> (Accessed: 28 April 2026).

and rice farmers in Punjab and Sindh face higher diesel and fertilizer costs before locally relevant restocking and planting deadlines. Remittance-dependent households in South Punjab and Khyber Pakhtunkhwa – a landlocked region in Pakistan's northwest where Gulf remittances are often the primary household income source – are acutely exposed to any remittance shock. Middle East corridors account for more than half of Pakistan's total remittance income nationally; PIDE estimates that a sustained Middle East labor-market contraction could reduce annual remittances by USD 3–4 billion. None of this is yet visible in published remittance data, but the corridor remains at risk if the Gulf labor market contracts.⁹⁶

MYANMAR

Myanmar is absorbing the economic impacts of the Middle East war on top of three compounding shocks: a civil war running since the 2021 military coup that has displaced an estimated 3.6 million people,⁹⁷ a March 2025 earthquake centered on Mandalay that killed more than 3,000 people⁹⁸ and destroyed cropland and irrigation systems across the country's main cereal-producing regions,⁹⁹ and a multi-year inflation environment, with the World Bank projecting inflation at 34 per cent in 2025/26¹⁰⁰ and WFP reporting that the average basic food basket is now four times its pre-coup level.¹⁰¹ WFP data indicate that diesel prices surged by more than 160 per cent nationwide by the last week of March, with Yangon recording the steepest increase at 174 per cent.¹⁰² By 24 April, WFP reported that national average diesel prices had eased from the previous week but remained 144 per cent above the Myanmar Petroleum Regulatory Department baseline.¹⁰³

The shock is landing on farmers whose margins were already collapsing before the Middle East war-related fuel and fertilizer shock: IFPRI/MAPS found that paddy farmer profitability had fallen to its lowest level in five years, with the price farmers receive for their rice down 15 per cent while input costs continued to rise.¹⁰⁴ Myanmar's agricultural sector has a specific vulnerability not shared with most other case countries: paddy production is highly exposed to diesel-powered land preparation, irrigation, milling and threshing. Recent IFPRI/MAPS farm-service monitoring shows mechanized ploughing and other input costs rising sharply while farmgate paddy prices fell,¹⁰⁵ leaving farmers with little margin to absorb another diesel shock. Myanmar remains structurally dependent on imported fertilizer. The Urea Fertilizer Purchasing

⁹⁶ The News (2025) 'Remittances hit all-time high of \$38.3bn in FY25', 9 July. Available at: <https://www.thenews.com.pk/latest/1327332-remittances-hit-all-time-high-383bn-in-fy25> (Accessed: 28 April 2026).

⁹⁷ IOM (2026) 'Myanmar Crisis Response Plan 2026'. Available at: <https://crisisresponse.iom.int/response/myanmar-crisis-response-plan-2026> (Accessed: 29 April 2026). OCHA (2025) *Myanmar Humanitarian Needs and Response Plan 2026*, 10 December. Available at: <https://myanmar.un.org/en/308519-myanmar-humanitarian-needs-and-response-plan-2026> (Accessed: 28 April 2026).

⁹⁸ UNICEF (2025) *Myanmar Earthquake Flash Update No. 4*, 4 April. Available at: <https://www.unicef.org/myanmar/reports/unicef-myanmar-earthquake-flash-update-no-4> (Accessed: 28 April 2026).

⁹⁹ Food and Agriculture Organization of the United Nations (2025) 'Earthquake in Myanmar: As the planting season nears, FAO scales up emergency response for farmers', 11 April. Available at: <https://www.fao.org/newsroom/detail/earthquake-in-myanmar--as-the-planting-season-nears--fao-scales-up-emergency-response-for-farmers/en> (Accessed: 28 April 2026).

¹⁰⁰ World Bank (2026) 'Myanmar Macro Poverty Outlook'. Available at: <https://thedocs.worldbank.org/en/doc/c6aceb75bed03729ef4ff9404dd7f125-0500012021/related/mpo-mmr.pdf> (Accessed: 29 April 2026).

¹⁰¹ World Food Programme (2026) *Myanmar country page*. Available at: <https://www.wfp.org/countries/myanmar> (Accessed: 28 April 2026).

¹⁰² World Food Programme Myanmar Country Office (2026) *Spillover Effects: How the Middle East Crisis Threatens Food Security – Focus on Myanmar*. Reporting period: week of 20 April. Released 28 April. Shared by the Cash and Markets Working Group Myanmar (Accessed: 29 April 2026).

