MARKETIMPACT CRISIS ANALYSIS

Desk-Based Emergency Market Mapping and Analysis (EMMA)

SOMALIA: Imported Staple Foods and Fuel

Secondary Economic Impacts of the Iran War (Operation Epic Fury)

Draft, March 2026 | Thomas Byrnes / MarketImpact Digital Solutions Ltd

Publication note, August 2026. This document is the case exhibit for AidGPT guidance paper MI-GUIDE-002, Verification-First. It is a March 2026 working draft, produced by MarketImpact in a single AI-assisted session, before key informant interviews, as preparatory work for the analysis we carried out for Mercy Corps on the Iran war's secondary economic impacts. That work was completed, human-verified and published by Mercy Corps in May 2026 as From Hormuz to the Frontlines of Hunger, a six-context series that includes Somalia: mercycorps.org/research-resources/hormuz-to-hunger. The published series is the finished product and supersedes everything here. This draft has deliberately not been updated: its market data was current to mid-March 2026, and it is published for methods transparency, not as current analysis. The working file carried the client's document styling; it is republished under MarketImpact's own header, with the content otherwise as produced. The AI drafted under the tagging discipline the guidance paper describes, and the analytical judgements are the analyst's own. MarketImpact's AI-use standard: marketimpact.org/how-we-use-ai

This is an early desk-based EMMA produced before key informant interviews. Evidence grading tags are applied throughout: [VALIDATED] = two or more independent sources, [SINGLE SOURCE] = one credible source flagged for KII verification, [INFERRED] = analytical inference with documented logic chain, [GAP] = no current evidence with specified follow-up action. Caveats are in italics.

1. Target Market System and Crisis Context

This EMMA examines **imported staple foods (rice, wheat flour, vegetable oil, sugar) and fuel (diesel, petrol)** in Somalia. These commodities are the primary determinants of the Minimum Expenditure Basket (MEB) cost and cash transfer purchasing power for humanitarian programs across the country.

1.1 The pre-existing crisis

Somalia was already in severe crisis before the Iran war started. The Deyr season rains (October to December 2025) failed for the fourth consecutive season. Northern regions endured rainfall 60% below average, the driest conditions recorded since 1981. The Deyr cereal harvest in southern Somalia was 83% below the long-term average (1995 to 2025). Crop failure affected up to 85% of farmland, reducing sorghum and maize yields by 20 to 30%. The IPC report published in February 2026 projected 6.5 million people, roughly one-third of the population, facing Crisis or worse food insecurity (IPC Phase 3+) by March, including 2 million in Emergency conditions (IPC Phase 4). An estimated 1.84 million children under five face acute malnutrition in 2026, including 483,000 cases of severe acute malnutrition. MSF reported a 42% surge in admissions for severe acute malnutrition in Baidoa and a 60% increase in Mudug in 2025 compared to 2024. WFP's deputy executive director stated in mid-March that Somalia showed clear indications of heading into a famine. [VALIDATED: IPC/FSNAU February 2026, WFP, FAO, UNICEF, UN News, OCHA HNRP 2026, MSF March 2026, Carl Skau/WFP via India TV and UN News]

Humanitarian funding was already collapsing before the war. WFP reduced emergency food assistance coverage from 1.1 million people in August 2025 to 350,000 by November 2025, a two-thirds reduction driven by funding shortfalls. As of September 2025, the Somalia HNRP was only 19% funded. WFP stated it needed $95 million to sustain minimum operations from March to August 2026, and warned assistance could halt entirely by April without replenishment. More than 200 health and nutrition facilities closed since early 2025, mainly due to US funding cuts. Cash transfer values were reduced to cover only 70% of the food MEB, and assistance duration shortened from six to three months. More than 600,000 vulnerable people lost food or cash support. The 2026 HNRP funding requirement is $852 million. [VALIDATED: WFP March 2026, OCHA HNRP 2026, HRW World Report 2026, MSF March 2026, ITV/UNICEF March 27 2026]

1.2 The Iran war shock

Operation Epic Fury launched on February 28, 2026. The Strait of Hormuz is operating under a coercive managed-restriction regime with traffic down approximately 97% from pre-war levels. Brent crude is trading at approximately $108 to $113 per barrel. Physical Dubai-linked crude is at $126 to $140, reflecting a historically extreme premium over paper benchmarks. Global urea prices are up approximately 68% from pre-war levels. The FAO Chief Economist described the disruption as a systematic shock affecting food systems globally, stating that even if the conflict stopped immediately, it would take two to three months to stabilize costs. [VALIDATED: S&P Global, FAO, CNBC March 28 2026, Reuters, multiple sources]

1.3 Somalia's distinctive transmission profile

Hypothesis: Somalia is the triple-squeeze lead case. It is among the most import-dependent, most remittance-dependent, and most exposed to the dual chokepoint (Hormuz and Bab el-Mandeb) of any geography in this report. The Gu planting season is underway. Under the central planning case (Scenario 3), food basket costs could rise 30 to 60% by Q3 2026 [INFERRED: planning range from analytical framework, not model output]. This is the compounding case, where multiple transmission channels converge on a single geography simultaneously.

