ASIA AND THE PACIFIC

Snapshot of El Niño & Middle East Crisis

AS OF 12 JUNE 2026

Food and Agriculture Organization of the United Nations

OCHA

WFP

WORLD METEOROLOGICAL ORGANIZATION

ACTIVE
El Niño conditions declared by NOAA on 11 June 2026

~80%
likelihood El Niño persists through June-August 2026

>90%
likelihood El Niño persists through November 2026 (WMO)

+115%
rise in urea prices since end-2025 amid the Middle East crisis

7-8 Mt
rice production at risk under a Hormuz-closure + El Niño scenario (FAO)

INTRODUCTION

The Asia-Pacific region is highly exposed to climate variability and global economic shocks, both of which have significant implications for agricultural production and food security. Among the most influential climate drivers is the El Niño–Southern Oscillation (ENSO), a naturally occurring phenomenon that can influence weather patterns across much of the region. Analysis from May 2026 from the World Meteorological Organization (WMO) points to an increasing likelihood of a strong El Niño event developing, and as of the 11th of June 2026 the US National Oceanic and Atmospheric Administration (NOAA) has declared that El Niño conditions are now under way in the tropical Pacific, with sea surface temperatures having risen sharply in recent months (NOAA, 2026).

At the same time, the Indian Ocean Dipole (IOD) remains neutral, although both WMO and the Australian Bureau of Meteorology indicate an increased likelihood of positive IOD conditions developing during the second half of 2026. Should a positive IOD emerge alongside El Niño, it could reinforce dry conditions and elevated temperatures across parts of Indonesia, Timor-Leste and the broader Maritime Continent, while also influencing rainfall patterns across mainland Southeast Asia. The evolution of the IOD will be particularly important for countries from Myanmar to Afghanistan, where climate conditions are often more closely linked to Indian Ocean variability than to El Niño alone. A developing positive IOD is therefore expected to provide a clearer indication of potential rainfall and drought risks across these areas during the second half of 2026.

This also occurs at a time of heightened global uncertainty. In addition to climate-related risks, the region continues to face potential market disruptions linked to ongoing geopolitical instability in the Middle East. Escalating tensions have contributed to concerns regarding global energy markets, international shipping routes, and the cost and availability of key agricultural inputs,

particularly fuel and fertilizer. As many countries in Asia and the Pacific remain dependent on imported energy and agricultural inputs, fluctuations in global commodity markets can significantly affect production costs, food prices, and the resilience of farming systems.

While climate and market shocks are often analysed independently, their impacts frequently overlap. In some countries, El Niño-induced conditions, such as drought, and rising input costs may occur simultaneously, compounding risks to agricultural production and food security. In others, climate impacts heightened by El Niño may be limited while exposure to fertilizer and fuel market disruptions remains high, or vice versa. Understanding these interacting drivers is therefore critical for identifying countries and food systems the greatest levels of risk.

This overview examines both dimensions of risk through a regional lens. It provides an overview of the expected evolution of the developing El Niño event and its likely implications for climate conditions across Asia and the Pacific, alongside an assessment of how global fuel and fertilizer disruptions are impacting the Asia and Pacific region. By analysing where these risks overlap, reinforce one another, or occur independently, the report seeks to provide a practical snapshot across the region.

The analysis, developed conjointly with the Food and Agriculture Organization (FAO), the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), WMO, and World Food Programme (WFP) identifies countries most at risk from climate-related and market-related shocks and assesses these risks against the latest seasonal forecasts, commodity market outlooks, and available agricultural vulnerability data. In doing so, it aims to support governments, development partners, humanitarian actors, and financial institutions in prioritizing monitoring efforts and strengthening preparedness and anticipatory action measures. This is the first of a series of publications which will be updated monthly, and as El Niño is active, aligning with seasonal forecast updates.

EL NIÑO SNAPSHOT

What is El Niño?

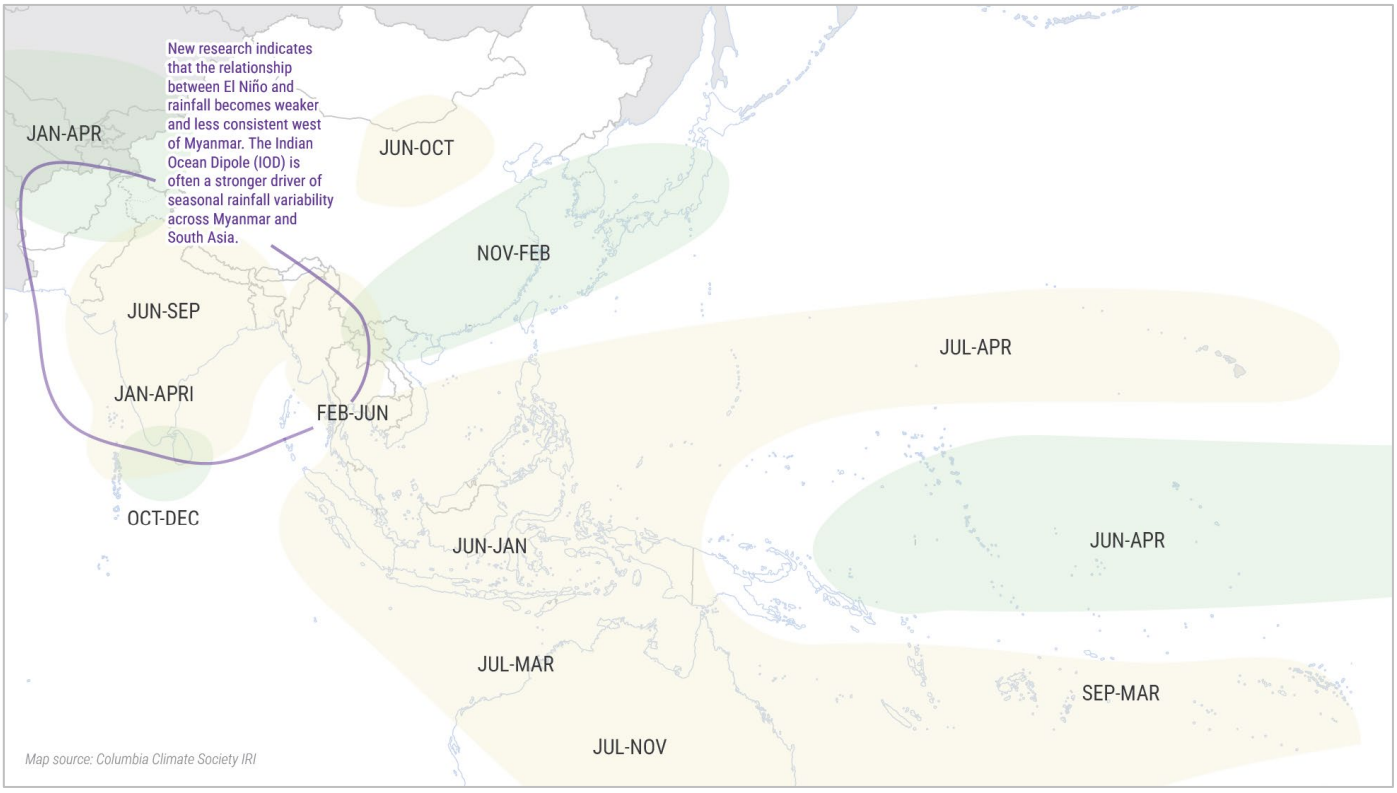
ENSO one of the world's most important climate patterns and the dominant driver of year-to-year climate variability. Originating in the tropical Pacific Ocean, ENSO influences how much or how little rainfall and/or how hot or cold temperatures adjust too across much of the globe, including Asia and the Pacific.

