

Afghanistan JMMI Update: Market Impacts of Conflict and Border Closures

March 2026 | Afghanistan

Key Messages

- Border closures with Pakistan are raising prices for some key imports despite partial trade diversification.
- The war in Iran risks increasing market pressure in Afghanistan through supply chain disruptions, higher fuel, transport, and agricultural input costs.
- In conflict-affected districts, affordability and physical access constraints are compounding pressure on already vulnerable households.

Context & Rationale

The escalation of tensions between Afghanistan and Pakistan as well as the war in Iran have resulted in a complex mix of domestic and external pressures for Afghanistan's markets. Against this backdrop, this brief overview examines to which extent markets have been affected by border closures and trade disruptions at a national level, as well as taking a closer look at potential vulnerabilities in conflict-affected areas in Eastern and South-Eastern Afghanistan.

This overview provides supplemental analysis to a series of [quarterly markets overviews](#) by focusing on the effects of recent shocks since late 2025 by leveraging primary data from the [Joint Market Monitoring Initiative \(JMMI\)](#), [Community Rapid Needs Assessment \(CRNA\)](#) and Whole of Afghanistan Assessment (WoAA) as well as secondary data for further contextualization.

Methodology Overview

Primary data comes from the Joint Market Monitoring Initiative (JMMI), an assessment conducted by REACH through the Cash Working Group (CWG) and its partners. The JMMI is a monthly assessment in which vendor key informants (KIs) are purposively selected from markets across Afghanistan. The KIs are interviewed using a structured questionnaire which asks about the availability and prices of essential goods in the KI's location, as well as providing insights into market functionality. This brief draws primarily on JMMI data from late 2025 through early 2026 and, where relevant, compares these findings with earlier data to contextualize seasonal trends.

Additional primary data was drawn from the inter-agency Community Rapid Needs Assessment (CRNA) using data available by 11 March, and the Whole of Afghanistan Assessment (WoAA) to contextualize structural vulnerabilities related to market access, expenditures, and livelihoods.

Note that due to the key informant methodology and reliance on purposive sampling, the JMMI data does not accurately portray conditions in all markets. Instead, it provides an indication of conditions in assessed markets. This overview also includes data from various secondary sources. These fill information gaps and aid in contextualizing the data. The full list of sources used can be found in the endnotes.

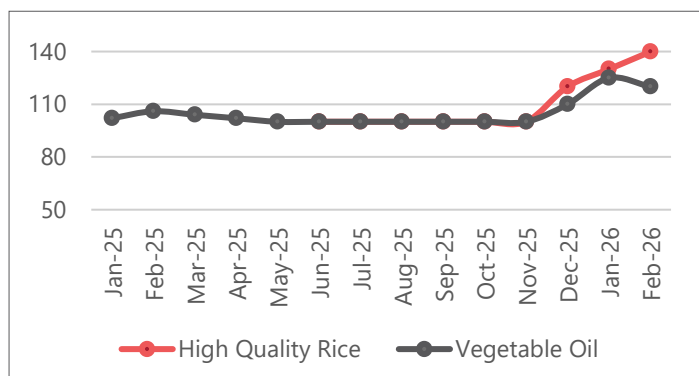
NATIONAL LEVEL MARKET AND TRADE PRESSURES

Border closures and import restrictions

Border crossings with Pakistan have remained closed since October 2025, leaving bilateral trade at a standstill and placing pressure on Afghan supply chains. While Afghanistan has been increasingly shifting trade toward other countries in the wake of previous border closures, this diversification does not seem to have eased pressures on goods previously sourced from Pakistan.¹

With Pakistan a major source of essential goods such as rice, sugar, medicaments, edible oil, sanitary products, and building materials, disruptions with Pakistan are likely to affect the availability and affordability of essential goods, a trend already observable in JMMI data for imported rice and vegetable oil (see Fig. 1).²

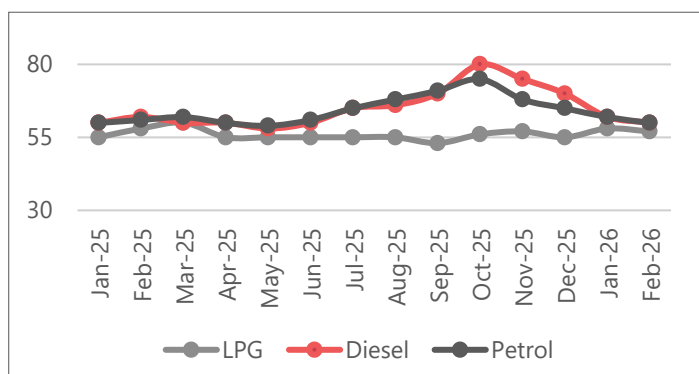
Fig. 1: Median Prices, High Quality Rice and Veg. Oil in AFN (JMMI)