¹⁰³ World Food Programme (2026) *Myanmar Market Monitor: March 2026*. Myanmar Country Office, March. Shared by the Cash and Markets Working Group Myanmar (Accessed: 29 April 2026).

¹⁰⁴ IFPRI Myanmar Agricultural Policy Support Activity (2025) 'Rice productivity in Myanmar: Assessment of the 2025 dry season and outlook for the 2025 monsoon', 18 December. Available at: <https://myanmar.ifpri.info/2025/12/18/rice-productivity-in-myanmar-assessment-of-the-2025-dry-season-and-outlook-for-the-2025-monsoon/> (Accessed: 28 April 2026).

¹⁰⁵ IFPRI Myanmar Agricultural Policy Support Activity (2025) 'Farm Commercialization and Farm Services – 2025 Dry Season', 29 December. Available at: <https://myanmar.ifpri.info/2025/12/29/farm-commercialization-and-farm-services-2025-dry-season/> (Accessed: 28 April 2026).

and Distribution Steering Committee targeted 1.6 million tons of fertilizer imports for FY2025/26, with more than 1.1 million tons imported between 1 April 2025 and 2 February 2026, leaving an implied gap of up to 500,000 tons still to be sourced during the war period if the target reflects full-year import requirements.¹⁰⁶

At the current global urea benchmark of approximately USD 725.63 per ton, based on the March 2026 World Bank Pink Sheet, that remaining volume would cost up to USD 363 million, compared with approximately USD 196 million at the December 2025 benchmark of USD 392.50 per ton.¹⁰⁷ This implies an additional import cost of up to USD 167 million before domestic transport, exchange rate effects and retail pass-through. 2024 WITS/UN Comtrade data for urea imports specifically show Oman supplied approximately 94 per cent of Myanmar's recorded urea imports by both value and quantity, exposing the fertilizer pipeline to Hormuz disruption.¹⁰⁸

The people most directly exposed are those whose livelihoods depend on fuel-driven agriculture, or whose purchasing power is exposed to rising food, fuel and transport costs in a fragmented currency and payments environment. Smallholder rice farmers in the Ayeyarwady Delta and parts of Bago Region – the low-lying regions that produce the majority of Myanmar's rice and depend on diesel-powered irrigation and milling – face a compound diesel and fertilizer shock in the planting window. Earthquake-affected households in Sagaing and Mandalay – the central dry zone regions worst hit by the March 2025 earthquake – are absorbing a second shock on an unrecovered baseline. Urban wage-earners in Yangon and Mandalay face rising food, fuel and transport costs, while cash actors must monitor whether basket prices, hundi commissions, the fees charged through informal transfer networks, liquidity constraints and local transfer conditions are reducing the real value of assistance. Transfer value decisions should follow the CMWG price-based review process rather than the exchange rate spread alone.¹⁰⁹

LEBANON

Lebanon is absorbing shocks emanating from the Middle East war simultaneously with a renewed Israeli military campaign that began on 2 March 2026 and displaced more than one million people in its first weeks. Most country-level signals reflect both shocks operating at once and cannot be cleanly attributed to either alone. The fuel figures cited here come from LCAT, the Lebanon Crisis Analytics Team – a Mercy Corps-embedded analysis unit whose monitoring of fuel distributor pricing is the most granular available for Lebanon.

The clearest regional war price signal is the fuel price rise: diesel is up 64 per cent and gasoline up 45 per cent since the start of the regional conflict, although it cannot be cleanly separated between the Hormuz shock and the renewed Israeli military campaign.¹¹⁰ The Lebanese pound peg has held through both

¹⁰⁶ Ministries of the President's Office, Myanmar (2026) 'Myanmar imports over 1M tonnes of fertilizer in 2025-2026 FY', 15 March. Available at: <https://presoffministry.gov.mm/en/news/28264> (Accessed: 28 April 2026).

¹⁰⁷ World Bank (2026) *Commodity Markets: Pink Sheet Data – Monthly Prices*, March 2026. Urea benchmark price, USD 725.63 per ton. Available at: <https://www.worldbank.org/en/research/commodity-markets> (Accessed: 28 April 2026).