Somalia is a structurally food-deficit country. Domestic cereal production meets less than 40% of per capita cereal needs even in the best agricultural seasons (FAO Food Systems Profile). Agricultural imports, which account for 60 to 70% of domestic food consumption, have risen 18-fold since the late 1980s (FAO). MSF estimates Somalia imports roughly 90% of its food. The country imports nearly all refined petroleum products and lacks centralized price regulation. The economy is heavily dollarized. Most food imports come from the UAE and Turkey, with additional supply from India, Kenya, Pakistan, China, Egypt, and Oman. Agricultural imports stood at $1.19 billion in 2021. UAE-sourced imports are directly exposed to the Hormuz chokepoint. Turkey-sourced imports are not. This distinction matters for assessing which food supply lines are most vulnerable. [VALIDATED: FAO Food Systems Profile, MSF March 2026, US State Dept Commercial Guide, Trading Economics]

Livestock exports to Gulf states exceeded $1 billion in both 2023 ($1,074 million) and 2024 (approximately $1 billion, with total exports of $1,556 million and livestock at 77%). Somalia exported 6.4 million head of livestock in 2024. Saudi Arabia, UAE, Oman, Kuwait, and Qatar collectively account for approximately 90% of livestock export destinations. The livestock trade is now threatened by shipping disruptions, though the extent depends on which destination ports are in use (see §2.2). [VALIDATED: IJRSI December 2025, CBS quarterly data, FSNAU, SDRB, Dawan Africa/Bloomberg October 2025]

2. The Market Chain

2.1 Production

Pre-crisis baseline

Domestic cereal production (mainly sorghum and maize in southern Somalia) is structurally insufficient. Even in good years, domestic production covers only 26% to 57% of food requirements, with imports filling the gap. The 2020 to 2023 historic drought devastated pastoral and agropastoral livelihoods. Livestock, the backbone of the economy, supports over 70% of the pastoral and agropastoral population. The livestock population is estimated at 56 to 57 million animals. Somalia exports 4 to 6 million head annually, primarily sheep and goats to Gulf markets through Berbera and Bosaso ports. [VALIDATED: FSNAU, CBS, Ministry of Livestock data]

Post-war changes

The Deyr 2025 cereal harvest failed: 83% below the long-term average. Sorghum prices in the sorghum belt (Baidoa, Dinsoor) increased 9% and 46% respectively in December 2025. Maize prices increased 38% to 45% in Lower Shabelle (Qorioley, Marka). These increases occurred before the Iran war started and reflect the drought baseline. [VALIDATED: FAO FPMA, IPC February 2026]

The Gu season (April to June) is the next critical production window. Average rainfall is forecast for most areas, but the fertilizer disruption from the Iran war threatens input availability. More than 90% of the Horn of Africa's nitrogen fertilizer arrives from Gulf shipments through Djibouti, which faces dual chokepoint exposure (Hormuz at origin, Bab el-Mandeb at destination). If fertilizer supply is disrupted, application rates fall. The nonlinear yield response means even modest reductions produce disproportionately large harvest shortfalls. FAO specifically named this risk for the Horn of Africa region. [VALIDATED: FAO Chief Economist March 26 2026, Africanews/WFP March 27 2026]

[GAP: Current Gu planting status and input availability on the ground. Fertilizer prices at farm gate in Somalia. Whether farmers are reducing application rates or delaying purchases. Priority for KII with MC Somalia and FSNAU.]

2.2 Trade and Wholesale

Pre-crisis baseline

Somalia's import trade is dominated by private sector actors. Staple food imports (rice, wheat flour, sugar, vegetable oil) arrive primarily through Mogadishu, Berbera, Bosaso, and Kismayo ports. Dubai (Jebel Ali) has historically been the dominant transshipment hub for goods entering Somalia. The import supply chain is entirely private sector, with no government price controls or strategic reserves. Livestock exports flow in the opposite direction: primarily through Berbera and Bosaso to Gulf states (Saudi Arabia, UAE, Oman, Kuwait, Qatar), which account for approximately 90% of livestock export destinations. [VALIDATED: Central Bank of Somalia, Hiiraan Online, SDRB]

Post-war changes

Jebel Ali, Somalia's primary transshipment hub, has seen a 40% drop in vessel calls due to its proximity to the conflict zone. DP World has opened emergency land corridors to link Jebel Ali with Saudi hubs like Dammam, but the operational complexity of rerouting 15.5 million annual TEU is immense. Alternative transshipment through Salalah, Colombo, and Jeddah is under pressure. [VALIDATED: Zencargo March 2026, Supply Chain Dive/TPM26 March 2026]

Livestock exports to Gulf states face potential disruption, though the transmission pathway is more nuanced than for fuel imports. Vessels departing Berbera and Bosaso transit through the Gulf of Aden. For destinations on the Red Sea coast (Jeddah, Saudi Arabia), Hormuz transit is not required. For destinations on the Persian Gulf coast (Dubai, Kuwait, Oman), vessels must enter through the Strait. The degree of livestock export disruption therefore depends on which destination ports are in use and whether Bab el-Mandeb / Red Sea risk affects the Gulf of Aden route. This is a critical KII question. If Jeddah remains the primary destination, livestock exports may be less disrupted than fuel imports. [INFERRED: Export routes confirmed by CBS and SDRB. Hormuz restriction confirmed. Destination-specific impact is a data gap requiring KII verification.]