ENSO alternates between two phases: El Niño and La Niña. These events occur irregularly every two to seven years and typically follow a predictable lifecycle. An ENSO event usually begins to develop between May to July and continue to gain strengthen onward to October, strengthens during the second half of the year, reaches its peak between November and January, and then gradually weakens during the following months before dissipating between March and May. These stages are commonly referred to as the developing phase, peak phase, and decaying phase of ENSO.

During an El Niño event, sea surface temperatures in the central and eastern Pacific Ocean become warmer than normal. This weakens the trade winds and alters large-scale atmospheric circulation patterns, resulting in shifts in rainfall and temperature around the world. La Niña represents the opposite phase, characterised by cooler-than-normal Pacific Ocean temperatures and generally producing the reverse pattern of climate impacts.

In addition to ENSO, climate conditions across Asia and the Pacific are strongly influenced by El Nino’s lesser-known cousin, the IOD This is also a climate pattern characterised by differences in sea surface temperatures between the western and eastern Indian Ocean. The IOD often develops between June and August, peaks between September and November, and weakens rapidly with the onset of the austral summer monsoon. Because the peak of the IOD coincides closely with the developing and peak phases of ENSO, the two phenomena can either reinforce or offset one another.

Because ENSO and the IOD evolve over several months and can be forecast in advance, they provide a valuable foundation for risk-informed decision-making. However, ENSO and the IOD do not explain all extreme weather events. As climate change continues to alter weather patterns, many hazards, including droughts, floods, heatwaves, and tropical cyclones, are becoming more intense and can occur even in the absence of an ENSO or IOD event. Understanding these climate drivers therefore improves preparedness but should be complemented by continuous monitoring of evolving weather and climate risks.



Declaring El Niño

Current forecasts indicate a high likelihood of El Niño developing during 2026 and persisting into early 2027. The World Meteorological Organization (WMO) estimates an approximately 80 percent likelihood of El Niño conditions emerging during June to August 2026, with probabilities of persistence through at least November exceeding 90 percent whilst NOAA recently declared the event in mid-June 2026.

While uncertainty remains regarding the eventual strength and duration of the event, early indicators suggest the potential for a strong to very strong El Niño, comparable to some of the most significant events observed in recent decades, including 2015/16. At the same time, El Niño will unfold in a markedly warmer climate than previous events. As global temperatures continue to rise due to climate change, understanding how El Niño interacts with this warming background remains an active. area of research. This means that historical El Niño impacts provide important guidance but may not fully reflect the risks and consequences that could emerge in today's climate

At the same time, the IOD remains neutral. However, both WMO and the Australian Bureau of Meteorology indicate an increased likelihood of positive IOD conditions developing during the second half of 2026. Confidence in the IOD outlook is currently lower than for El Niño, and forecasts should therefore be interpreted with caution. Should a positive IOD develop alongside El Niño, it could reinforce rainfall deficits and elevated temperatures across parts of Indonesia, Timor-Leste and the broader Maritime Continent, increasing the likelihood of drought conditions and associated impacts on agriculture, water availability and livelihoods.

What does this mean for Asia and the Pacific?

The implications of El Niño across Asia and the Pacific are expected to vary considerably by sub-region, hazard type and timing. It is important to recognise that not all El Niño events unfold in the same way. Differences in the timing of onset, intensity, duration and interaction with other climate drivers, such as the IOD, mean that impacts can vary substantially from one event to another. While previous events, including the very strong 2015/16 El Niño and the strong 2023/24 El Niño, provide valuable lessons, they should not be viewed as direct predictors of future outcomes. Accordingly, historical patterns should be treated as indicative rather than deterministic and complemented by real-time monitoring and national-level analysis.

Across much of Southeast Asia and parts of the Pacific, El Niño is typically associated with below-average rainfall, elevated temperatures, increased drought risk and heightened pressure on agriculture, water resources and energy systems. However, some of the most significant impacts often occur during the peak (typically in Indonesia, Timor-Leste and Papua New Guinea) and decay phases (Philippines and mainland Southeast Asia) of El Niño, extending into the following year even after the event has begun to weaken.

The relationship becomes less straightforward and further west. In parts of mainland Southeast Asia and South Asia, rainfall variability is influenced by a broader range of climate drivers, particularly the Indian Ocean Dipole (IOD). A positive IOD is generally associated with reduced rainfall across Indonesia, parts of Southeast Asia and Australia and can either amplify or moderate the effects of El Niño depending on its phase and intensity. Emerging evidence suggests that the IOD may have a stronger influence on rainfall variability in countries in South Asia and Myanmar than ENSO alone, helping to explain why historical El Niño impacts across these areas have often been less consistent than those observed across the Maritime Continent. Historical analyses indicate that positive IOD conditions are generally associated with reduced or delayed monsoon rainfall across much of Myanmar and South Asia, while negative IOD conditions tend to be associated with wetter-than-average conditions. As the IOD typically develops and peaks alongside the developing and mature phases of El Niño, the interaction between the two phenomena is an important consideration when assessing regional climate risk.

In addition, El Niño can influence tropical cyclone activity, although the relationship is often misunderstood. El Niño does not necessarily increase or decrease the total number of cyclones across the region; rather, it alters where cyclones are more likely to form, intensify and track. This means that some countries and island groups may face increased cyclone risk during El Niño years, while others may experience reduced exposure but, increased intensity. Nevertheless, individual cyclone seasons can differ substantially from the long-term average, and cyclone activity remains influenced by a range of other atmospheric and oceanic conditions. Consequently, cyclone risk assessments should be based on seasonal forecasts and evolving conditions rather than El Niño status alone.