¹⁰⁸ World Bank WITS / UN Comtrade (2024) *Myanmar Urea imports by country, HS 310210*. Available at: <https://wits.worldbank.org/trade/comtrade/en/country/MMR/year/2024/tradeflow/imports/partner/ALL/product/310210> (Accessed: 28 April 2026).

¹⁰⁹ Cash and Markets Working Group Myanmar (2026) *Fuel Crisis & Transfer Value Review: Monitoring MEB Basket Price Increases*. 9 April. Shared by the Cash and Markets Working Group Myanmar (Accessed: 29 April 2026).

¹¹⁰ Mercy Corps Lebanon Crisis Analytics Team (2026) *Flash Report: Economic and Humanitarian Impacts of Higher Global Oil Prices on Lebanon*, March, p. 5; fuel-price figures cite IPT Group fuel prices, 26 March 2026, and fuel distributor interviews. Available at: <https://mercycorps.org.lb/economic-and-humanitarian-impacts-of-higher-global-oil-prices-on-lebanon/> (Accessed: 28 April 2026).

shocks, which means the transmission arrives not through currency depreciation but through dollar-priced goods becoming more expensive. Lebanon has no domestic fuel production and no government capacity to subsidise prices or cushion the impact. The Lebanon Flash Appeal stands at 38 per cent funded against a USD 308.3 million requirement as of 30 April 2026 – driven by the Israeli military campaign rather than the Middle East war, but stretched by Middle East war-related cost increases that make every aid dollar go less far.¹¹¹ The Gulf remittance corridor represents an estimated 48 per cent of Lebanon's approximately USD 7.15 billion in annual remittance inflows,¹¹² equivalent to 30 to 35 per cent of GDP. The Gulf remittance corridor carries significant forward risk from the Middle East war economic transmissions specifically – but the broader economic forward risk for Lebanon is compounded by the Israeli military campaign, whose trajectory remains the dominant uncertainty for the country's recovery.

The people most directly exposed are those whose displacement or refugee status has already removed their economic resilience. This includes the more than one million people displaced by the March-April 2026 escalation, the estimated 1.5 million Syrian refugees hosted in Lebanon, and the minority of Lebanese households materially dependent on Gulf remittance transfers.

¹¹¹OCHA Financial Tracking Service (2026) 'Lebanon Flash Appeal 2026', funding data pulled 14 April. Available at: <https://fts.unocha.org/plans/1515/summary> (Accessed: 14 April 2026).

¹¹² Mercy Corps Lebanon (2022) 'Understanding remittances as a coping strategy amidst Lebanon's crises: opportunities and challenges for aid actors', November. Available at: <https://mercycorps.org.lb/wp-content/uploads/2022/11/Understanding-remittances-as-a-coping-strategy-amidst-Lebanons-crisis-opportunities-and-challenges-for-aid-actors-1.pdf> (Accessed: 29 April 2026).

Funding Architecture

The war is raising the cost of humanitarian delivery at the moment humanitarian financing is contracting. That combination – tighter budgets, higher costs – is the central risk this section documents.

Donor economies are also facing the same inflationary, fiscal and political pressures as the countries covered in this report. The policy response is constraining aid budgets in both directions: raising interest rates to control inflation squeezes fiscal space, while slowing growth reduces the political appetite for overseas spending. The European Central Bank (ECB) held rates unchanged in March 2026 and raised its 2026 inflation forecast to 2.6 per cent while cutting growth projections to 0.9 per cent¹¹³ The IMF's April 2026 World Economic Outlook set global growth at 3.1 per cent, with a severe scenario of 2.0 per cent if the energy shock persists¹¹⁴ European and Canadian defence spending rose 20 per cent in real terms in 2025, against a new North Atlantic Treaty Organization (NATO) commitment of 5 per cent of GDP by 2035.¹¹⁵ Each of these dynamics pulls aid budgets in the same direction.

