Iran war wreaks havoc in Africa

Jean Shaoul
8 May 2026

The US?Israeli war on Iran has sent shockwaves across Africa. Inflation, fuel and fertiliser shortages, collapsing currencies and rising food insecurity are converging into a continent?wide crisis. The war is hitting the daily conditions of life for hundreds of millions of Africans.

The International Monetary Fund's (IMF) latest Regional Economic Outlook for sub?Saharan Africa makes the scale of the threat clear. The limited economic gains of recent years are evaporating. Growth is slowing, inflation is rising, and non?commodity exporters face widening trade and budget deficits. This follows cuts in 2025 in bilateral aid to Africa of 16-25 percent—cuts the IMF predicts will continue, withdrawing even the minimal buffers previously supplied.

The closure of the Strait of Hormuz—through which nearly 30 percent of global oil flows—has driven fuel prices in Africa up by as much as 80 percent. Sudan has seen a 30-40 percent increase in fuel prices, driving up transportation costs amid the world's worst humanitarian crisis. In Somalia, fuel prices in some areas have increased by up to 130 percent, with commodity prices rising by at least 20 percent.

Nigeria, an oil producer with limited refining capacity, faces intense pressure, with petrol prices rising over ?1,350 per litre, sparking a "sharp decline" in consumer purchasing power. Some 27.2 million people live at crisis-level hunger or above. Kenya faces severe fuel shortages at around one in five petrol stations. The government has cut fuel taxes to combat inflation. South Africa has seen sharp fuel price hikes (over R2.40/litre for petrol), prompting fears of broader food inflation.

The social consequences are immediate and severe. Ethiopia and Kenya, major exporters of cut flowers, face soaring jet?fuel costs that have crashed their export earnings. Some countries have imposed emergency measures. South Sudan is rationing electricity in Juba. Zimbabwe is diluting petrol with ethanol. Ethiopia has ordered fuel suppliers to prioritise "essential sectors". Egypt has imposed early closing hours on shops and restaurants.

More devastating still is the impact on fertiliser prices. Africa's food systems—distorted by decades of World Bank "structural adjustment" programmes—depend heavily on imported fertilisers. Some 35 percent of the world's ammonia, urea and phosphate fertilisers come from the Gulf, whose states have used cheap gas, large?scale industrial infrastructure and state?backed investment to diversify and become central nodes in the global food?energy chain.

Food production is now in jeopardy on a continent that is largely rural (55 per cent), with agriculture providing the primary livelihood for over half of its population. Fertiliser prices have risen 30–50 percent in two months. A global auction has emerged in which African states are systematically outbid. Countries are scrambling to avert agricultural collapse: Ghana is distributing free fertiliser. Sudan has launched a "Sustain Sudan" programme to keep farms alive. These measures will widen fiscal deficits.

With cargo vessels avoiding the Red Sea and Suez Canal, shipping costs are rising sharply, fuelling inflation. By early April, 29 of Africa's 54 currencies had depreciated against the US dollar. The South African rand fell 5 percent. The euro's decline has been transmitted directly into the CFA?franc zone. The Egyptian pound has plunged.

The United Nations Development Programme (UNDP) expects double?digit inflation this year in Ethiopia, Egypt, Nigeria, Angola, South Sudan, Malawi, Burundi and Sudan. Central banks will respond with higher interest rates, increasing the cost of refinancing maturing bonds in Benin, Egypt, Ghana, Morocco, South Africa and Tunisia.

The inflation?interest?rate?debt spiral flows inexorably from the vice-like grip of the world's corporate financial vultures, including banks, hedge funds and large asset managers, over the former colonial countries.

Debt servicing in sub?Saharan Africa has doubled in eight years, rising from 9 percent of government revenues in 2017 to 18 percent in 2025. Nearly half the continent started the year in or near debt distress. The IMF will ensure that African governments impose the full burden on the working class and rural poor.

The war is affecting Africa's economic ties to the Gulf states, which have become one of the continent's most important sources of investment and remittances. The UNDP forecasts an 8.5 percent contraction in Gulf GDP as missile strikes and the closure of Hormuz cripple energy infrastructure. Qatar’s destroyed facilities may take five years to rebuild. The region is losing $600 million a day in tourist spending.

More consequential still is the collapse of remittances. Over 3.6 million Africans work in the Gulf, sending home billions annually: $12.5 billion from Saudi Arabia, $8.2 billion from the UAE and $2.7 billion from Qatar. With millions of jobs already lost, remittances will fall sharply, hitting Egypt, Sudan, Ethiopia and Kenya hardest. For many households, these remittances make the difference between subsistence and destitution.

Even before the war, the World Food Programme warned that 55 million people in West and Central Africa could face “crisis levels of hunger” this year because of conflict, displacement and economic turmoil. The Food and Agriculture Organisation’s latest report estimated that 306 million people in Africa are undernourished, while 892 million face moderate or severe insecurity. In 2024, stunting among children under 5 in Africa was over 30 per cent.

The IMF warned that political and security risks are likely to rise, especially with elections scheduled for 2026–27. Rising fuel and food prices are historically among the most potent triggers of unrest. The African Youth Survey noted that the pandemic and the Ukraine war had already triggered waves of “Gen Z” youth?led protests against corruption and pro?rich policies in Kenya, Madagascar, Nigeria, Morocco and elsewhere and that the Iran war would intensify these pressures.

The social and political implications of this shock are concentrated above all in Africa’s youth. The continent has the youngest population in the world. More than 60 percent are under 25; over 400 million are aged 15–35; and by 2030, the youth population is projected to grow by 42 percent. The conditions they face are already dire. Around 72 million young people are not in employment, education or training (NEET). Forty percent of employed youth live in extreme poverty—on less than $2.15 a day—because their jobs do not provide enough income for basic needs. Ninety percent of employed young Africans work in the informal sector.

The destabilisation of Africa’s economies demonstrates the brutal logic of the capitalist world order. The global corporations, commodity traders and financial institutions control every artery through which the crisis travels—oil routes, fertiliser chains, shipping lanes, debt markets, remittance flows—and impose the costs on the very people who create their wealth.

Every year, $88.6 billion is siphoned from the continent through illicit financial flows—primarily via corporate tax evasion and trade mis-invoicing by multinationals. That is more than the total amount Africa receives in aid, investment and remittances. There is also the $46 billion in profits repatriated annually by foreign corporations, the $62 billion extorted in debt?service payments, much of it to hedge funds and banks charging interest rates that would breach usury laws in Europe. Africa is a net creditor to the world, yet its people remain trapped in debt.

Figures culled from major international institutions (UNCTAD, IMF, World Bank, Global Financial Integrity and OECD) show:

* Africa loses $30–50 billion a year because its minerals are deliberately underpriced through opaque trading hubs.
* It exports $40 billion in raw agricultural goods but imports $60 billion in processed food.
* It receives less than 5 percent of the $130 billion global chocolate market despite producing three?quarters of the world’s cocoa.
* Between 1970 and 2018, Africa’s bourgeois elites—with the help of Western banks—moved $1.3 trillion offshore, much of it borrowed in the name of the public.
* Africa suffers 30 percent of global climate damages but receives less than 4 percent of climate finance.

This transfer of wealth is enforced through the very mechanisms—debt, trade, investment and currency regimes—that global institutions claim are the basis for “development.”

Young people from Lagos to Antananarivo have shown they are willing to confront governments that impose austerity while shielding the rich and powerful. But preventing war and its costs from decimating workers and youth means the fight for socialism. The unity of the working class must be forged across Africa and in the imperialist centres against a global capitalist system that subordinates all human needs to profit.