TYPICAL EL NIÑO SIGNATURE — SOUTHEAST ASIA & THE PACIFIC

- Below-average rainfall
- Elevated temperatures
- Increased drought risk
- Pressure on agriculture
- Strain on water resources
- Strain on energy systems

AREAS OF GREATEST CONCERN

The July–August 2026 IRI Multi-Model Ensemble rainfall and temperature outlook (Figures 1 and 2), triangulated with the latest Association of Southeast Asian Nations Climate Outlook Forum (ASEANCOF) and South Asia Climate Outlook Forum (SASCOF) consensus outlooks, reflects climate conditions associated with the early stages of the current El Niño event. While El Niño is now established, according to NOAA, it remains in the early phase of development and many of its regional impacts are still evolving. As such, the outlook should be viewed as an indication of potential conditions as the event strengthens and matures, rather than a reflection of its full impact. While forecast confidence and expected impacts vary across the region, countries can currently be grouped into four broad risk tiers (Countries At Risk infographic, next page) based on the strength of the forecast climate signal and historical patterns of El Niño-related impacts.

In addition, vegetation conditions across Asia and the Pacific are currently providing a relatively strong baseline ahead of the anticipated development of El Niño. Vegetation health indices indicate generally near-normal to favourable conditions across most agricultural areas, with limited evidence of widespread agricultural drought stress or significant production impacts at present (FAO, 2026a). Major rice- and staple-producing regions are therefore entering the forecast El Niño period with generally favourable production conditions. The primary risk is not current crop stress, but the potential emergence of rainfall deficits, declining soil moisture and vegetation deterioration during key planting and crop development stages in late 2026 and early 2027 if El Niño conditions intensify (Ibid).

Figure 1 & 2: IRI Multi-Model Probability Forecast for Rainfall & Temperature for June-July-August 2026, issued May 2026 (IRI, 2026)

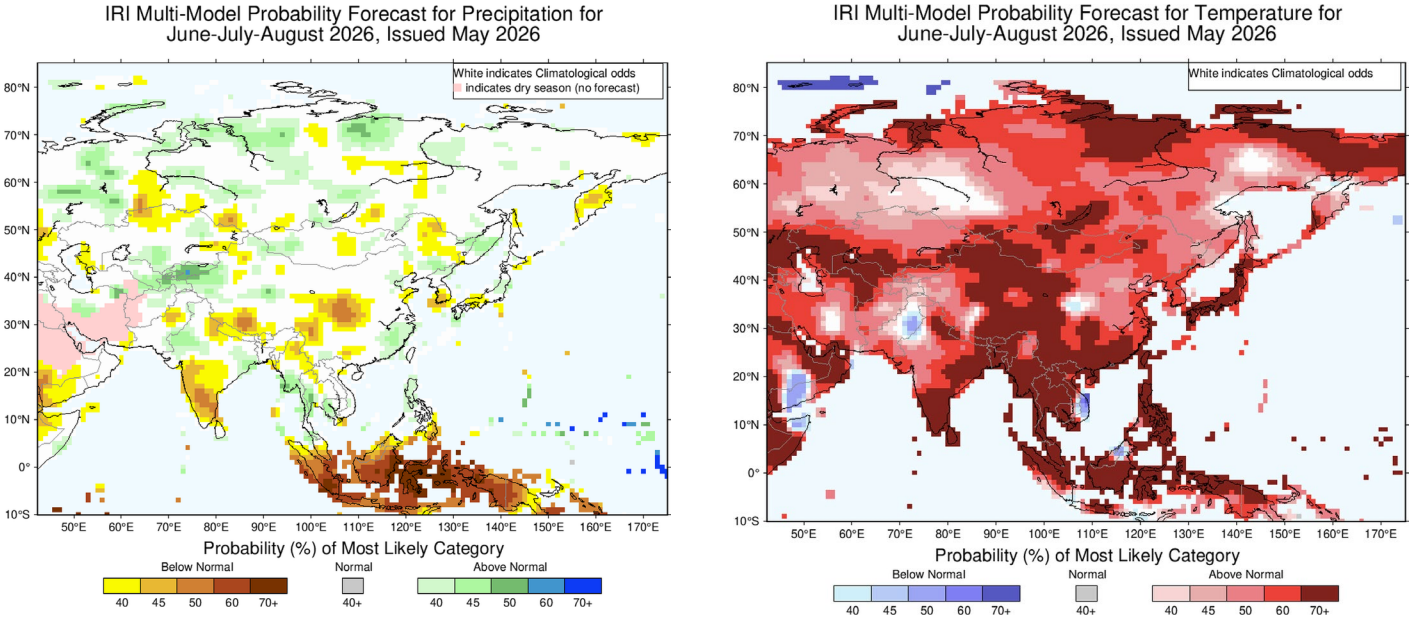


Figure 1 & 2: IRI Multi-Model Probability Forecast for Rainfall & Temperature for June-July-August 2026, issued May 2026 (IRI, 2026)

COUNTRIES AT RISK

TIER 1

HIGHEST CONCERN:
Emerging drier conditions from August 2026

- Indonesia
- Timor-Leste
- Papua New Guinea
- Solomon Islands
- Vanuatu
- Fiji

Timing of impact: **peak November–December 2026**, persisting into early 2027

TIER 2

ELEVATED CONCERN:
Drier conditions later in 2026 / early 2027

- Philippines
- Viet Nam
- Thailand
- Lao PDR
- Cambodia

Timing of impact: **Philippines Jan–Apr 2027**; others Mar–May 2027

TIER 3

High-risk countries with mixed El Niño signals (IOD-influenced)

- Myanmar
- Bangladesh
- Nepal
- India
- Pakistan

Timing of impact: **mixed signals** — monitor IOD evolution closely

WETTER

Potentially wetter than normal - flood risk, possible crop benefit

- Afghanistan
- Sri Lanka
- Kiribati
- Tuvalu
- Nauru

Timing: **Pacific Nov–Dec 2026** ; Sri Lanka Oct–Dec 2026; Afghanistan Mar–May 2027

SEASONAL OUTLOOK: JUNE–AUGUST 2026

TIER 1

Highest Concern for emerging drier conditions

Countries: Indonesia, Timor-Leste, Papua New Guinea, Solomon Islands, Vanuatu and Fiji

The highest concern for the region, in the early stages of El Niño development, currently includes **Indonesia, Timor-Leste and Papua New Guinea (particularly the southern and eastern areas),** where forecasts show the strongest overlap between below-normal rainfall and above-normal temperatures. These countries represent the clearest emerging climate hotspots for potential dry conditions in the current outlook and are likely to require close monitoring as conditions evolve. The emergence of drier-than-average conditions is already evident in parts of the region, despite El Niño not yet being formally established. Current forecasts suggest that drought conditions may intensify through August, with the potential for impacts to persist or worsen during the second half of 2026 as El Niño continues to develop and strengthen. In Indonesia, this coincides with the second (off-season) harvest, including irrigated rice, maize and cash crops such as soybean and sugarcane, where reduced water availability and elevated temperatures may affect productivity in some areas.