The 2026 humanitarian envelope was already critically underfunded before the war and remains so now. As of 30 April 2026, the Sudan Humanitarian Response Plan stands at 18.8 per cent funded against a USD 2.9 billion requirement.¹¹⁶ Somalia is at 14.3 per cent against USD 852 million, Myanmar at 30.4 per cent against USD 890 million, and Lebanon's Flash Appeal at 38 per cent against USD 308 million.¹¹⁷ The combined unfunded requirement across the four plans exceeds USD 3.9 billion.¹¹⁸

Per-person funding exposes the inequity in how the war-period envelope is distributed. Funding sits at USD 16.15 per person in need in Sudan and USD 16.69 in Myanmar, against USD 117 per person in Lebanon, an over seven-fold gap.¹¹⁹

¹¹³ U.S. Department of State (2026) 'Bureau of Disaster and Humanitarian Response'. Available at: <https://www.state.gov/bureaus-offices/under-secretary-for-foreign-assistance-humanitarian-affairs-and-religious-freedom/bureau-of-disaster-and-humanitarian-response/> (Accessed: 29 April 2026). European Central Bank (2026) 'Economic Bulletin Issue 2, 2026', 19 March. Available at: <https://www.ecb.europa.eu/press/economic-bulletin/html/eb202602.en.html> (Accessed: 28 April 2026).

¹¹⁴ International Monetary Fund (2026) *World Economic Outlook, April 2026: Global Economy in the Shadow of the Middle East War*. Available at: <https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026> (Accessed: 28 April 2026).

¹¹⁵ NATO (2026) *Secretary General Annual Report 2025*, 26 March. Available at: <https://www.nato.int/content/dam/nato/webready/documents/publications-and-reports/annual-reports/sgar25-en.pdf> (Accessed: 28 April 2026).

¹¹⁶ OCHA Financial Tracking Service (2026) *Sudan Humanitarian Needs and Response Plan 2026*. Available at: <https://fts.unocha.org/plans/1514/summary> (Accessed: 30 April 2026). Plan requirement of USD 2.9 billion per OCHA (2026) *Sudan Humanitarian Needs and Response Plan 2026 — Summary*. Available at: <https://www.unocha.org/publications/report/sudan/sudan-humanitarian-needs-and-response-plan-2026-summary> (Accessed: 30 April 2026).

¹¹⁷ OCHA Financial Tracking Service (2026) *Somalia Humanitarian Needs and Response Plan 2026*. Available at: <https://fts.unocha.org/plans/1516/summary> (Accessed: 30 April 2026); *Myanmar Humanitarian Needs and Response Plan 2026*. Available at: <https://fts.unocha.org/plans/1505/summary> (Accessed: 30 April 2026); *Lebanon Flash Appeal 2026*. Available at: <https://fts.unocha.org/plans/1568/summary> (Accessed: 30 April 2026). Plan requirements per OCHA (2026) 'Humanitarian partners seek US\$852 million to assist 2.4 million people in 2026', 26 January. Available at:

<https://www.unocha.org/publications/report/somalia/humanitarian-partners-seek-us852-million-assist-24-million-people-2026> (Accessed: 30 April 2026); OCHA (2025) *Myanmar Humanitarian Needs and Response Plan 2026*, 10 December. Available at: <https://www.unocha.org/publications/report/myanmar/myanmar-humanitarian-needs-and-response-plan-2026> (Accessed: 30 April 2026); OCHA (2026) *Flash Appeal: Lebanon, March-May 2026*, March. Available at: <https://www.unocha.org/publications/report/lebanon/flash-appeal-lebanon-march-may-2026-march-2026-enar> (Accessed: 30 April 2026).

¹¹⁸ Author calculation from OCHA Financial Tracking Service funding data and OCHA published plan requirements. Total requirement of USD 4.95 billion (Sudan USD 2.9 billion + Somalia USD 852 million + Myanmar USD 890 million + Lebanon USD 308.3 million) less total funded of USD 1.05 billion as of 30 April 2026. See OCHA Financial Tracking Service (2026) *Coordinated plans 2026*. Available at: <https://fts.unocha.org/plans/overview/2026> (Accessed: 30 April 2026).

¹¹⁹ Author calculation against people-in-need (PiN) figures stated in each plan's published needs analysis. Sudan: USD 544,375,001 funded ÷ 33.7 million people in need = USD 16.15 per person. Somalia: USD 121,600,865 funded ÷ 4.8 million PiN = USD 25.33 per person. Myanmar: USD 270,378,278 funded ÷ 16.2 million PiN = USD 16.69 per person. Lebanon: USD 117,214,689 funded ÷ 1 million people targeted = USD 117.21 per person. Funding data from OCHA Financial Tracking Service (Accessed: 30 April 2026). PiN figures per OCHA (2026) *Sudan*

Donor concentration compounds the risk. In Myanmar, a single donor (the United States) accounts for 51.8 per cent of all funding received.¹²⁰ In Sudan, the United States accounts for 40.9 per cent and the European Commission a further 9.1 per cent, meaning two donors carry over half the response.¹²¹ The departure of any single major donor through Q2 or Q3 would be immediately felt, particularly in Sudan and Myanmar.