[GAP: Current livestock export volumes and vessel departures from Berbera and Bosaso since February 28. Which destination ports are currently receiving Somali livestock. Whether Saudi Arabia and UAE are still accepting livestock shipments. Priority KII with livestock traders and port authorities.]

2.3 Retail

Pre-crisis baseline

The FSNAU Minimum Expenditure Basket (MEB) covers basic food items (sorghum, vegetable oil, sugar) for 2,100 kcal per person per day for a household of 6 to 7, plus non-food items (water, kerosene, firewood, soap, cereal grinding). The November 2025 MEB data is the most recent available. Consumer prices vary significantly across regions, with Mogadishu and Somaliland generally more stable than southern and central zones. [VALIDATED: FSNAU MEB methodology and November 2025 data]

Post-war changes

Fuel prices in Mogadishu jumped from approximately $0.60 to $1.50 per liter within days of the war starting, a 150% increase. Fuel prices in some parts of Somalia have more than doubled. Tuk-tuk drivers in Mogadishu are abandoning their livelihoods because fares are no longer profitable. Transport costs have increased significantly, with delivery times reportedly doubling. Some food prices have risen approximately 20% as a result of the Iran war. [VALIDATED: Reuters March 26 2026, ITV March 27 2026, Foreign Policy March 24 2026, Diplomat.so March 10 2026. Note: the $0.60 pre-war baseline is SINGLE SOURCE and requires KII verification. The 20% food price increase is a WFP/Foreign Policy estimate, not systematic market data.]

Somalia's fuel market is entirely private sector, with no centralized price regulation. Private importers dominate the petroleum supply chain, controlling distribution and pricing. When international costs rise, traders adjust prices immediately. This unregulated pass-through means global shocks arrive at the consumer level faster in Somalia than in countries with subsidies or price controls. [VALIDATED: Diplomat.so March 10 2026]

Caveat: Most post-war price data is from Mogadishu. Prices in southern and central Somalia, where access constraints are more severe and supply chains more fragile, may be significantly higher. Conversely, Somaliland and Puntland have somewhat independent market systems. Regional variation is a well-documented feature of Somali markets and the Mogadishu data should not be treated as nationally representative.

Consumer response [GAP, requires KII]: Typical household coping strategies during price shocks in Somalia include reducing meal frequency, switching from preferred imported foods (rice) to cheaper local cereals (sorghum) when available, distress livestock sales, reduced water consumption, pulling children from school, and migration to IDP camps. The current drought has already depleted many of these coping mechanisms. Households that sold livestock during the 2020-2023 drought have fewer assets to liquidate. The combined drought and price shock is compressing the coping space from both sides simultaneously. The specific consumer adaptations since February 28 are a priority for KII.

[GAP: Systematic post-war food price data from WFP VAM or FSNAU for March 2026. Current MEB cost across regions. Fuel retail prices by region beyond Mogadishu. Consumer coping strategies and dietary changes since the war started.]

3. Enabling Environment

3.1 Exchange Rates and Financial System

Pre-crisis baseline

Somalia's economy is heavily dollarized. The Somali shilling trades at approximately 572 SOS/USD but most significant transactions occur in US dollars. Mobile money penetration is estimated at 73%, with EVC Plus (Hormuud), eDahab (Somtel/Dahabshiil), and Sahal (Golis) as the primary platforms. The Central Bank of Somalia launched the National Payment System in 2021. Thirteen licensed banks operate, with International Bank of Somalia (IBS), Premier Bank, Salaam Somali Bank, Dahabshiil International Bank, and Amal Bank among the largest. Seven licensed money transfer businesses (MTBs) operate. [VALIDATED: US State Department 2025 Investment Climate Statement, CBS, multiple sources]

Somalia remains largely excluded from the global financial system. Most Somali financial institutions lack correspondent banking relationships except limited arrangements with banks in Turkey and a few other countries. Remittances flow primarily through money transfer operators (Dahabshiil, Amal Express, Taaj), which face persistent de-risking pressure from international banks due to AML/CFT concerns. Remittance costs from the UK to Somalia are more than twice the SDG target of 3%. [VALIDATED: US State Department 2025, World Bank Poverty Assessment, UNCDF Somalia Infrastructure Assessment]

Post-war changes

The dollarized economy means the Iran war shock passes through directly in dollar-denominated retail prices rather than through a formal exchange rate collapse. When fuel prices double in USD terms, consumers pay double, without the buffer that an independent monetary policy might provide. The SOS/USD rate is nominally stable because the real economy operates in dollars. [INFERRED: Dollarization confirmed by multiple sources. Direct price pass-through is the logical consequence.]