Beyond rainfall deficits, elevated temperatures may increase evapotranspiration, accelerate soil moisture depletion, and place additional pressure on water resources, agriculture, livestock production, and hydropower generation. Current indications suggest Indonesia and Timor-Leste may experience a suppressed rainfall volume during the upcoming monsoon extending into late 2026 and could increase drought severity and elevate wildfire and peatland fire risk through Q1–Q2 2027. Attention should be given to reservoir levels, irrigation water availability, and the onset of the 2026/27 main cropping season. Should rainfall deficits persist into late 2026, there is potential for delays in planting, reduced soil moisture at establishment of the next cropping season, and increased stress on crops and livestock during the early stages of the main growing season.

Several **Pacific Island Countries** are also of high concern. The June to August 2026 outlook shows the strongest and most spatially coherent dry signals across parts of the southwest Pacific, including areas of **Solomon Islands and Vanuatu**, where probabilities of below-normal rainfall exceed 50–70 percent in some locations. For many Pacific Island Countries, even relatively modest rainfall deficits can rapidly translate into water shortages due to limited freshwater storage capacity and high dependence on rainwater harvesting. Continued monitoring of water security is warranted as El Niño develops and could continue this pattern into the wet season from October 2026 to March 2027.

Cyclone considerations: El Niño also tends to influence the cyclone season and can increase the number and intensity of cyclones in the Southwest Pacific. However, this requires monitoring from October 2026 to April 2027 and seasonal forecasts, usually produced by Geoscience New Zealand, will be available in Q4 of 2026.

TIER 2

Tier 2: Elevated concern for potential drier conditions emerging later in 2026/early 2027

Countries: Philippines, Southern Viet Nam, Thailand and Cambodia

For mainland Southeast Asia, concern should increase from **late 2026 onwards** as El Niño matures, with many of the most significant agricultural impacts historically occurring particularly the decay phase of ENSO, when rainfall deficits, elevated temperatures and drought conditions become more pronounced.

The Philippines warrants particular attention. Historical analysis shows one of the strongest and most consistent relationships between El Niño and drought conditions in Southeast Asia, with impacts often intensifying during the dry season from November 2026 and early months of the following year. Although the current rainfall outlook, which has been triangulated with Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA) does not yet indicate a drought signal, the combination of above-average temperatures and the country's historical sensitivity to ENSO suggests a heightened need for monitoring and preparedness, and signs could emerge in the coming months. Attention should be given to irrigated dry-season rice production, high-value vegetable and fruit systems, livestock production where water and fodder availability may Become constrained, and fisheries and aquaculture systems that can be affected by changes in water availability, temperature, and water quality.

Further countries of concern include southern Viet Nam, Thailand, Lao People's Democratic Republic (Lao PDR) and Cambodia. While current seasonal forecasts do not yet indicate widespread or severe rainfall deficits, elevated temperatures can accelerate soil moisture depletion, increase crop water demand, and place additional pressure on agricultural systems. Historical analysis suggests that ENSO impacts across mainland Southeast Asia are often less immediate and less spatially consistent than those observed across the Maritime Continent, with the strongest effects frequently emerging particularly in the decay phase (March to May 2027) of El Niño. Consequently, the current rainfall outlook does not show concerns, and continued monitoring will be important through late 2026 and into 2027.

Cyclone considerations: El Niño typically reduces the number of tropical cyclones affecting parts of Southeast Asia, although those that do occur can be more intense and may have longer lead times before landfall. Seasonal cyclone outlooks are not yet available and should be monitored separately.

TIER 3

Tier 3: High risk countries but have mixed signals with El Niño drier conditions

Countries: Myanmar, Bangladesh, Nepal, India and Pakistan

Further west, from Myanmar through South Asia, the outlook reinforces the need for caution when making broad regional assumptions about El Niño impacts. Although above-normal temperatures are forecast across much of the region, potentially increasing heat-related risks, rainfall signals remain mixed and lack the spatial consistency observed across the Maritime Continent. Climate conditions in these areas are influenced not strongly influenced by El Niño but by the IOD, which can strengthen, weaken, or alter expected rainfall patterns. Positive IOD events often occur alongside El Niño and are generally associated with reduced monsoon rainfall in Myanmar, while influencing monsoon performance across parts of South Asia. Consequently, even where El Niño impacts appear weaker or less predictable, climate risks may still be elevated and require continued monitoring of both climate drivers.

As the IOD is currently neutral, the following observations can be made for the region:

- **India** warrants continued close monitoring. **The current forecast for the 2026 southwest monsoon is approximately 90 percent of the long-period average, which would make it the weakest monsoon in more than a decade if realized.** While national rainfall totals remain near the lower end of the normal range, historical experience demonstrates that even modest reductions in monsoon rainfall can mask substantial geographic variability. During the 2015/16 El Niño, some regions experienced significant agricultural and water-related impacts despite national conditions not reflecting a uniform drought.
- **Myanmar, Pakistan, Nepal and Bangladesh** do not currently exhibit a strong or spatially coherent dry signal in the June to August 2026 seasonal outlook. More importantly, historical analyses indicate that the relationship between El Niño and climate outcomes becomes increasingly weak and complex west of Myanmar. Unlike the Maritime Continent and parts of the western Pacific, where El Niño is a dominant driver of drought risk, climate conditions across much of South Asia are influenced by a broader range of atmospheric and oceanic processes. As a result, El Niño alone is often a poor predictor of seasonal rainfall outcomes in countries such as Pakistan, Nepal and Bangladesh.
- For instance, **Pakistan** is currently experiencing a prolonged and severe heatwave, with extreme temperatures affecting large parts of the country, particularly Sindh, southern Punjab and Balochistan. With a similar experience in **Nepal and India.** However, this event does not appear to be linked to a clear El Niño signal. El Niño has not yet been formally declared, and the heatwave developed prior to the establishment of any mature ENSO conditions in the Pacific. Historical drought records indicate that several major drought events in Pakistan have occurred during or following moderate to strong El Niño episodes, including the prolonged 1999–2001, 2002–2004, and 2013–2015 droughts. However, the relationship is neither immediate nor consistent. Drought impacts frequently emerge one to two years after the peak of El Niño and are concentrated in Sindh and Balochistan. This serves as an important reminder that El Niño is not the only driver of climate variability. The absence of a strong ENSO signal does not imply an absence of climate risk, just as the occurrence of extreme weather does not necessarily imply an El Niño influence

TIER 4

Potentially wetter-than-normal areas

Countries: Afghanistan, Sri Lanka, Kiribati, Tuvalu and Nauru

Forecast signals for **Afghanistan and Sri Lanka** differ from those observed across much of Southeast Asia and the Maritime Continent. Current outlooks indicate a tendency towards above-normal rainfall, particularly in Sri Lanka during the September–November period which coincides with the northeast monsoon season and accounts for 80 percent of the annual rainfall for the north and east regions of the country. While parts of Afghanistan (over the spring period from April to May 2027, in the decaying phase of El Niño) may also experience wetter-than-average conditions. Historical analyses suggest that El Niño can be associated with wetter conditions in parts of both countries, but outcomes vary considerably between events and are influenced by other regional climate drivers. As a result, the current outlook should not be interpreted as a direct indication of flood risk. Instead, continued monitoring is required to understand whether wetter-than-average conditions materialize and what implications they may have for agriculture, water resources and livelihoods.