The US delivery architecture is the largest variable, separate from funding share. Beyond the donor-concentration risk above, the dissolution of USAID on 1 July 2025 and the creation of the Bureau of Disaster and Humanitarian Response within the State Department mean headline contribution figures may overstate the system's effective delivery capacity.¹²² Public reporting indicates that most USAID programmes had been terminated before the agency's closure,¹²³ while Reuters reported that the new Bureau of Disaster and Humanitarian Response would be staffed by about 200 officials and operate through 12 regional hubs.¹²⁴ Against the former USAID Bureau for Humanitarian Assistance headcount of more than 1,000 staff, the structural delivery capacity is materially smaller.¹²⁵ Operational planning for 2026 should treat slower grant processing, longer disbursement timelines, reduced partner-management capacity and constrained delivery-partner relationships as a baseline assumption, not a contingency.

Humanitarian Needs and Response Plan 2026 — Summary; OCHA (2026) *Somalia Humanitarian Needs and Response Plan 2026*; OCHA (2025) *Myanmar Humanitarian Needs and Response Plan 2026*; OCHA (2026) *Flash Appeal: Lebanon, March-May 2026*.

¹²⁰ Author calculation from OCHA Financial Tracking Service donor-level flow data for Myanmar HNRP 2026. United States Government contribution of USD 140,000,000 against total funding of USD 270,378,278 = 51.8 per cent. See OCHA Financial Tracking Service (2026) *Myanmar Humanitarian Needs and Response Plan 2026 — Flows*. Available at: <https://fts.unocha.org/plans/1505/flows> (Accessed: 30 April 2026).

¹²¹ Author calculation from OCHA Financial Tracking Service donor-level flow data for Sudan HRP 2026. United States Government: USD 222,881,802 (40.9 per cent); European Commission's Humanitarian Aid and Civil Protection (ECHO): USD 49,610,592 (9.1 per cent); combined 50.1 per cent of total funding of USD 544,375,001. See OCHA Financial Tracking Service (2026) *Sudan Humanitarian Needs and Response Plan 2026 — Flows*. Available at: <https://fts.unocha.org/plans/1514/flows> (Accessed: 30 April 2026).

¹²² U.S. Department of State (2026) 'Bureau of Disaster and Humanitarian Response'. Available at: <https://www.state.gov/bureaus-offices/under-secretary-for-foreign-assistance-humanitarian-affairs-and-religious-freedom/bureau-of-disaster-and-humanitarian-response/> (Accessed: 29 April 2026).

¹²³ NPR (2025) 'USAID officially shuts down and merges remaining operations with State Department', 1 July. Available at: <https://www.wlrn.org/npr-breaking-news/2025-07-01/usaid-officially-shuts-down-and-merges-remaining-operations-with-state-department> (Accessed: 30 April 2026).

¹²⁴ Reuters (2026) 'US State Dept forms new humanitarian bureau after foreign aid overhaul', 20 March. Available at: <https://www.investing.com/news/economy-news/us-state-dept-forms-new-humanitarian-bureau-after-foreign-aid-overhaul-4572783> (Accessed: 30 April 2026).

¹²⁵ Gawel, A. (2026) 'Devex Newswire: Can State's new humanitarian bureau be small but mighty?', Devex, 23 March. Available at: <https://www.devex.com/news/devex-newswire-can-state-s-new-humanitarian-bureau-be-small-but-mighty-112129> (Accessed: 30 April 2026).

Recommendations

The decisions below remain relevant under a range of political outcomes. Whether the Strait of Hormuz reopens next week or remains restricted through Q3, the costs already transmitted to fuel markets, food prices, fertilizer supply chains and cash-transfer purchasing power will continue to move through these economies. The window for limiting further damage is narrowing. Each recommendation below identifies an action or decision point that can be reviewed now and will remain valid regardless of how the political situation concerning the Strait develops.