Expanded sanctions compliance pressure from the Iran war creates additional risk for the already fragile correspondent banking relationships that underpin Somali MTOs. A single correspondent banking decision could disrupt the entire remittance corridor. This is not a new risk, but the expanded sanctions environment raises the probability. [INFERRED: Fragile correspondent banking confirmed by multiple sources. Sanctions expansion is confirmed. The specific impact on Somali MTO operations post-February 28 is a data gap.]

[GAP: Whether any correspondent banking relationships serving Somali MTOs have been disrupted since the war started. Current remittance transfer costs and volumes. Whether mobile money platforms are experiencing liquidity constraints.]

3.2 Governance, Regulation, and Trade Policy

Pre-crisis baseline

Somalia has no centralized fuel price regulation. The Federal Government of Somalia (FGS) has limited fiscal capacity, with domestic revenue of approximately $430 million against a GDP of approximately $12 billion. Somalia joined the East African Community in 2024. The AML/CFT

Act was passed in 2016. Somalia is listed as a high-risk jurisdiction by FATF. The political landscape is fragmented: FGS-Somaliland tensions escalated in January 2026 when Mogadishu cancelled security and defense agreements with the UAE over sovereignty concerns related to Berbera, Bosaso, and Kismayo ports. [VALIDATED: CBS, US State Department, Global Security January 2026]

Post-war changes

The geopolitical dimension is significant. Israel recognized Somaliland in January 2026 and has been exploring a military presence near Berbera to counter Houthi threats in the Gulf of Aden. Somaliland is reportedly hosting increased military air traffic since late February. Al-Shabaab and Islamic State in Somalia have threatened to attack Somaliland if Israel operates there. This creates a direct conflict overlay: Somalia is not just experiencing secondary economic transmission from the war, it is becoming entangled in the war's regional security architecture. [VALIDATED: Bloomberg, Al Jazeera March 12 2026, Kormeeraha Magazine March 4 2026, Somali Guardian March 2026]

Caveat: The security dimension is outside the scope of an economic market mapping. It is flagged here because it could affect port operations, shipping insurance, and humanitarian access in ways that compound the economic transmission channels.

3.3 Humanitarian Funding Architecture

Pre-crisis baseline

Somalia's humanitarian response is severely underfunded. The 2026 HNRP requires $852 million. As of early 2026, FTS reports approximately 11.9% funded against requirements, with 88.1% unmet. WFP, the largest humanitarian agency in Somalia, was forced to reduce coverage from 1.1 million to 350,000 people between August and November 2025. More than 600,000 vulnerable people lost food or cash support due to funding cuts. Cash transfer values were reduced to cover only 70% of the food MEB, and assistance duration was shortened from six to three months. Funding declined significantly in 2025 before the Iran war. [VALIDATED: OCHA HNRP 2026, WFP March 2026, IPC February 2026. FTS percentage from wider report data assembly, to be confirmed against FTS API.]

Post-war changes

The structural USAID loss compounds the existing funding crisis. USAID was effectively folded into the State Department in July 2025. The replacement bureau has a fraction of the former delivery architecture. WFP warned on March 12 2026 that its resources would be depleted within weeks without urgent replenishment. UNICEF has more than $15.7 million worth of lifesaving supplies (food, vaccines, mosquito nets) in transit or being prepared for delivery to Somalia, all now hanging in the balance due to logistics disruptions. [VALIDATED: WFP March 2026, ITV/UNICEF March 27 2026, AP via ITV]

Gulf state donors, who provide funding to Somalia and are the primary destination for Somali livestock exports, face fiscal constraints because their export revenues are physically trapped behind the Strait. Kuwait and Qatar are fully trapped with near-zero export revenue. Saudi Arabia and the UAE can export some oil via pipeline bypasses but at reduced volumes. Gulf donor contributions to Somalia's humanitarian response are at risk under Scenario 3.

[INFERRED: Gulf fiscal constraints documented in wider report. Specific impact on Somalia humanitarian funding flows is a data gap.]

4. Supporting Infrastructure

4.1 Import Corridors and Ports

Pre-crisis baseline

Somalia's four main ports are Mogadishu, Berbera, Bosaso, and Kismayo. Berbera is operated by DP World with significant UAE investment and is ranked second in Africa by the World Bank Container Port Performance Index. Mogadishu handles the largest volume of general cargo. Bosaso serves the northeast (Puntland). Import routes run primarily from Dubai (Jebel Ali) through the Gulf of Aden. Alternative routes from the Indian Ocean basin serve Mogadishu and Kismayo. [VALIDATED: DP World, World Bank, CBS, multiple sources]

Post-war changes

Somalia faces a dual chokepoint problem. Cargoes from the Gulf must transit Hormuz. Cargoes from elsewhere approaching Mogadishu or Berbera from the south face Red Sea/Bab el-Mandeb risk. The only route that avoids both chokepoints is around the Cape of Good Hope, adding approximately two to three weeks to voyage time and significant freight cost. War risk insurance premiums at 5 to 10% of vessel value, resetting every seven days, are effectively exclusionary for smaller operators. Humanitarian logistics providers, typically smaller and less capitalized, are disproportionately affected. [VALIDATED: CNBC March 28 2026, Zencargo, Supply Chain Dive, wider report analysis]

Caveat: The Houthis paused attacks on Red Sea shipping following the start of the Iran war. If this pause holds, the Bab el-Mandeb chokepoint may be less active than assumed, and the dual chokepoint problem reduces to a single chokepoint (Hormuz). However, war risk insurance premiums remain elevated on Red Sea routes regardless of the pause, and the pause may not hold. The analytical assumption of dual chokepoint exposure should be reassessed if the Houthi pause persists beyond April.