Parts of **Kiribati, Tuvalu and Nauru** currently show a tendency towards above-normal rainfall, which is broadly consistent with historical El Niño patterns that often shift rainfall towards the central and eastern Pacific. However, confidence remains moderate, and conditions should continue to be monitored as El Niño develops. Previous events have demonstrated considerable variability between countries and between El Niño episodes. For example, during the 2015/16 and 2023/24 events, some Pacific Island Countries, including Tuvalu, Nauru and the Marshall Islands, experienced periods of below-normal rainfall and water stress despite the broader expectation of wetter conditions. While above-average rainfall can increase the risk of localized flooding and waterlogging, it may also provide positive impacts such as improving freshwater availability and supporting crop production, particularly staple crops such as taro, cassava, and kumara. Continued local monitoring will therefore be essential to understand how conditions evolve in individual island states.

COMPOUNDING IMPACTS OF THE MIDDLE EAST CRISIS

El Niño is not acting alone. Across Asia and the Pacific, its effects are interacting with rising fuel and fertiliser costs linked to the Middle East crisis, creating a compound shock effect. This section dives into this compounding risk and separates two distinct but overlapping risk geographies. First, there is a compound climate-and-price risk zone in Southeast Asia and the Pacific, where a likely 2026/27 El Niño coincides with higher fuel, fertiliser and food costs linked to the Strait of Hormuz shock. Second, there is a primarily economic shock zone in South Asia plus Myanmar, where the strongest evidence points to exposure through fertiliser, fuel and food-price channels rather than through a first order El Niño agricultural signal.

The first impacts are often felt in what families can grow, buy and eat. Higher fertilizer costs can reduce crop production, while drought and heat further depress yields. At the same time, rising fuel prices increase the cost of food transport, irrigation and essential services, eroding household purchasing power. In import-dependent Pacific Island Countries, even modest rainfall deficits can quickly lead to water shortages and higher food prices. As pressures mount, households may be forced to reduce meals, take on debt, withdraw children from school or migrate in search of income. These coping strategies can deepen poverty and increase protection risks, including gender-based violence, which often disproportionately affects women and children. The concern is therefore not a single climate or economic shock, but the compounding effects of both on populations with limited capacity to absorb further stress. (OCHA, 2026).

The rising cost of fuel, fertilizer and food

The economic impacts are already being felt across Asia and the Pacific – as this is the clearest when monitoring fuel, fertilizer and food prices across the region (FAO 2026a and WFP 2026a):

Fuel prices: Remain significantly above pre-crisis levels in many countries. In Lao PDR, as of June 8, 2026, diesel and gasoline prices are around 150 percent higher than before the crisis, while diesel prices are 108.5 percent higher in Fiji and 70.2 percent higher in Bhutan. Although prices have eased somewhat in Myanmar and the Philippines, they remain well above pre-crisis levels, while Timor-Leste has introduced a government fuel price cap to limit further increases (Global Petrol Prices, 2026). These higher fuel costs are increasing the price of moving food, operating farm machinery, pumping irrigation water, and transporting agricultural inputs.

Fertilizer prices: The Middle East crisis is also placing growing pressure on fertilizer markets across Asia and the Pacific. By April 2026, average fertilizer prices were around 44 percent higher than at the end of 2025, while urea prices had risen by nearly 115 percent. With the World Bank projecting both energy and fertilizer prices to remain elevated throughout 2026, these pressures are likely to persist well into the coming agricultural seasons (FAO, 2026a; World Bank, 2026).

RICE PRODUCTION AT RISK (FAO)

3.3 Mt

rice production already at risk from reduced fertilizer use — up 42% in one month (from 2.5 Mt in March 2026).

7-8 Mt

rice production could be at risk under a partial Strait of Hormuz closure combined with El Niño conditions.

For farmers, the consequences extend beyond higher production costs. As fertilizer becomes less affordable, many may reduce application rates or delay purchases, lowering crop productivity and increasing the risk of food shortages. FAO estimates that about 3.3 million tonnes of rice production across Asia and the Pacific are already at risk due to reduced fertilizer use, up from 2.5 million tonnes in March 2026, a 42 percent increase in just one month. This highlights how rapidly economic shocks can translate into risks for food security and rural livelihoods. The impacts are also likely to be felt by consumers. Evidence cited by the Asian Development Bank suggests that a 10 percent increase in fertilizer prices can raise cereal prices by around 7 percent within a quarter, with broader food price increases typically peaking 10–12 months later (ADB, 2026).

The greatest concern, however, lies in the interaction between these market pressures and the emerging El Niño. Higher fertilizer prices reduce farmers' ability to maintain yields at precisely the time when drought, heat stress and water shortages are expected to constrain production. When both factors are considered together, FAO (2026a) estimates that 7–8 million tonnes of rice production could be at risk under a scenario involving a partial closure of the Strait of Hormuz, in Asia-Pacific. Should a stronger El Niño coincides with a more severe disruption to energy and fertilizer markets, the impacts on regional food production could be substantially greater.

Food prices: As higher global energy and fertiliser costs filter through to domestic markets, food prices are also expected to rise. More expensive fuel increases the cost of farming, processing, packaging, and transporting food, while higher fertiliser prices can reduce farmers' ability to apply sufficient nutrients, leading to lower crop yields and tighter food supplies.

Evidence of these impacts is already emerging across the region. Annual food inflation remains elevated in several countries, including Afghanistan (8.5 percent, April 2026), Bangladesh (9.1 percent, May 2026), and Pakistan (7.9 percent , May 2026), compared with the same period last year. In Myanmar, the average cost of a basic food basket increased by 19 percent between late February and the first week of June 2026, driven primarily by sharp increases in the prices of rice, palm oil, and salt (WFP, 2026c).

The assessment below combines five evidence streams to assess the compounding influence of the Middle East crisis and includes:

- El Niño analysis (above)
- Commodity-price evidence from the World Bank (2026)
- Regional macro and trade-exposure analysis from ADB (2026)
- Fertilizer prices and drivers from the FAO (2026a)
- Domestic pump-to-plate transmission evidence from WFP (2026a).