CASH WORKING GROUPS ACROSS THE SIX CASE COUNTRIES

Review minimum expenditure baskets (MEBs), covering the cost of essential goods and services required for a household to meet its basic needs, against post-war prices by mid-May 2026, or at the next scheduled cash working group review. Where agreed price-based thresholds have been crossed, cash working groups should trigger collective transfer value review. Where thresholds have not yet been crossed, the priority is to maintain frequent basket monitoring, assess sub-national variation, and prepare adjustment options if price increases become sustained.¹²⁶ Revision should account for the retail fuel pass-through already in the system, the food price transmission expected through April and May 2026, and the fertilizer pass-through that will land on rural household food security through Q4 2026. Interim top-ups may be appropriate where delivery cycles cannot wait and where funding, market functionality and delivery conditions permit.

For cash programming in Mogadishu, the operational risk has shifted from acute rejection to fragile acceptance since the mid-April enforcement order stabilized shilling acceptance in the city's markets. A shilling transfer may be functional today, but it depends partly on enforcement of an order that does not address the structural problem. Mobile-money modalities such as EVC Plus, ZAAD and e-Dahab, and US-dollar cash where security and compliance conditions permit, should remain under active review as potentially more resilient alternatives.

In Myanmar, this means sustaining the monitoring architecture that makes evidence-based adjustment possible, including the Cash and Market Working Group (CMWG), Joint Market Monitoring Initiative (JMMI), state-level MEB monitoring and non-food item price monitoring. Core food price monitoring is comparatively strong, but broader basket and non-food item monitoring will need continued support through the current period of volatility.¹²⁷

FOOD SECURITY ACTORS IN KHARIF, MEHER AND GU PLANTING GEOGRAPHIES

Pre-position seed and fertilizer supplies for smallholder farmers before locally relevant restocking and planting deadlines. The global urea price rise is already locked into the importer purchase cost. Pass-through to agrodealer retail will materialize over the next four to six weeks. Pre-positioning, targeted voucher or in-kind distribution to smallholders, and support for micro-dosing techniques to stretch limited supplies are more cost-effective than generalized subsidies.

¹²⁶ Cash and Markets Working Group Myanmar (2026) *Fuel Crisis & Transfer Value Review: Monitoring MEB Basket Price Increases*. 9 April. Shared by the Cash and Markets Working Group Myanmar (Accessed: 29 April 2026).

¹²⁷ Cash and Markets Working Group Myanmar (2026) *Ad Hoc Meeting — Fuel Crisis and Implications for Cash Programming*. 9 April. Shared by the Cash and Markets Working Group Myanmar (Accessed: 29 April 2026).

Review targeting criteria to protect staple-food production, while assessing livelihood and market consequences for cash-crop producers. Geographies should be confirmed with country teams based on access, partner reach, current planting calendars and latest market data; indicative priority areas include Punjab, Sindh and Khyber Pakhtunkhwa in Pakistan, Amhara, Oromia in Ethiopia, Bay, Bakool, Lower Shabelle, Middle and Lower Juba in Somalia, and Aj Jazirah, Gedaref, South Darfur, Sennar and Blue Nile.

HUMANITARIAN LOGISTICS AND PRE-POSITIONING

WFP, OCHA and implementing partners should assess whether fuel procurement and transport contracting can be front-loaded for May to August 2026 delivery cycles before parallel-market fuel prices move further. Sudan is the most acute case: the Ayin Network has documented transport fees exceeding the commodity value of some cargo, indicating that fuel and transport costs are constraining some food movements and making them commercially uneconomic on affected routes. Pre-positioning contracts locked at current prices avoid the worse scenario where May and June prices move again and cash-rich commercial competitors squeeze humanitarian logistics procurement. Targeting: verified three-month fuel buffer for priority Darfur, Kordofan, cross-border Chad, South Sudan and Ethiopia corridors by end of May 2026. Mogadishu, Berbera and Bosaso pre-positioning against the April 2026 caseload trajectory before end of May.

More generally the fuel crisis is also an implementation cost shock for local partners, who often rely on local fuel markets for distributions and site access. Donors and international partners should build flexibility into partner budgets for transport, fuel, hundi commissions, liquidity constraints and other delivery costs, not only for beneficiary transfer values.