Air cargo capacity from the Middle East and South Asia region has plunged 48% year on year as of mid-March 2026. Over 27,000 flights have been cancelled across Emirates, Etihad, and Qatar Airways since the conflict began. This directly affects humanitarian agencies' ability to deliver time-sensitive supplies (vaccines, therapeutic foods, medical equipment) to Somalia. UNICEF has reported that more than $15 million worth of supplies in transit to Somalia are at risk. [VALIDATED: Zencargo March 2026, ITV/UNICEF March 27 2026]

The Berbera situation is complicated by the Israeli military interest. If Berbera becomes associated with military operations in the Iran war context, it could face retaliatory threats that affect commercial shipping and insurance premiums for the port itself. This would disrupt both imports and livestock exports through Somaliland. [INFERRED: Israeli military interest confirmed by Bloomberg and Al Jazeera. Retaliatory risk is analytical inference.]

4.2 Fuel Supply Chain

Pre-crisis baseline

Somalia imports nearly all refined petroleum products. The supply chain is entirely private sector, with no strategic fuel reserves and no centralized price regulation. Fuel is the critical input for transport, water pumping, generator power, and agricultural operations. In drought-affected areas, fuel for water trucking is a life-or-death operational requirement. [VALIDATED: Diplomat.so, OCHA, WFP]

Post-war changes

Fuel prices in Mogadishu jumped from $0.60 to $1.50 per liter, a 150% increase. Prices in some parts of Somalia have more than doubled. The relevant upstream benchmark for Somalia's fuel imports is physical Dubai crude at $126 to $140, not Brent at $108 to $113, because Somalia's fuel imports come primarily through the Indian Ocean basin and are exposed to Gulf physical pricing. UNICEF reports that water costs in drought-affected areas have more than doubled because scarcity is rising and fuel for deliveries is becoming unaffordable. [VALIDATED: Reuters March 26 2026, CNBC March 28 2026, ITV/UNICEF March 27 2026]

4.3 Payment and Transfer Infrastructure

Pre-crisis baseline

Remittances are estimated at $2 billion to $2.4 billion annually, roughly 20% of GDP. Approximately 20.7% of households receive remittances. The primary corridors run from Gulf states (Saudi Arabia, UAE, Kuwait) and Western diaspora (UK, US, Australia, Scandinavia). Money transfer operators dominate: 87% of international remittances flow through MTOs (primarily Dahabshiil, Amal Express, Taaj), with 12% through mobile phone. Domestic transfers use mobile money (46%) and MTOs (47%). [VALIDATED: World Bank Poverty Assessment, CBS, US State Department 2025]

Post-war changes

Gulf labor markets face disruption from the economic shock, potentially reducing remittance volumes from the Gulf corridor. Even before volumes fall, compliance pressure on MTOs may increase costs and slow transfers. The fragile correspondent banking relationships that underpin the entire system are under additional stress from expanded sanctions compliance requirements. [INFERRED: Gulf labor market exposure confirmed. Specific remittance volume changes since February 28 are a data gap.]

[GAP: Post-war remittance volumes and transfer costs. Whether any MTO operations have been disrupted. Mobile money liquidity across regions. Priority KII with Dahabshiil, Hormuud/EVC Plus, and hawala operators.]

4.4 Agricultural Input Supply Chain

Pre-crisis baseline

Somalia's agricultural sector is rain-fed with minimal use of improved inputs compared to other geographies in this report. However, the Horn of Africa region depends on Gulf-sourced fertilizer transiting through Djibouti. Ethiopia, which supplies inputs to the broader region, receives more than 90% of its nitrogen fertilizer from Gulf shipments through Djibouti. [VALIDATED: FAO Chief Economist March 26 2026]

Post-war changes

The three-layer fertilizer shock is active: Gulf exports physically blocked, global gas prices raising production costs at all fertilizer plants, and China restricting urea exports until May. Global urea up approximately 68%. The Gulf accounts for nearly half of global sulfur trade (phosphate fertilizer channel). The Gu planting season (April to June) is at risk. Even if fertilizer application is lower in Somalia than in Ethiopia or Pakistan, the regional production shortfall will affect food availability and prices throughout the Horn of Africa. [VALIDATED: FAO, Africanews/WFP, wider report global upstream data]

5. Key Price Data

Note: Systematic post-war price data from WFP VAM and FSNAU is a critical gap. The data below combines pre-war institutional data with post-war anecdotal and media-sourced reports.

