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The 2026 Iran War, the Strait of Hormuz Crisis, and East Africa's Fuel Security

South Sudan (Juba) Fuel Situational Briefing | August 2026



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Executive Summary

This briefing examines how the 2026 Iran war and the Strait of Hormuz crisis affected fuel security in East Africa, and why South Sudan's fuel costs continued to rise after the initial regional shock had eased. The Hormuz closure triggered Juba's first price jump, but the July peak came after the April ceasefire had led to the strait's reopening and after fuel prices in Kenya, Uganda and Rwanda had eased from their April peaks. Domestic factors such as the single-supplier model, delays at the Nimule border following the switch to cash-only payments, a substandard cargo scandal, a weakening pound, and gaps in downstream fuel regulation appear to have driven up fuel and household-item costs.

It also examines the wider cost-of-living implications, including rising telecommunications tariffs and transport costs, as well as the premium rate between the official and parallel (black) market exchange rates. It identifies policy priorities for improving fuel supply resilience, regulatory oversight, quality assurance, and transport logistics.

Key findings

> **A genuine regional shock, at first.** The Hormuz closure triggered Juba's first fuel-price jump: pump prices rose about 92% from February to March 2026 (SSP 6,500 to SSP 12,500 per litre).

Prices peaked after the shock had eased. Prices held at SSP 12,500 through May, then peaked at SSP 18,500 in mid-July (about 185% above February). They have since eased to roughly SSP 13,800 (about 112% above February), still more than double the pre-war level.

Domestic factors drove the July peak. By then the strait had reopened and fuel prices elsewhere in East Africa had eased, while Juba's kept rising. Domestic factors such as the single-supplier model, delays at the Nimule border following the switch to cash-only payments, a substandard-cargo scandal, a weakening pound, and weak downstream regulation are the most likely explanation.

Household pressures are compounding. MTN's 5GB weekly MiFi data bundle rose 105% from June to August 2026 (SSP 35,000 to SSP 71,700). The black-market dollar traded roughly 22–62% above the official rate between January and August 2026: about 22% in April, peaking at 62% in June, and narrowing to 46% in August.

1. The Iran war: origins, escalation, and ceasefire

The war began on 28 February 2026, when Israel and the United States struck Iranian military installations and government targets, killing Supreme Leader Ali Khamenei. Iran retaliated with missile and drone strikes on Israel and US bases and closed the strait. This maritime chokepoint carries about 20% of the world's petroleum and LNG, and about 30% of global urea and other fertilizer components.[1]

The IRGC declared the waterway closed, laid sea mines, and attacked commercial shipping. A five-week war ended in a Pakistan-brokered US-Iran ceasefire on 7-8 April, tied to reopening Hormuz.[2] Disputes over compliance triggered a US naval blockade of Iranian ports (13 April - 9 May), and the truce nearly collapsed in July. A 14-point memorandum of understanding signed on 17 June opened a 60-day negotiating window; as of early August, the situation remained tense but short of renewed full-scale war. Brent crude touched its 2026 high of USD 126.41 per barrel on 30 April.[3]

2. How East Africa buys its fuel

The Hormuz shutdown produced a global supply shock, which the IEA called the largest oil supply disruption in history.[4] It translated into port congestion, missed tanker calls, and price spikes across