COUNTRIES AT HIGH-RISK OF BOTH EL NIÑO INDUCED CONDITIONS AND THE MIDDLE EAST CRISIS

The strongest case for compound risk currently emerges in Thailand, followed by Indonesia, the Philippines, and several Pacific Island countries. These countries face a convergence of climate and economic pressures - they are exposed to the emerging El Niño outlook while also remaining vulnerable to the indirect impacts of the Middle East crisis through higher fuel, fertilizer and transport costs. Rising energy prices increase the cost of agricultural production, irrigation, food processing and transport, while higher fertilizer prices can reduce input use, lower yields, and place upward pressure on food prices. For highly import-dependent economies, particularly small island states, elevated shipping and freight costs can further increase the cost of food imports and essential commodities. When these economic pressures coincide with drought, heat stress or water shortages linked to El Niño, the potential impacts on agricultural production, household purchasing power, and food security can be significantly amplified.

Thailand stands out as the clearest example of compound risk arising from the interaction of El Niño and global economic shocks. The country combines a strong emerging drought signal associated with El Niño with substantial exposure to global energy and fertilizer price increases. With 52 percent of nitrogen fertilizer imports sourced from the Gulf region and the main-season rice flowering period (September–November) aligning closely with the expected El Niño peak, Thai rice systems face simultaneous input-cost pressures and heat and water stress. This combination creates significant risks for rice production, irrigation-dependent agriculture and domestic food prices, consistent with the production declines observed during the 2015/16 El Niño event.

Indonesia and the Philippines face similar dynamics, although through somewhat different pathways. In Indonesia, drought and heat stress may coincide with higher agricultural input costs ahead of the main cropping season and reduced household purchasing power. In the Philippines, rising fuel prices can increase irrigation, transport and food distribution costs while El Niño-related water stress begins to emerge. Headline inflation is also at a 3-year high of 7.2 percent in April 2026. For the Philippines in particular, exposure to the Middle East crisis also runs beyond input and transport costs through labour migration and remittances. As a major source of migrant workers in Gulf Cooperation Council economies, the country could see household incomes weaken if Gulf employment or remittance flows are disrupted, adding to the pressure on purchasing power already building through prices[1]. The Philippines is also entering its typhoon season. While tropical cyclones are often less frequent during El Niño years, those that do occur can still be highly destructive, creating an additional shock for already vulnerable communities and food systems.

Across Pacific Island Countries, heavy dependence on imported food, fuel and maritime transport means that global price shocks are often transmitted rapidly to domestic markets. Most Pacific Island Countries produce less than 65 percent of their dietary energy domestically, while imports account for around 60 percent of GDP on average and arrive almost entirely by sea (FAO et al., 2022). As a result, rising fuel and shipping costs can quickly increase the cost of food and essential goods. Should El Niño-related drought reduce local food and water availability, or severe cyclones disrupt production during the October–April cyclone season, households could face a combination of higher import costs, reduced local supply and declining purchasing power.

In contrast, **Timor-Leste** has so far experienced relatively stable food prices, with food inflation of 1.3 percent year-on-year (as of April 2026) and an overall consumer price index decline of 0.2 percent when compared with pre-crisis levels, partly reflecting government measures to limit fuel price increases. Nevertheless, the country remains vulnerable to external price shocks through its heavy dependence on imported fuel, food and agricultural inputs. Rising global fuel prices could increase transport costs, irrigation expenses and the cost of moving food between rural production areas and urban markets, while higher fertilizer prices may constrain access to inputs for farmers and place upward pressure on production costs. Although these impacts are not yet evident in current inflation data, they could become more pronounced if elevated global energy and fertilizer prices persist alongside El Niño-induced drought conditions, particularly given Timor-Leste's high reliance on rainfed agriculture and imported commodities.

By contrast, the Mekong countries, **Cambodia, Lao PDR and Viet Nam,** do not currently rank within the highest compound-risk category. The Hormuz fertilizer analysis suggests that key Mekong rice production systems are comparatively insulated from this specific Gulf fertilizer supply channel, reducing their direct exposure to the current fertilizer shock. While these countries remain vulnerable to climate variability, imported inflation and broader economic pressures, the available evidence does not currently support classifying them alongside Thailand as priority compound-risk hotspots. The compound-risk group presented in this report is therefore intentionally narrow, evidence-based and focused on countries where both climate and economic risks are expected to interact most strongly, rather than serving as a blanket classification for Southeast Asia.

[1] OCHA, Crisis Overview: How the Middle East Escalation is Affecting People and Responses in Asia and the Pacific (as of 24 April 2026), which identifies labour migration and remittances from Gulf Cooperation Council countries as a key transmission channel for South and Southeast Asia.

Table 1: Countries are at high-risk of both El Niño induced conditions and the Middle East Crisis

COUNTRY OR GROUP	IMPORT DEPENDENCE EVIDENCE	PRICE-SHOCK EXPOSURE	ENSO VULNERABILITY & IMPACT TIMING	LIKELY IMPACTS
Thailand	52 percent Gulf-N* share. 0.32 Mt rice at risk in observed March 2026 conditions	Diesel +32.9 percent	**High** – March to May 2027	Reduced fertilizer use. Lower dry-season rice yields. Tighter domestic and exportable supply. Higher farmgate and retail prices
Indonesia	Country-specific Gulf-N share unspecified in the official material reviewed, exposure is more clearly through imported fuel/fertilizer costs	Diesel +79.3 percent, but broader food/fertilizer exposure remains material	**High** – November 2026 to Match 2027	Drought and heat stress in eastern/seasonally dry zones. Reduced planting. Lower household purchasing power if food prices rise
Philippines	Country-specific Gulf-N share unspecified, exposure is strong through domestic fuel and food-price transmission	Diesel +35.2 percent	**High** - January to April 2027	Water stress in rainfed areas. Rising transport/irrigation cost. Higher rice import needs. Consumer food-price pressure
Pacific Island Countries	Country-specific Gulf-N shares unspecified, Pacific structural vulnerability stems from heavy import dependence and limited buffers	Fiji diesel +108.5 percent; other PICs likely exposed through freight and imported inflation	**High** – November 2026 to March 2027	Water shortages. Stressed local crops. Imported-food inflation

Source: FAO (2026a), FAO (2026e) & WFP (2026a)

*Gulf-N share refers to the percentage of a country's nitrogen fertilizer supply that originates from Gulf countries (primarily countries around the Persian Gulf that produce and export large quantities of urea, ammonia, and other nitrogen fertilizers). Gulf nitrogen import shares are derived from FAOSTAT bilateral fertilizer trade data (Fertilizers Detailed Trade Matrix), averaged over 2020–2023 to smooth single-year anomalies in trade flows. They represent the share of each country's total nitrogen fertilizer imports sourced from Persian Gulf suppliers (Iran, Saudi Arabia, Qatar, UAE, Oman, Kuwait, Bahrain and Iraq). Shares reflect nitrogen-content weighted import quantities.
All fuel prices percentage increase are a comparison between pre-crisis (last week of Feb 2026) and June 8, 2026.