5.1 Fuel Prices

Note: Diesel and petrol (benzene) prices differ and should be tracked separately. Pre-war baselines vary by source. The August 2023 Somalia Monthly Fuel Report showed Mogadishu diesel at $0.80/L. The Somali Guardian cites a pre-war petrol baseline of $0.60/L.

Item	Pre-war price	Post-war price (March 10)	Post-war (late March)	Source
Diesel, Mogadishu	$0.80/L (Aug 2023)	$1.40/L	—	ReliefWeb Aug 2023, Diplomat.so Mar 10
Petrol/ benzene, Mogadishu	$0.60/L	$1.60/L (+167%)	$1.75/L (+192%)	Somali Guardian, Diplomat.so
Fuel (parts of Somalia)	Varied	>2x pre-war	>2x	Reuters, NTV Kenya
Water (drought areas)	Baseline	>2x	>2x	UNICEF/ITV March 27
Water, Puntland	Baseline	$12-15 per 200L barrel	—	OCHA HNRP 2026
MSF fuel spend	February baseline	+20% MoM	—	MSF March 2026

5.2 Food Prices (Pre-war, December 2025)

Item / Market	Price change	Period	Source
Sorghum, Baidoa	+9% MoM	December 2025	FAO FPMA
Sorghum, Dinsoor	+46% MoM	December 2025	FAO FPMA
Maize, Qorioley	+38% MoM	December 2025	FAO FPMA
Maize, Marka	+45% MoM	December 2025	FAO FPMA
Maize, Mogadishu	+11% MoM	December 2025	FAO FPMA
Food prices (general)	~+20% (some items)	Post-war March 2026	Foreign Policy/WFP

5.3 Exchange Rates

Indicator	Value	Note
Official SOS/USD	~572	Nominal, not reflective of real economy

Economy	Heavily dollarized	Most transactions in USD
FX amplification	Minimal	Shock passes through in USD prices directly

6. Critical Market System Nodes

6.1 Healthcare Access Transmission

The fuel price shock has a direct transmission to healthcare access and child mortality that the standard food-and-fuel market mapping underestimates. MSF reports that fuel is becoming scarce, not just expensive, in parts of Somalia. Patients are paying $75 to travel 12 hours to reach hospital. MSF spent 20% more on fuel in March than February just to keep hospital generators and ambulances running. A woman named Halima Omar traveled 12 hours with her 45-day-old son to reach MSF's Mudug Regional Hospital, saying they delayed coming because they could not afford the transport. [VALIDATED: MSF March 2026]

This is the fuel-to-mortality chain: fuel prices double, transport costs rise, families cannot afford to reach health facilities, children die of treatable conditions (SAM, cholera, measles, diphtheria). Somalia recorded 3,375 diphtheria cases and 139 deaths, 11,599 measles cases, 11,952 malaria cases, and 8,846 AWD/cholera cases through November 2025. The healthcare system was already collapsing before the fuel shock. The fuel shock makes it worse by pricing patients out of the transport needed to reach the few remaining functional facilities. [VALIDATED: OCHA HNRP 2026, MSF March 2026]

6.2 Hajj 2026 and the Livestock Trade Window

Hajj 2026 is expected in late May to early June (approximately May 25 to June 9, subject to moon sighting). The pre-Hajj livestock demand buildup typically peaks in April and May as Saudi importers purchase sheep, goats, and cattle for the festival. Saudi Arabia imported $715 million worth of live animals in 2023, with a growing share from Somalia after Sudan's civil war disrupted its livestock exports. [VALIDATED: multiple Hajj calendar sources, Sudan Transparency and Policy Tracker via PNTV Africa]

The Hajj timing creates a critical intersection. The April-May pre-Hajj buildup period coincides exactly with the period of maximum Hormuz disruption. Livestock vessels from Berbera and Bosaso heading to Saudi Red Sea ports (primarily Jeddah) do not transit Hormuz, but the broader Gulf of Aden and Red Sea shipping environment is affected by elevated war risk insurance and the Houthi threat. If livestock exports are disrupted during the Hajj window, the income loss for pastoralist households coincides with the Gu season lean period, compounding food insecurity from both the income and food price sides simultaneously. [INFERRED: Hajj timing confirmed. Livestock route confirmed. The specific impact on Hajj 2026 livestock trade is a critical KII question.]