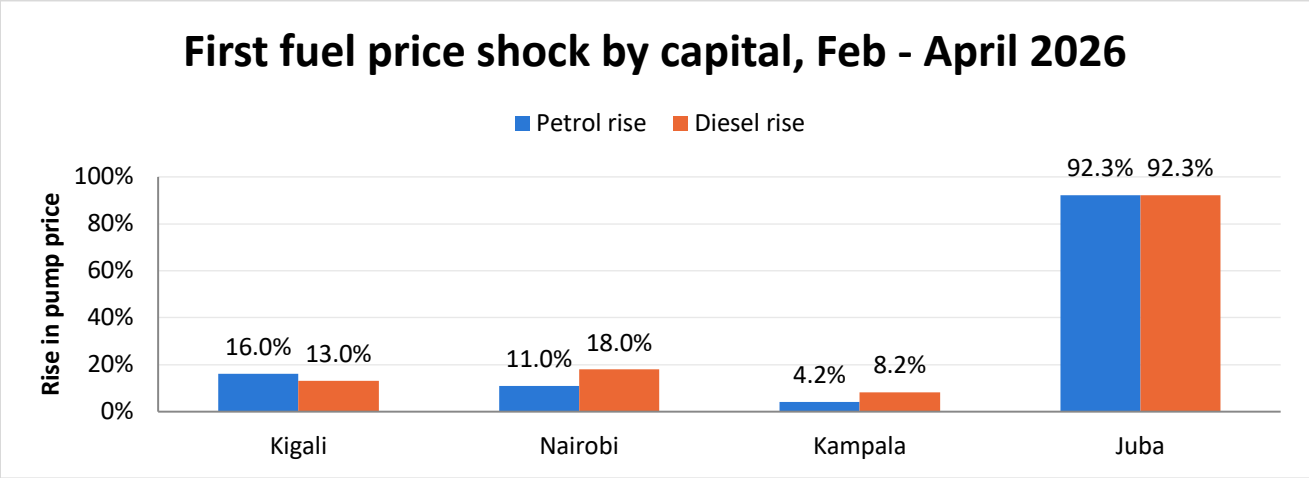
[1] Gavin Butler and others, 'Why the Strait of Hormuz matters so much in the Iran war' (BBC News, 14 July 2026) <www.bbc.com/news/articles/c78n6p09pzno> accessed 25 August 2026..
[2] 'How Pakistan brokered a two-week ceasefire deal between Iran and the US' (France 24, 8 April 2026) <www.france24.com/en/middle-east/20260408-how-pakistan-brokered-a-two-week-ceasefire-deal-between-iran-and-the-us> accessed 25 August 2026.
[3] John Liu, Stephanie Yang and Hanna Ziady, 'Oil briefly touches $126, its highest price in four years' (CNN, 30 April 2026) <www.cnn.com/2026/04/30/energy/oil-prices-iran-war-wartime-high-blockade-hnk> accessed 25 August 2026.
[4] International Energy Agency, 'The Middle East and Global Energy Markets' <www.iea.org/topics/the-middle-east-and-global-energy-markets> accessed 25 August 2026.

the region from March 2026, even though no EAC country is a direct combatant. The four countries buy fuel in very different ways:

Country	How it buys fuel	Reported shock
Kenya	Government-to-government (G-to-G) arrangement with Gulf suppliers (Saudi Aramco, ADNOC and ENOC), landing at the Port of Mombasa.[5]	Shipment gaps at Mombasa in late March; petrol +11%, diesel +18% by 15 April.[6]
Uganda	Direct partnership run by UNOC with a single Gulf state supplier, Vitol Bahrain E.C.[7]	22-30 days' cover assured in March; petrol +4.2%, diesel +8.2% by April.[8]
Rwanda	Buys independently through the Rwanda National Energy Company. Its June 2026 G-to-G framework with Kenya covers only the use of Kenyan infrastructure: Mombasa port, pipeline and storage.[9]	Petrol +16%, diesel +13%, plus higher transport fares, by 4 April.[10]
South Sudan	No independent relationship with any Gulf supplier. Depends entirely on a framework modelled on Kenya's G-to-G system.	Petrol and diesel +92% Feb to Mar; JEDCO electricity rationing in Juba.[11]

