



By: TA | AP Insight

# Strait of Hormuz closure chokes trade and aid for Afghanistan



When landlocked Afghanistan and neighboring Pakistan started **fighting** late last year and their **border crossings closed**, Afghans turned to their western neighbor, Iran, for an alternate to Pakistan's major shipping hub of Karachi.

They rerouted shipments through Iran's port of Bandar Abbas, but not for long. The port lies on the Strait of Hormuz, where war has stranded hundreds of ships and **thousands of their crew**. Meanwhile, thousands of Afghanistan-bound containers were stuck in Pakistan.

For Afghan businesses and aid groups, losing both trade routes has been devastating.

## Malnourished women and children turned away

The United Nations' World Food Program, whose Afghan operations include life-saving nutritional supplements for **malnourished** mothers and children and fortified high-energy biscuits for schoolchildren, has seen transportation costs skyrocket and supplies choked off.

Most of WFP's nutrition supplies were sourced from Pakistan, the organization said.

After that border closed in October, it began rerouting shipments by sea through Dubai and Iran. Now that route is effectively closed as Tehran controls the strait and the U.S. blockades Iranian ports.

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"At a time when malnutrition is already at near-record levels, weakened and desperate mothers and children are being turned away from health clinics, as we have no food to give

them," said John Aylieff, WFP's country director in Afghanistan.

Even before the crisis, the organization had struggled with **aid cuts**. It has received only 8% of its annual funding this year.

"On top of a funding crisis, conflict in the Middle East and the closure of the border with Pakistan are choking WFP's operations — blocking supply routes, driving up costs and straining markets at the worst possible time," Aylieff said in emailed comments.

## A shipment on the road for three weeks

Now supplies must be routed by land through Central Asia, far from any ocean. WFP's transportation costs have tripled, while its cost of supplements for **malnourished mothers and children** has jumped by 35%, Aylieff said.

The outbreak of the Iran war in late February saw one of the organization's shipments of high-energy fortified biscuits stuck in the United Arab Emirates.

Instead of being shipped from Dubai to Iran and into Afghanistan, it has been taking a long, circuitous route through Saudi Arabia, Jordan, Syria, Turkey, Georgia, Azerbaijan and across the Caspian Sea into Turkmenistan, the organization said.

It's been on the road for three weeks.

## Afghan businessmen struggle with stuck shipments

Lutfullah Akbari runs a small company in Kabul importing construction equipment. With his supplies from China stuck on ships unable to transit the Strait of Hormuz and costs for the logistics company transporting them rising, "I have nothing else to use to continue my business here," he said.

He's now considering abandoning his cargo if the waterway doesn't reopen soon.

### Traders have rerouted shipments through Central Asia, but it's longer and more expensive

"The Iran-U.S. war has had a huge impact on my business," he said. Other traders have rerouted shipments through Central Asia, but it's longer and more expensive.

"The logistics company now wants more than the value of our goods and the capital we had invested in them. We can't afford it," Akbari said.

"Even if I bring them here, I'll have to sell them all at a loss. I can't afford to lose twice."

### The cost of one delivery shot up 10 times

Gul Meer Amini, director of logistics at freight company Etifaq Bamyani International Transport and Trade Forwarding, said the Iran war has dramatically increased costs. Some of the cargo his company handles includes humanitarian aid.

Before the war, the cost of renting a container was about \$3,000 to \$3,600 per shipment but it has now surged to over \$7,000. For some goods, it has topped \$11,000, he said.

"The impact is reaching all traders," Amini said.



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Mohammad Murtaza Ishaqzai, who sells electronics in Kabul, said delivery for his goods from China via Iran cost about \$1,100 to \$1,500 before the war. That's now shot up to more than \$15,000.

"We can't export and we can't import," he said, and appealed to the Taliban government to resolve its conflict with Pakistan, which would allow border trade to resume.

If the situation continues, he said, "our business will be finished."

Afghanistan's Commerce and Trade Ministry spokesperson Abdul Salam Jawad said overall price increases in the country had remained low, at around 3%, thanks to continued trade with Iran and the sourcing of many imports from Central Asia, Russia and China.

"The problem we faced was the restrictions on our imported goods and containers coming from other countries" via Iran, he said. "We are waiting for a solution to be found in the Strait of Hormuz so that we can export normally."

Khan Jan Alokozai, senior adviser to Afghanistan's Chamber of Commerce and Investment, said more than 60% of Afghanistan's trade is now through Central Asia, mitigating the Iran war's overall impact.

Food and petroleum products are coming in through Central Asia and Russia, while much trade is now being conducted via Turkey, with goods then transported by rail through Iran or Azerbaijan, Alokozai said.