War in Iran

The war in Iran represents a second major source of pressure for Afghan markets, even if the Iran border is not fully sealed and trade seems to continue.³ With the majority of Afghanistan’s trade transiting through Iran following border closures with Pakistan, trade disruptions represent a considerable risk for the country’s economy.⁴ Iran is also an important source of oil and gas for Afghanistan, meaning instability is likely to raise fuel costs and in turn transport costs inside Afghanistan.⁵ Supply constraints linked to concerns over the quality of diesel imported from Iran demonstrated the sensitivity of fuel prices in Afghanistan in 2025 already (see Fig. 2), and increases in fuel prices are likely to reflect in market monitoring data in the coming weeks.⁶

Fig. 2: Median Prices, Fuels, in AFN (JMMI)



In addition, reduced traffic through the Strait of Hormuz has affected global fertilizer trade. Rising fertilizer prices could therefore manifest over the medium term through higher agricultural production costs, lower productivity, and upward pressure on domestic food prices.⁷ These dynamics may be particularly concerning as they can simultaneously raise food prices while reducing agricultural incomes, affecting both supply and household purchasing power. The war in Iran may therefore affect Afghanistan not primarily through a complete interruption of trade, but through a gradual increase in the cost of fuel, transport, fertilizer, and food.

Direct market effects on essential goods

Monthly market data from the Joint Market Monitoring Initiative (JMMI) shows a sharp increase in prices for imported rice and vegetable oil since December, both of which were previously sourced in significant quantities from Pakistan. Domestic rice prices also increased by 20% from November.⁸

Aside from prices, reports from vendors across the country indicated a slight decline in the availability of most items in February. With the exception of diesel, however, the most notable changes were observed for winter items, suggesting that these shifts may partly reflect seasonal trends rather than solely the impact of current events.

Border closures also coincided with restrictions on medicines from Pakistan, which previously accounted for a large share of pharmaceutical supply in Afghanistan.⁹ While no recent price data is available, news reports suggest elevated price levels as well as a surge in counterfeit medicine in recent months.¹⁰ Efforts to increase imports from India are underway, although it remains unclear how quickly supply gaps can be addressed, with disruptions to maritime trade routes likely to add further strain on imports from India.¹¹

Accounts of rising prices from Badakhshan and Herat suggest that these disruptions may also have indirect consequences for affordability. Some essential goods sourced from other provinces have reportedly become more expensive due to rising transport costs.¹² Uncertainty over the stability of supply may further contribute to both actual and opportunistic price increases, although DFA officials have stated that stores found to be overcharging are being closed.¹³

It is worth noting that during the lean season Afghanistan typically relies on fresh produce imports. With the Eastern border closed, restrictions on food exports in Iran, and agricultural production in Central Asia off-season, alternative supply is limited and prices are likely to rise.¹⁴ Early signs of this seem to be reflected in World Food Programme monitoring data, which shows increases in tomato and potato prices.¹⁵

Reports from vendors suggest that border closures with Pakistan do affect where goods are imported from, with border crossings to Iran and Uzbekistan having become relatively more important in April 2025 and from October 2026 onwards (see Figure 3).

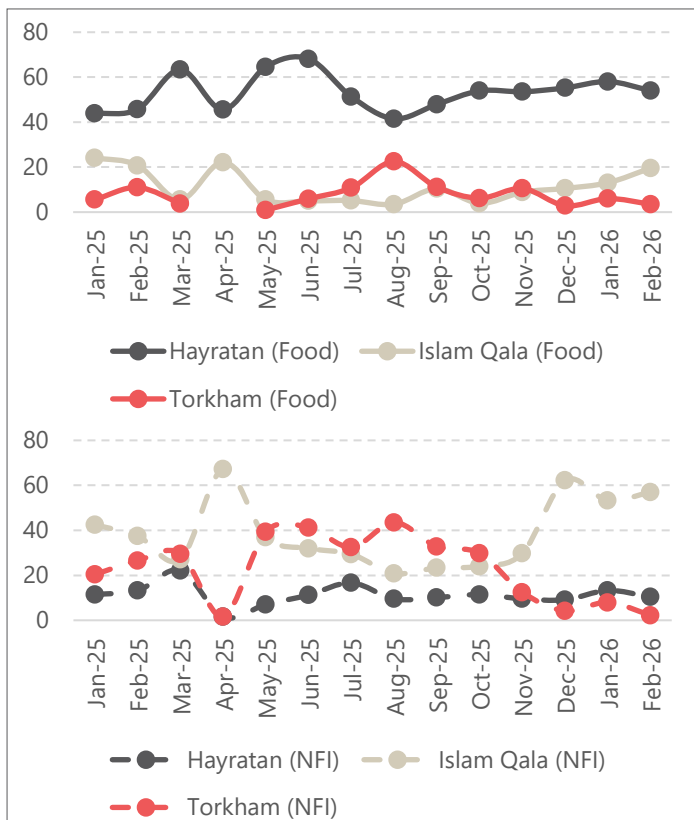
CONFLICT-AFFECTED AREAS

Escalating tensions between Afghanistan and Pakistan since late February affected ten provinces across the Capital, Eastern, South-Eastern, and Southern regions through border clashes and airstrikes.¹⁶ These incidents resulted in civilian casualties, displacement, and damage to civilian infrastructure, in some areas compounding vulnerabilities among populations already affected by recent earthquakes.