[5] Eric Matara and Edwin Mutai, 'CS Wandayi: Kenya eyes new fuel sources despite Middle East G-to-G deal' (Nation Africa, 31 March 2026) <nation.africa/kenya/business/cs-wandayi-kenya-eyes-new-fuel-sources-despite-middle-east-g-to-g-deal-5409404> accessed 25 August 2026.
[6] Anthony Kitimo 'No fuel shipments expected at Mombasa port for two weeks' (Business Daily, 24 March 2026) <www.businessdailyafrica.com/bd/corporate/industry/no-fuel-shipments-expected-at-mombasa-port-for-two-weeks-5401350> accessed 25 August 2026; EPRA Kenya (@epra_ke), post (X, 14 March 2026) <x.com/epra_ke/status/2032830999105544351> accessed 25 August 2026; EPRA Kenya (@epra_ke), post (X, 14 April 2026) <x.com/epra_ke/status/2044133179498406177> accessed 25 August 2026.
[7] Uganda National Oil Company, 'Press Release' <www.unoc.co.ug/wp-content/uploads/2025/12/Press-Release-2.pdf> accessed 25 August 2026.
[8] Franklin Ezaruku Draku and Dorothy Nakaweesi, 'Uganda assures public of stable fuel supply amid Middle East war fears' (Daily Monitor, 31 March 2025) <www.monitor.co.ug/uganda/news/national/uganda-assures-public-of-stable-fuel-supply-amid-middle-east-war-fears-5408712> accessed 25 August 2026. Uganda Bureau of Statistics, 'Consumer Price Index Press Release, April 2026' <www.ubos.org/wp-content/uploads/publications/04_2026CPI_Press_Release_April_2026.pdf> accessed 25 August 2026.
[9] 'Kenya, Rwanda sign fuel import deal to boost supply security' (Reuters, 30 June 2026) <www.reuters.com/business/energy/kenya-rwanda-sign-fuel-import-deal-boost-supply-security-2026-06-30/> accessed 25 August 2026.
[10] 'Rwanda announces increase in petrol and diesel prices' (IGIHE) <en.igihe.com/General/article/rwanda-announces-increase-in-petrol-and-diesel-prices> accessed 25 August 2026; Rwanda Utilities Regulatory Authority (@rura_rwanda), post (X, 4 March 2026) <x.com/rura_rwanda/status/2029264704208617589> accessed 25 August 2026.
[11] James Atem Kuir, 'JEDCO to cut power to several areas across Juba in rationing over global energy crisis' (Eye Radio, 25 March 2026) <www.eyeradio.org/jedco-to-cut-power-to-several-areas-across-juba-in-rationing-over-global-energy-crisis/> accessed 25 August 2026.

The shock in Kenya, Uganda and Rwanda was sharp but did not last. By mid-year, fuel prices in the three countries had eased from their April peaks and acute shortages were no longer being reported. South Sudan's prices moved the other way, which is the central puzzle this briefing addresses.



Source: EPRA (Kenya); UBS (Uganda); RURA (Rwanda); Eye Radio (South Sudan)

3. South Sudan: situational overview

3.1 Structural dependence

South Sudan produces crude oil but exports it through the Petrodar pipeline (1,500+ km from the Melut Basin in Upper Nile State) and the Greater Nile Oil Pipeline (about 1,600 km from Unity State to Port Sudan).[12] It has no domestic refining capacity and imports 100% of its petroleum products, which arrive via the Mombasa/Northern Corridor route and enter at Nimule. That leaves the country exposed twice: to any Gulf-side supply shock and to disruptions in transit conditions in Kenya and Uganda, including border delays (Nimule still uses manual clearance, and the switch to cash-only payments has added to delays) and shifts in transport costs.

Road conditions compound the problem. The Juba-Nimule road has been damaged since October 2025, stretching a journey that used to take about 2.5-3 hours to roughly 7-8 hours[13]. The alternative Juba-Nadapal road is out of service. The Juba-Nimule road carried USD 490 million of Uganda's exports to South Sudan in 2024.[14]

3.2 The government-to-government (G-to-G) framework

South Sudan operates within Kenya's G-to-G framework with Gulf states, formalised in late 2025. It designates Mombasa and the Northern Corridor as the primary fuel gateway, with dedicated pipeline capacity and storage in Kenya.[15] Juba nominated a Kenyan marketer, Pacific Petroleum, as its intermediary, with exclusive import rights until June 2026.