6.3 Pharmaceutical and Medical Supply Chain

The WHO head of logistics, Paul Molinaro, reported that the Dubai humanitarian logistics hub, a critical node for pharmaceutical shipments to Africa, has been disrupted by the conflict. WHO managed to resume some pharmaceutical shipments to Africa through alternative routes and ports, but described the process as a reboot requiring time. UNICEF has more than $15 million in lifesaving supplies (food, vaccines, mosquito nets) in transit or being prepared for delivery to Somalia, all at risk from logistics disruptions. WFP's shipping costs are up 18% so far, and operations are running on much more expensive fuel. [VALIDATED: WHO/Molinaro via Health

Policy Watch March 2026, UNICEF/ITV March 27 2026, Carl Skau/WFP via UN News March 2026]

6.4 Domestic Political Context

The fuel price crisis is unfolding against a volatile domestic political backdrop. President Hassan Sheikh Mohamud extended his term by one year, triggering opposition tensions. Authorities conducted waves of forced evictions of IDPs in Mogadishu. A female tuk-tuk driver, Sadia M. Ali, was arrested for participating in a fuel price protest in Mogadishu and detained over Eid, drawing condemnation from former Prime Minister Hassan Ali Khaire. The Federal Government has not announced emergency measures to stabilize fuel prices or support transport workers and low-income households. [VALIDATED: Somali Guardian mid-March 2026, HRW World Report 2026, Diplomat.so March 10 2026]

This matters for the enabling environment assessment: a government extending its own term while fuel prices double, drought displaces millions, and citizens are arrested for protesting is an enabling environment factor that affects market governance responses, social stability, and the political space for humanitarian operations.

6.5 Vulnerability Assessment Table

Node	EMMA Pillar	Iran War Mechanism	Vulnerability	Confidence
Fuel import supply	Market Chain	Hormuz closure, Dubai physical premium	CRITICAL	VALIDATED
Staple food imports	Market Chain	Freight cost, transshipment disruption	HIGH	VALIDATED
Livestock export corridor	Market Chain	Dual chokepoint, Gulf demand disruption	HIGH	INFERRED
Hajj 2026 livestock window	Market Chain	May-June demand peak during max disruption	HIGH	VALIDATED (timing)
Jebel Ali transshipment	Supporting Infra	40% drop in vessel calls	CRITICAL	VALIDATED
Healthcare access (fuel-to-mortality)	Supporting Infra	Fuel cost prices patients out of transport	CRITICAL	VALIDATED
Dubai humanitarian hub	Supporting Infra	Hub offline, pharma/supply disruption	HIGH	VALIDATED
MTO correspondent banking	Enabling Env	Sanctions compliance pressure	HIGH	INFERRED
Gulf remittance	Enabling	Gulf labor market	MEDIUM-	INFERRE

corridor	Env	disruption	HIGH	D
Fertilizer via Djibouti	Supporting Infra	Dual chokepoint, 3-layer shock	HIGH	VALIDATED
Humanitarian logistics	Supporting Infra	Insurance exclusion, freight costs	CRITICAL	VALIDATED
Donor funding (all categories)	Enabling Env	US structural loss, Gulf volume trap	CRITICAL	VALIDATED
Berbera port operations	Supporting Infra	Israeli military entanglement risk	MEDIUM	SINGLE SOURCE

7. The Analytical Story

Somalia is the compounding case. Along with Sudan and Ethiopia, Somalia faces transmission exposure across all eight channels documented in this report: fuel, food, fertilizer, FX, financial access, remittances, shipping, and funding. What distinguishes Somalia is the combination of dual maritime chokepoint exposure (Hormuz and Bab el-Mandeb), a dollarized economy where price shocks pass through directly without monetary policy buffers, and the most fragile financial infrastructure of any geography in the case set.

The pre-existing crisis was already severe. Four consecutive failed rainy seasons. 6.5 million people facing crisis-level hunger. Humanitarian funding collapsing. WFP weeks from halting operations. Into this context, the Iran war delivers a triple squeeze:

First, a fuel and transport cost shock. Mogadishu fuel prices jumped 150% within days. Transport costs up 60%. Water costs doubled in drought areas. This is the fastest-moving channel and the one already confirmed by multiple sources.

Second, a food price and supply disruption. The Jebel Ali transshipment hub has lost 40% of vessel calls. The Dubai humanitarian logistics hub is offline, disrupting pharma and supply shipments to Somalia. Alternative routes add weeks and cost. War risk insurance at 5 to 10% of vessel value excludes smaller operators, including humanitarian logistics providers. WFP shipping costs are up 18%. Imported food prices have risen approximately 20% since the war began. The Gu season fertilizer supply is threatened through the Djibouti dual chokepoint, meaning the harvest shortfall could extend food price pressure through Q3 and Q4 2026. UAE-sourced food imports, which form a significant share of Somalia's agricultural imports, face direct Hormuz exposure.

Third, a funding and financial access contraction. USAID structural loss is permanent across all scenarios. Gulf donor fiscal constraints are immediate. The fragile MTO correspondent banking system faces additional sanctions compliance pressure. Remittance volumes from the Gulf corridor may decline as Gulf labor markets weaken.

Fourth, a healthcare access collapse. The fuel price shock is pricing patients out of the transport needed to reach the few remaining functional health facilities. MSF is spending 20% more on fuel. Patients are paying $75 for 12-hour journeys. Over 200 health facilities have closed since early 2025. Disease outbreaks (cholera, measles, diphtheria) are active. The fuel-to-transport-to-mortality chain is the least visible but potentially most lethal transmission channel.