CASH MODALITY ADJUSTMENT FOR SHILLING REJECTION AND DENOMINATION-RISK GEOGRAPHIES

Cash transfer programs in Somalia should review transfer values and modality risks at the next cash working-group cycle against the observed 20 per cent food price rise and the mid-April shilling rejection dynamic, with a specific program decision as soon as updated market and acceptance data are available on modality. Options: shift to mobile money (EVC Plus via Hormuud and e-Dahab via Dahabshiil in Mogadishu and south-central Somalia, Sahal via Golis in Puntland, ZAAD via Telesom in Somaliland), shift to USD cash where security permits, or retain shilling transfers with explicit monitoring of acceptance, exchange and rejection risks.

DONOR EARLY ENGAGEMENT AND CONDITIONAL TRANCHES

Donor agencies should commit conditional tranches to the Sudan HRP triggered by any further IPC Phase 5 classification (famine or famine-like conditions) or a sustained move of parallel gasoline above SDG 40,000 per gallon for 30 days), to the Somalia HRP (triggered by any district classified Phase 5 or Mogadishu retail fuel sustained at 100 per cent above pre-war for 30 days). Conditional tranches are the appropriate instrument because the trigger indicators are observable before formal appeal revisions are likely to capture the deterioration. Committing tranches now for release on observable triggers reduces funding cycle delay if pressure points deepen. A funding cycle delay in a context already holding Phase 5 classifications, or one entering lean season against a compound shock, would carry severe operational consequences.

COORDINATION ARCHITECTURE

OCHA, ECHO, UK FCDO and the US Bureau of Disaster and Humanitarian Response should convene a cross-country humanitarian logistics working group by end of May 2026, chaired by OCHA, with three outputs:

- A ranked corridor-risk matrix covering Sudan (Chad, South Sudan, Ethiopia cross-border), Somalia (Mogadishu, Berbera, Bosaso), Ethiopia (Djibouti dependency), Myanmar (Kachin, Chin, Shan corridors), and Pakistan (Karachi, Port Qasim) quantifying per-corridor freight and insurance cost increases against pre-war baselines and identifying the two or three corridors at highest risk of further disruption.
- A three-month pre-positioning plan for May to August 2026 delivery cycles across the highest-risk corridors, setting volume targets and trigger points for contingency routing.
- A minimum fuel and freight contracting package for each country office covering pre-positioning, price-lock options, and cross-border coordination where a primary corridor is already constrained.

DO NOT ASSUME COSTS HAVE REVERSED WITH THE CEASEFIRE

The 7 April ceasefire did not reopen the Strait of Hormuz to normal commercial traffic, did not restore Qatari LNG to Pakistan, did not reverse the global urea price move, and did not automatically reset Sudanese parallel-market fuel costs or Somalia's currency-acceptance risks. Five reversals of the diplomatic picture in thirteen days (ceasefire, blockade, reopening, IRGC gunfire, US seizure) have moved the political picture without restoring the commercial one. The intervals between reversals are shrinking. Costs already booked into the fertilizer import bill, the parallel rate exchange rate regimes, the road freight repricing, and the cash transfer purchasing power base will continue to transmit regardless of whether any given ceasefire holds politically. Humanitarian and development actors should plan against the costs already transmitted, not against the diplomatic picture – and should treat any shift in the political situation as a prompt to act on the operational priorities in this report, not to wait for further clarity.

SIGNALS TO WATCH

Five signals together indicate whether the transmission deepens or eases over the next two months:

- Brent crude sustained above USD 110 per barrel, or below USD 75 – indicating demand collapse rather than supply recovery – would indicate the political picture has been priced in one way or the other.
- Hormuz commercial transits sustained above 50 vessels per day would mark a return to normal operation.
- Any new IPC Phase 5 classification in Sudan or Somalia would signal famine widening against a funded ratio already below 20 per cent.
- A month-on-month decline above 10 per cent in Pakistan's Saudi or UAE remittance corridors would mark the start of Gulf labor-market transmission.
- Agrodealer urea retail above pre-war benchmarks in Pakistan, Ethiopia or Somalia would confirm farm-gate pass-through.

Of these, the April State Bank of Pakistan remittance release and subsequent monthly releases, together with the next IPC Sudan and Somalia analyses, are the signals with the largest near-term operational consequence. Country-specific indicators sit in the standalone country papers.

Methodology and Sources

This report synthesizes real-time data from authoritative public sources with Mercy Corps Crisis Analysis Team and country office research, and country-level primary-source reporting from 28 February to 28 April 2026. It reflects conditions as of 28 April 2026, the end of the ninth week of the conflict.