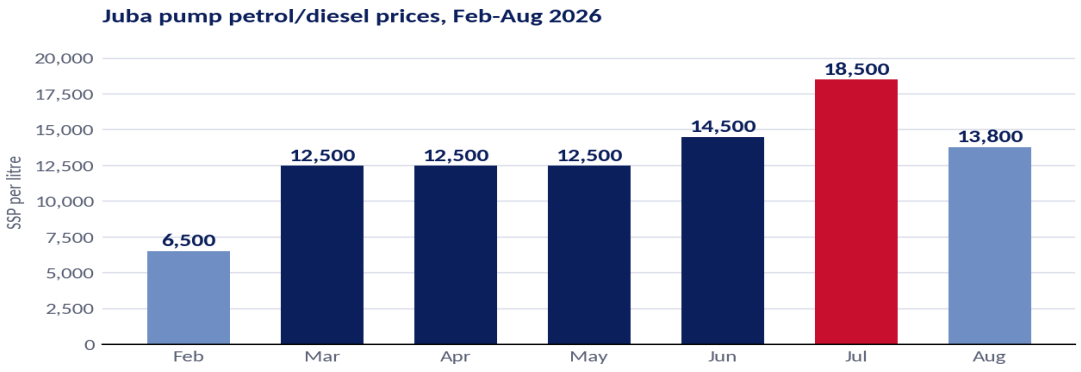
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[12] 'Sudan lifts force majeure on oil from Port Sudan' (Reuters, 6 January 2025) <www.reuters.com/world/africa/sudan-lifts-force-majeure-oil-port-sudan-2025-01-06/> accessed 25 August 2026.
[13] Koang Chang, 'How the Juba-Nimule road is choking South Sudan's economy - Policy Analyst' (Eye Radio, 24 August 2026) <www.eyeradio.org/how-the-juba-nimule-road-is-choking-south-sudans-economy-policy-analyst/> accessed 25 August 2026.
[14] Observatory of Economic Complexity, 'Uganda and South Sudan: Bilateral Trade' <oec.world/en/profile/bilateral-country/uga/partner/ssd> accessed 25 August 2026.
[15] Ministry of Petroleum (South Sudan), 'News' <mop.gov.ss/news/details/PzFxLWOmmmE4VUei> accessed 25 August 2026.

- **30 June 2026:** three more marketers nominated (Kenya's Gulf Energy, South Sudan's Sovereign Energy Oil Trading LLC, and Skysoar Holding Company) to lower prices, prevent shortages, and end Pacific Petroleum's monopoly, effective August.[16]
- **Mid-August 2026:** Juba briefly moved to terminate the G-to-G arrangement, then reversed course days later and chose to renegotiate it on a Cost, Insurance and Freight (CIF) Mombasa basis under Kenya Bureau of Standards specifications.
- **Recurring friction:** cargo delays at Mombasa and, following the switch to cash-only payments, at the Nimule border, and a Ksh 12 billion fuel consignment, later flagged as substandard, was partly diverted into South Sudan and DRC outside the approved channel.[17]

3.3 Price trend and fuel access

Juba pump prices climbed steeply and steadily: from SSP 6,500 per litre in February 2026, just before the war, to SSP 12,500 in March (about 92%), coinciding almost exactly with the Hormuz closure and Juba's electricity rationing. Prices kept rising through the ceasefire period, reaching SSP 14,500 in June and peaking at SSP 18,500 in July (about 185% above the pre-war level), before easing to about SSP 13,800 (112%) in August as the G-to-G reboot and new import cargoes took effect. That is still more than double the pre-war price.



Sources: Eye Radio; SSBC; Gazpet Thongpiny Petrol Station. Bars drawn to scale from zero.