Data from the inter-agency Community Rapid Needs Assessment (CRNA) covering settlements in Nangarhar, Kunar, Khost, and Paktia indicated notable market access constraints, primarily driven by affordability. Around one fifth of key informants reported that non-food items (NFIs) had become more expensive, while others noted supply disruptions including non-operational markets, reduced quantities of goods, and the absence of some essential items, likely a result not only of conflict but also of border closures.

CRNA findings also highlighted localized market disruptions. In the East, respondents reported market closures, occasional security and logistical barriers, and difficulties purchasing food due to high prices and item shortages. In the Southeast, affordability remained the primary constraint, with additional reports of reduced quantities of goods in markets and some restrictions on women’s market access in the absence of a mahram. Across both regions, in most assessed settlements KIs reported that only a quarter or fewer households had sufficient food to last for a week.¹⁷

Fig. 3: Vendor-reported Border Crossings for Food (Top) and Non-Food Items (Bottom) (JMMI)



WoAA data further suggests structural access constraints. In three of the affected districts (Nazyan, Nangarhar; Sarkani, Kunar; and Tere Zayi, Khost) around 30% of households reported taking at least one hour to reach the nearest market, indicating that even outside of seasonal influence physical market access can be challenging.¹⁸ A further concern with regard to NFIs may be that in 13 of the 17 affected districts, two thirds or more of households reported lacking enough seasonally appropriate clothing.¹⁹ Income patterns may have compounded these pressures. Most households in CRNA-covered districts relied on daily labour for at least part of their income, with shares higher than the national average and reaching up to 80% in some districts. As this income is often seasonal, it may have declined during the lean period and been disrupted by displacement.²⁰ Most communities expressed a preference for cash or multi-purpose cash assistance, although demand for in-kind assistance was somewhat higher in the Southeast (cf. Fig. 4).²¹ Despite current disruptions, markets in many areas remain functional and essential goods generally available, suggesting that cash-based assistance remains feasible, although reported shortages and price increases for medicines may pose exceptions.

Fig. 4: Proportion of Preferred Type of Assistance (CRNA)

22% settlements preferred in-kind or voucher assistance



Market disruptions and access constraints may also affect humanitarian operations. In the East, non-operational marketplaces and blocked routes could limit the immediate effectiveness of market-based assistance in some locations. At the same time, border closures and rising transport costs may complicate procurement and delivery of in-kind assistance. These constraints underline the need for continued monitoring of local market functionality to determine where cash assistance remains feasible and where direct commodity support may be required.

ABOUT REACH

REACH Initiative facilitates the development of information tools and products that enhance the capacity of aid actors to make evidence-based decisions in emergency, recovery and development contexts. The methodologies used by REACH include primary data collection and in-depth analysis, and all activities are conducted through inter-agency aid coordination mechanisms. REACH is a joint initiative of IMPACT Initiatives, ACTED and the United Nations Institute for Training and Research - Operational Satellite Applications Programme (UNITAR-UNOSAT).

Endnotes

- 1 [ToloNews. "Afghanistan's Trade with Central Asia Sees Significant Growth in 2025." March 2026.](#)
- 2 [The Observatory of Economic Complexity. "Afghanistan and Pakistan Trade." \(Data report accessed March 2026\)](#)
- 3 [Bakhtar News Agency. "Over a Thousand Commercial Loads Enter and Exit Islam Qala Border On Daily Basis." March 2026.](#)
- 4 The World Bank. "The Potential Economic Impact of the Instability in the Middle East on Afghanistan: Trade Disruptions, Inflation Pressures, and Migration Shocks." March 2026.
- 5 [The Observatory of Economic Complexity. "Afghanistan and Iran Trade." \(Data report accessed March 2026\)](#)
- 6 [WFP. "WFP Asia-Pacific Regional Office: Afghanistan-Pakistan conflict & Iran spillover impacts". March 2026.](#)
- 7 [IFPRI. "The Iran War: Potential Food Security Impacts." March 2026.](#)
- 8 REACH Afghanistan. "Joint Market Monitoring Initiative (JMMI). February 2026.
- 9 [DW. "Afghan Drug Shortage Looms as Taliban Ban Pakistani Imports." December 2025.](#)
- 10 [Afghanistan International. "Medicine Prices in Kabul Rise by up to 40 Percent After Import Disruptions." February 2026. See also 8am News. "Counterfeit Medicines in Afghanistan: When Treatment Becomes a Threat." December 2025.](#)
- 11 [Bakhtar News Agency. "Afghanistan, Indian Companies Sign \\$100 Million Agreement". November 2025.](#)
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- 14 [The Diplomat. "The War in Iran Sends Economic Shockwaves Through Central Asia." March 2026.](#)
- 15 [World Food Programme \(WFP\). "Afghanistan: Weekly Market Report — Issue 281: Week 1 \(March 2026\)." March 2026.](#)
- 16 [UNOCHA. "Afghanistan Situation Update #1: Humanitarian Impact of Afghanistan Pakistan Military Escalation \(5 March 2026\)." March 2026.](#)
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