COUNTRIES WITH LIMITED DIRECT EL NIÑO EXPOSURE BUT SIGNIFICANT VULNERABILITY TO ECONOMIC SPILLOVERS FROM THE MIDDLE EAST CRISIS

The evidence for South Asia plus Myanmar points more strongly to a Middle East crisis risk than to a first order El Niño agricultural risk. ADB (2026) identifies South Asia as the most exposed Asian subregion to Middle Eastern fertilizer imports, with 34 percent of fertilizer imports sourced from the Middle East, while its conflict scenarios show South Asia facing some of the region's highest inflation pressures. These countries should therefore be viewed primarily through the lens of fertilizer affordability, fuel costs, food-price pass-through and broader macroeconomic stress.

This does not, however, imply an absence of climate risk. Unlike parts of Southeast Asia and the Pacific where El Niño is often the dominant seasonal driver, climate outcomes across South Asia and Myanmar are influenced by a broader set of factors, including monsoon variability, the IOD, western disturbances and local rainfall patterns. As a result, climate-related shocks remain possible and may compound the economic pressures emerging from the Middle East crisis. Attention should therefore be paid to the evolution of the IOD and seasonal rainfall conditions over the coming months.

Myanmar: is similarly a high-risk country through the economic and humanitarian channel. WFP (2026) reports a 67.4 percent increase in diesel prices since the beginning of the crisis (end February 2026) and a 19 percent increase in the cost of the food basket relative to pre-crisis levels. Fuel rationing introduced since March 2026 has also been explicitly linked to Middle East-related supply disruptions. While Myanmar remains highly exposed to climate hazards, historical records do not show a strong relationship with El Niño, but rather the IOD which needs monitoring in case it comes into fruition. On present evidence, the dominant near-term shock is the Middle East crisis itself, amplified by conflict, market fragmentation and transport bottlenecks.

Pakistan: represents one of the clearest examples of exposure to the economic transmission effects of the Middle East crisis. Rising fuel and fertilizer costs, combined with broader inflationary pressures, pose significant risks to agricultural production and household purchasing power. WFP (2026d) reports diesel prices increased by 38.2 percent and the food basket by 4.5 percent compared to pre-crisis level, while ADB (2026) identifies South Asia as the Asian subregion most exposed to Middle Eastern fertilizer imports and among the most vulnerable to inflationary spillovers from the crisis. Although climate risks continue to require monitoring, including the extreme heat conditions highlighted by START Network in June 2026, the dominant near-term concern is the interaction between economic pressures and existing vulnerabilities, particularly for poor households already facing high food and energy costs.

India and Bangladesh: require a more nuanced interpretation. Recent retail diesel price increases have been smaller than in several neighboring countries, but WFP (2026) and ADB (2026) both note that muted retail pass-through often reflects subsidies, price controls or delayed transmission rather than lower underlying exposure. Small retail price movements should therefore not be interpreted as insulation from the crisis. At the same time, emerging indications of below-average monsoon rainfall in India suggest that economic pressures could coincide with climate stress, particularly for rainfed agriculture, sowing conditions and food-price inflation. This makes India a climate-plus-economic concern, even if the risk pathway is not solely or uniformly El Niño-driven, and likely more driven by IOD.

Afghanistan: warrants separate consideration. While it is not currently the strongest El Niño hotspot or the most directly exposed economy to the Middle East crisis, it faces one of the region's highest underlying humanitarian burdens while it deals with the existing vulnerabilities caused by the large-scale returnees and conflict with Pakistan. As a result, even relatively modest climate shocks (such as potential flooding that can be associated with El Niño end of Q1 in 2027) or increases in food and fuel prices can have disproportionate impacts on vulnerable households. This vulnerability is reinforced by Afghanistan's heavy dependence on imports, with Iran and Pakistan accounting for over 40 percent of total imports and more than 42 percent of food imports, while fertilizer prices have risen by up to 45 percent since the start of 2026 (ACAPS, 2026).

Overall, the distinction for this group of countries is therefore not between “climate risk” and “no climate risk,” but between different dominant risk pathways. While economic transmission through fuel, fertilizer and food markets remains the primary concern, climate shocks linked to monsoon variability, the IOD and local weather extremes could still significantly amplify impacts on food security and livelihoods.

Table 2: Countries with limited direct El Niño exposure but significant vulnerability to economic spillovers from the Middle East crisis

COUNTRY	IMPORT DEPENDENCE EVIDENCE	PRICE-SHOCK EXPOSURE	ENSO VULNERABILITY AND TIMING	LIKELY IMPACTS
Afghanistan	Country-specific Gulf-N share unspecified. Highly dependent on regional trade corridors and imported, food, fuel and agriculture inputs	Diesel prices are around +13.3 percent	Moderate – risk of flooding from end of Q1 2027	Reduced fertilizer use and lower yields. Higher food prices and declining purchasing power. Reduced casual labour opportunities. Increased food insecurity among already vulnerable households.
Bangladesh	62 percent Gulf-N share. 0.67 Mt rice at risk	Diesel +14.9 percent, with broader fertilizer exposure high	Low	Higher urea costs. Higher farm production costs, greater fiscal pressure if subsidies are used. Possible later food-price pass-through
India	46 percent Gulf-N share. 1.69 Mt rice at risk	Diesel +9.4 percent at retail, but underlying import-cost exposure remains material	Low	Higher subsidy burden. Higher fertilizer procurement cost. Potential stress in rice and wheat systems if high urea prices persist
Pakistan	Country-specific Gulf-N share unspecified in the reviewed official material	Diesel +38.2 percent, food basket +4.5 percent increase compared to the pre-conflict level	Low	Higher transport and irrigation costs. Tighter purchasing power. Inflation spillover into food staples
Nepal	28 percent of Gulf-N share. 0.03 Mt rice at risk	Diesel +58.9 percent	Low to moderate	Higher cost of pumping. Transport and fertilizer access during the paddy season. Stronger household food price pressure in deficit areas
Sri Lanka	37 percent Gulf-N share; 0.04 Mt rice at risk	Diesel +42.7 percent	Low to moderate	Higher paddy production costs. Renewed food-price pressure. Added stress on already fragile household balances
Myanmar	Country-specific Gulf-N share unspecified	Diesel +67.4 percent; food basket +19 percent; fuel rationing introduced	Low	Severe pressure on farm transport, irrigation and milling. Sharper food insecurity and access constraints. Market fragmentation

Source: FAO (2026a), FAO (2026e) & WFP (2026a)

*Gulf-N share refers to the percentage of a country's nitrogen fertilizer supply that originates from Gulf countries (primarily countries around the Persian Gulf that produce and export large quantities of urea, ammonia, and other nitrogen fertilizers). Gulf nitrogen import shares are derived from FAOSTAT bilateral fertilizer trade data (Fertilizers Detailed Trade Matrix), averaged over 2020–2023 to smooth single-year anomalies in trade flows. They represent the share of each country's total nitrogen fertilizer imports sourced from Persian Gulf suppliers (Iran, Saudi Arabia, Qatar, UAE, Oman, Kuwait, Bahrain and Iraq). Shares reflect nitrogen-content weighted import quantities.
All fuel prices percentage increase are a comparison between pre-crisis (last week of Feb 2026) and June 8, 2026.