3.4 Did the Iran war drive South Sudan's fuel costs?

Partly, and mainly at the outset. The evidence supports a three-phase reading.

- **Phase 1, Feb-Mar (Iran-war-driven):** Prices nearly doubled, from SSP 6,500 to SSP 12,500, in the same window as the Hormuz closure and Juba's electricity rationing. The timing points strongly to the war and the global supply shock as the cause.
- **Phase 2, Apr-Jul (mixed):** Prices held at SSP 12,500 through May, then climbed to SSP 14,500 in June and a mid-July peak of SSP 18,500. By then, the April ceasefire had led to the reopening of the strait; Kenya and Uganda were no longer reporting acute shortages, and fuel prices in Kenya, Uganda and Rwanda had eased from their April peaks. Tensions remained, but the supply disruption that drove the first jump had eased. This leg therefore looks driven more by domestic factors such as a single-supplier model, the delays at the

[16] John Mutua, 'Juba moves to end Kenyan oil marketer's exclusive fuel deal' (Nation Africa, 10 July, 2026) <nation.africa/kenya/business/juba-moves-to-end-kenyan-oil-marketer-exclusive-fuel-deal-5523030> accessed 25 August 2026.

[17] John Mutua, 'Kenya shipped Sh12bn condemned fuel to DRC, South Sudan' (Business Daily, 19 August 2026) <www.businessdailyafrica.com/bd/corporate/shipping-logistics/kenya-shipped-sh12bn-condemned-fuel-to-drc-south-sudan-5564036> accessed 25 August 2026.

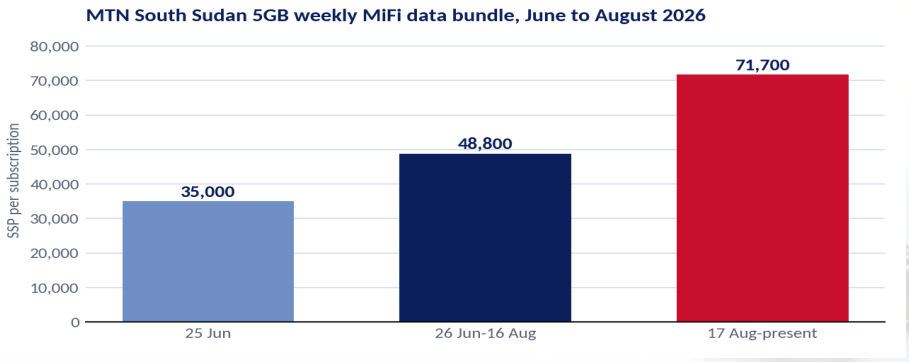
Nimule border following the switch to cash-only payments, the substandard and diverted cargo scandal, and currency depreciation.

- **Phase 3, Aug (partial recovery):** prices eased to about SSP 13,800, still more than double the pre-war baseline but below the July peak. This tracks Juba's G-to-G reboot (added suppliers, CIF Mombasa terms) rather than any change in the unresolved Hormuz/Iran situation.