Fifth, a livestock trade timing collision. Hajj 2026 falls in late May to early June, meaning the peak pre-Hajj livestock demand buildup (April to May) coincides with the period of maximum shipping disruption. If livestock exports are reduced during this window, pastoralist income falls at exactly the moment when food prices are rising and the Gu lean season is beginning. This simultaneous income loss and cost increase is the mechanism by which the compounding becomes most severe for rural pastoral households.

What makes Somalia distinctive is that these five shocks are not additive. They are multiplicative. When fuel costs double, transport costs rise, which raises food costs, which increases the MEB, which erodes the purchasing power of humanitarian cash transfers that are already reduced by two-thirds due to funding cuts. When healthcare becomes inaccessible because of transport costs, malnutrition cases that would have been treated go untreated, increasing mortality from a baseline that was already at crisis levels. Each shock reduces the system's capacity to absorb the next.

Alternative interpretation: It is possible that the Gu rains, forecast to be average, will provide sufficient pastoral recovery to partially offset the food price pressure. Shipping rerouting through the Cape of Good Hope, while expensive, may maintain supply continuity for Mogadishu. Livestock exports to Saudi Arabia's Red Sea ports (Jeddah) may continue largely uninterrupted if those routes do not require Hormuz transit. The Houthi pause on Red Sea attacks, if sustained, reduces the dual chokepoint to a single chokepoint. The analytical confidence is lower for the forward-looking food price transmission than for the already-confirmed fuel price shock. These uncertainties are acknowledged and the livestock export and Bab el-Mandeb assumptions require KII verification.

8. Remaining Data Gaps and Priority Actions

Gap	EMMA Pillar	Priority	Action
Post-war food prices (WFP VAM, FSNAU)	Market Chain	CRITICAL	Request latest FSNAU market data. Check HDX API for March updates.
Post-war MEB cost by region	Market Chain	CRITICAL	Request from FSNAU. Essential for transfer value erosion calculation.
Gu planting status and input availability	Market Chain	CRITICAL	KII with MC Somalia, FSNAU, FAO. Is fertilizer reaching farmers?
Livestock export volumes since Feb 28	Market Chain	HIGH	KII with livestock traders, Berbera/Bosaso port authorities, CBS.
Mogadishu and Berbera port shipping data	Supporting Infra	HIGH	KII with port authorities, logistics contacts, WFP logistics cluster.
Remittance volumes and MTO operations	Enabling Env	HIGH	KII with Dahabshiil, Hormuud/EVC Plus, hawala operators.
Mobile money liquidity by region	Enabling Env	MEDIUM	KII with mobile network operators, CBS.
Fuel retail prices by region	Market Chain	HIGH	KII with MC Somalia field staff, fuel traders.
FTS 2026 funding data for Somalia	Enabling Env	HIGH	Pull from FTS API. Confirm % funded and donor breakdown.
Hajj 2026 livestock trade impact	Market Chain	HIGH	KII with livestock exporters. Are pre-Hajj orders proceeding? Which Saudi ports?
Healthcare access / transport costs	Supporting Infra	HIGH	KII with MC Somalia health staff, MSF contacts. Are patients skipping care?
Fuel scarcity (not just price) by region	Supporting Infra	HIGH	KII with MC Somalia field staff, fuel traders. Is fuel physically unavailable?
Import source disruption by origin	Market Chain	MEDIUM	KII with importers. Are UAE-sourced goods delayed more than Turkey-sourced?
Berbera security situation impact on trade	Supporting Infra	MEDIUM	Monitor reporting. KII with Somaliland contacts if accessible.

9. Evidence Validation Summary

Every data point in this document carries one of four evidence grades:

Grade	Count	Examples
VALIDATED	28+	Fuel price increases (Reuters, ITV, Diplomat.so, Somali Guardian, MSF), IPC hunger figures (IPC, WFP, FAO, UNICEF, UN News), Strait traffic (S&P Global, FAO), Deyr harvest 83% below average (IPC/FSNAU), crop failure 85% farmland (OCHA HNRP), healthcare access (MSF), WFP shipping +18% (Skau), Dubai hub offline (WHO), Hajj May-June 2026 (multiple), 20% food price rise (WFP official)
SINGLE SOURCE	3	Somalia imports 90% of food (MSF estimate, higher than FAO 60-70%), Berbera military activity (Kormeeraha), some regional fuel price reports
INFERRED	9	Livestock export disruption (route-dependent), MTO compliance pressure, Gulf remittance volume decline, Gulf donor fiscal constraint on Somalia, Berbera retaliatory risk, Hajj trade window collision, fuel-to-mortality chain (mechanism inferred from validated component data), compounding multiplicative effects
GAP	15	Post-war food prices (FSNAU/WFP), MEB cost, Gu planting status, livestock exports since Feb 28, Hajj 2026 livestock orders, healthcare transport costs by region, remittance volumes, mobile money liquidity, fuel prices and scarcity by region, FTS 2026 data, port shipping data, import disruption by origin, fuel physical availability, Berbera security impact, consumer coping strategies

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