This report does not predict ceasefire outcomes, assign probabilities to political developments, or take a view on the conduct of the war. The analysis describes observed conditions, forward risks and indicators to watch, rather than predicting political outcomes. The underlying analytical work retains a forward scenario architecture (Resolution, Protracted Restriction, Escalation), used here as analytical background rather than as the basis for predictions, given that the political situation is changing too rapidly to forecast with confidence at the time of writing.

Brent crude is the cross-case benchmark used throughout the report and country briefs in this series. The Brent crude value of USD 126.69 on 31 March 2026, from the Federal Reserve Economic Data (FRED) daily series, is used as the consistent cross-case reference point. The FRED daily series records a higher daily close at USD 138.21 on 7 April 2026 (ceasefire eve). The 31 March value is the peri-war reference used for cross-case comparison.

Known data constraints are flagged explicitly in the country papers. The principal cross-case gaps are: retail-level agrodealer fertilizer prices (no published weekly series in any case country). Gulf hawala remittance flows (structurally unmeasurable, with World Bank KNOMAD formal-corridor data a floor rather than a ceiling). Sudan pump-price daily series (no public publication). Eastern Mediterranean war-risk premium (no routine public series).

This report may need updating after: the IMF Executive Board decision on the 27 March Pakistan Staff-Level Agreement. The next IPC Sudan and Somalia analyses. The March and April Pakistan State Bank of Pakistan remittance releases. Any material change in the Hormuz transit regime. Any further Iran-war-driven escalation into the Red Sea or into Gulf state infrastructure.

Publicly available data. US Energy Information Administration Europe Brent Spot Price FOB (via FRED). World Bank Pink Sheet monthly commodity prices. US Bureau of Labor Statistics Gasoline and Refinery Producer Price Indices. IMF PortWatch chokepoint transit and maritime trade flow data. Lloyd's Joint War Committee war-risk premium listings. OCHA Financial Tracking Service 2026 Humanitarian Response Plan data. KNOMAD Bilateral Remittance Matrix. World Bank World Development Indicators. FAO Food Price Index. WFP Market Monitors (Sudan, Somalia, Pakistan, Myanmar). IPC Technical Working Group analyses (Sudan, Somalia). FEWS NET Key Message Updates. REACH Joint Market Monitoring Initiative (Sudan, Somalia). IOM Displacement Tracking Matrix. UNHCR Refugee Data Finder. USDA Foreign Agricultural Service. Oil and Gas Regulatory Authority (Pakistan) notifications. State Bank of Pakistan monthly remittance releases. Binance peer-to-peer prints across the six case countries.

Country-level reporting and institutional assessments. Ayin Network (Sudan). Xinhua (Somalia, Sudan). Dabanga, Al Jazeera, Sudan Tribune (Sudan). Hiiraan Online, Dawan Africa, Radio Dalsan, Hiiraanweyn (Somalia). Myanmar Now, Irrawaddy, Mizzima, Frontier Myanmar (Myanmar). WFP Myanmar Country Office, *Spillover Effects: How the Middle East Crisis Threatens Food Security – Focus on Myanmar*, 28 April 2026; WFP Myanmar Market Monitor: March 2026; REACH/WFP Myanmar Joint Market Monitoring

Initiative materials; and Cash and Markets Working Group Myanmar transfer-value review materials, all shared by the Cash and Markets Working Group Myanmar. Dawn, The News, Express Tribune, Business Recorder (Pakistan). LCAT Flash Report March 2026 and Lebanon Crisis Updates. World Bank MENAAP Economic Update 8 April 2026. OCHA Asia and the Pacific: Humanitarian Impact of the Middle East Escalation. WFP and joint IMF/World Bank/WFP statement 8 April 2026. FAO Chief Economist UN press briefing 26 March 2026. Mercy Corps “Rebuilding the Breadbasket” (Sudan, 10 April 2026). Mercy Corps flash report *The Long Reach of War* (10 April 2026).

Mercy Corps analytical anchors. Standalone case country analysis (Myanmar, Pakistan, Sudan, Ethiopia, Somalia, Lebanon). Key Informant Interviews with Mercy Corps Crisis Analysis Team staff (Sudan, Lebanon, Myanmar). Cross-case data compiled from the public sources above during 14 to 28 April 2026.

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