4. Cost of living amplifiers: Telcom, transport, and forex exchange

4.1 Telecom tariffs (MTN South Sudan, 5GB weekly MiFi bundle)

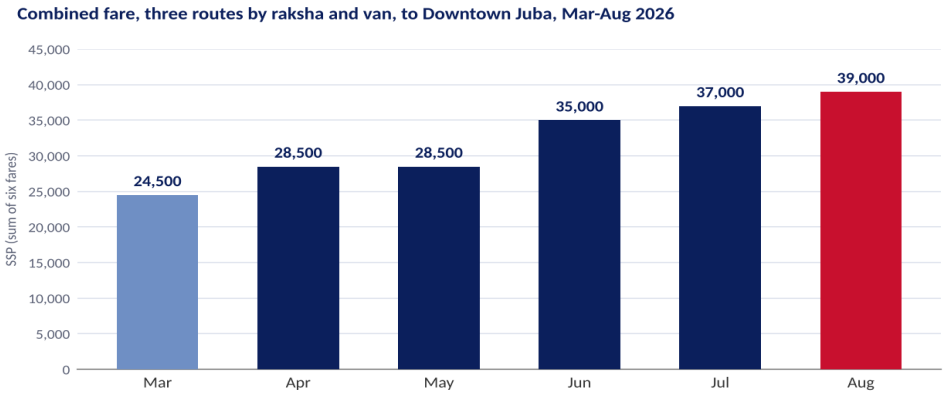
MTN's 5GB weekly MiFi bundle more than doubled in under two months, from about SSP 35,000 in June to SSP 71,700 on 17 August, an increase of 105%. The rise follows government approval of a phased Tariff Exchange Rate Adjustment (service fees aligned with current market currency values rather than a higher base price): phase 1 on 26 June (SSP 48,800) and phase 2 on 17 August (SSP 71,700).



Sources: MTN South Sudan; National Communication Authority (NCA).

4.2 Transport

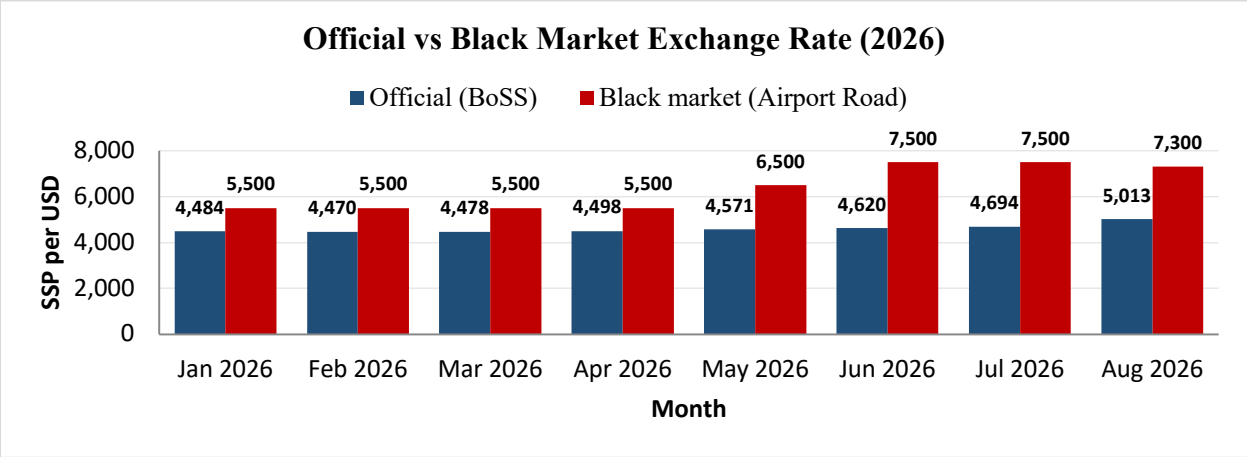
Combined fares on three commuter routes into Downtown Juba (Mangateen, Gudele, and Sherikat), each tracked for two modes of transport, raksha and van (mousalat), rose from SSP 24,500 in March to SSP 28,500 in April 2026, an increase of 16%, almost coinciding with the rise in fuel costs, and peaked at SSP 39,000 (59%) in August.



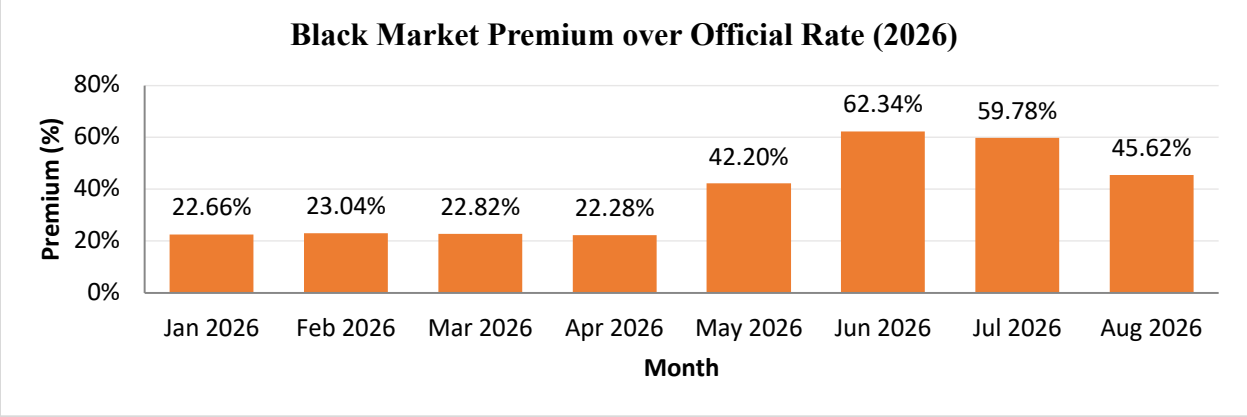
Sources: South Sudan Policy Observatory Juba Consumer Basket. Bars drawn to scale from zero.

4.3 Currency exchange (USD/SSP)

The pound has weakened in both markets since June, with a wide and volatile spread. Official rates moved from SSP 4,620 per USD on the 1st Monday of June to SSP 5,013 per USD on the 1st Monday of August, while black-market rates spiked to SSP 8,000 per USD in early July before easing to SSP 7,300 per USD in early August. The persistent premium (roughly 22% to 62% across the seven months) reflects hard-currency scarcity and directly inflates the landed cost of imported fuel and data infrastructure, both priced in or indexed to US dollars.



Sources: Bank of South Sudan (BoSS); Forex Exchanges (Airport Road).



Sources: Bank of South Sudan (BoSS); Forex Exchanges (Airport Road).

5. Policy implications

The briefing's evidence points to four areas where Juba's own choices, rather than events in the Gulf, now determine fuel costs. These are drawn from the findings above.

Policy area	What the evidence points to
Import architecture	A single-supplier model, exclusive import rights for Pacific Petroleum until June 2026 and recurring delays at Mombasa and, after the switch to cash-only payments, at the Nimule border fed the July peak. Prices eased to about SSP 13,800 in August as added marketers and CIF Mombasa terms took effect.

Policy area	What the evidence points to
Currency management	The black-market premium reached 62% in June. Hard-currency scarcity directly raises the landed cost of imported fuel and data infrastructure, both priced in or indexed to US dollars.
Oversight and quality assurance	A Ksh 12 billion consignment later flagged as substandard was partly diverted outside the approved channel. The renegotiated terms refer to Kenya Bureau of Standards specifications.
Border and transport logistics	Nimule still clears cargo manually, the Juba-Nimule road has been damaged since October 2025, and the Juba-Nadapal alternative is out of service.
Regulatory Framework	No dedicated downstream fuel regulator exists, and the Petroleum Act 2012 remains upstream-focused despite reform consultations in 2022. Pricing, margins and quality issues were handled through ad hoc interventions. A Kenya-style regulator with a published pricing formula, margin rules and independent quality enforcement would reduce this discretion.

About South Sudan Policy Observatory

The **South Sudan Policy Observatory (SSPO)** is an independent, non-partisan digital research institute dedicated to analysing and making accessible evidence on South **Sudan's economy, public finance, and public policy issues that affect everyday life**.

SSPO tracks monthly prices of **selected essential household items and services** in Juba, including food items, transport routes, fuel and energy, and network and communication, as well as the exchange rate, through the **Juba Consumer Basket**. It also monitors public expenditure on **Agriculture and Education,** comparing approved **budget allocations** with actual **disbursements** to provide a clearer picture of how public resources are planned and spent.

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