WHAT TO DO NEXT?

The priority over the next three months is clear, we need to monitor, coordinate and prepare. At the regional level, this snapshot will be updated on a regular basis and coincide with regular forecast updates (which are usually released on the 15th of every month). El Niño conditions are expected to strengthen during the second half of 2026, and potentially have the IOD emerge, but uncertainty remains regarding where and how severely impacts will occur. Rather than waiting for hazards to materialize, governments and partners should use this window to strengthen country-level risk monitoring, identify vulnerable populations, review preparedness and anticipatory action plans, and ensure systems are ready to act should trigger thresholds be reached.

Key immediate actions:

MONITOR

- With the national meteorological services and agricultural ministries, strengthen country-level monitoring and depend on the risks at hand, monitor early warning systems closely for climate risks such as drought, flood, cyclone and Middle East crisis-related risks through market monitoring systems. This should include tracking climate conditions, water availability, crop performance, food prices, fuel costs, fertilizer markets and supply chain disruptions to identify emerging threats to food security and livelihoods.
- Where operational drought anticipatory action trigging systems already exist, these should be reviewed and monitored. This includes systems such as FAO's Combined Drought Index (CDI) models in Timor-Leste (FAO 2026c), Papua New Guinea (FAO 2026d), which can support enhanced monitoring and decision-making. Lessons from the 2023/24 El Niño event should be used to refine trigger thresholds, strengthen operational procedures and inform the potential scaling of similar approaches in other high-risk countries across the region.
- Conduct regular risk reviews to identify priority geographic hotspots, exposed livelihood systems and vulnerable populations, drawing on lessons from the 2015/16 and 2023/24 El Niño response and anticipatory action activations across the region.
- For cyclone and flood risks in the region, such data and information should be monitored across the high-risk countries from October onwards and when seasonal forecasts

COORDINATE

- Activate and develop a country level plan of action with government-led coordination structures, Resident Coordinator Offices, Emergency Preparedness and Response Working Groups, Anticipatory Action Technical Working Groups and sector coordination mechanisms to review evolving risks and preparedness priorities.
- Strengthen information sharing and joint analysis between meteorological agencies, agriculture ministries, disaster management authorities, humanitarian partners and development actors to support a common operational picture.
- Review and where possible develop preparedness and response plans.

PREPARE

- Map priority actions across the disaster risk continuum, identifying measures that can be implemented through preparedness, anticipatory action, response and recovery mechanisms.
- Update beneficiary databases, with social protection and farmer registries, vulnerability datasets and targeting systems to support rapid activation and delivery of assistance.
- Assess operational readiness, including procurement arrangements, pre-positioning requirements, surge capacity, logistics systems and last-mile delivery mechanisms.
- Scale up no-regret preparedness and disaster risk reduction measures in identified risk hotspots, including water resource management, drought preparedness, irrigation system maintenance, livestock planning and flood preparedness interventions.

REFERENCES

ACAPS. (2026). Afghanistan: Anticipated impacts of the Middle East and Pakistan–Afghanistan conflicts on trade and associated humanitarian needs. Geneva.

ADB. (2026). The Impact of the Middle East Conflict on Asia and the Pacific: An Updated Analysis (Brief No. 388). Available: https://www.adb.org/publications/middle-east-conflict-updated-analysis.

ASEANCOF (2026). 26th ASEAN COF (May 2026) – ASMC. Available at: https://asmc.asean.org/events-twenty-sixth-session-of-the-asean-climate-outlook-forum-aseancof-26-2/.

FAO, IFAD, UNICEF, WFP, WHO & SPC. 2024. An overview of food security and nutrition in the Pacific 2022. Apia. Available at: https://doi.org/10.4060/cc6879en.

FAO & ASMC (2026). The impact of El Niño on the agriculture sector in ASEAN. Bangkok & Jakarta.

FAO. (2026a). Rice Production at Risk: El Niño and Hormuz fertilizer disruption. Internal Document.

FAO. (2026b). Global Early Warning and Information System: Earth Observation. Rome. Available at: https://www.fao.org/giews/earthobservation/index.jsp?lang=en.

FAO. (2026c). Timor Leste: Impact of Anticipatory Action. Dili. Available at: https://openknowledge.fao.org/items/f5f8d179-45b8-444f-8e4e-39df023e445e

FAO. (2026d). Papua New Guinea: Impact of Anticipatory Action. Port Morsby. Available at: https://openknowledge.fao.org/items/35cf60da-5aa8-4f27-b247-f722e0ca4143.

FAO. (2026e). FAOSTAT: Trade Matric. Rome. Available: https://www.fao.org/faostat/en/#data/TM.

IRI. (2026). Seasonal Climate Forecasts. New York. Available: https://iri.columbia.edu/our-expertise/climate/forecasts/#Seasonal_Climate_Forecasts.

NOAA (2026). El Niño/Southern Oscillation Diagnostic Discussion, issued on the 11 June 2026. Maryland. Available at: https://www.cpc.ncep.noaa.gov/products/analysis_monitoring/enso_advisory/ensodisc.shtml.

OCHA, Crisis Overview: How the Middle East Escalation is Affecting People and Responses in Asia and the Pacific (April 2026)

SASCOF (2026). Climate Research & Services, Pune.. Available at: https://rcc.imdpune.gov.in/sascof.php/

Trading Economics. (2026). "Country List: Consumer Price Index (CPI). Available: https://tradingeconomics.com/country-list/consumer-price-index-cpi.

WFP. (2026a). Spillover Pathways: From Pump to Plate to Protests — Fuel, Food, and Social Unrest in Asia. Internal Document.

WFP. (2026b). Food Security Under Pressure: How the Middle East Crisis Is Impacting Vulnerable Countries. Rome.

WFP. (2026c). Myanmar Market Monitor – April 2026. Yangon.

WFP (2026d). Pakistan Weekly Market Monitor Report - 4 June 2026. Islamabad.

WMO (2026). El Niño/La Niña Update (May 2026, published on 2 June 2026): https://wmo.int/resources/publication-series/el-ninola-nina-updates/el-ninola-nina-update-may-2026.

WMO (2026). WMO Coordination Mechanism (WCM) to support humanitarian activities: WCM Global Seasonal Climate Outlook (June-August 2026): https://community.wmo.int/site/knowledge-hub/programmes-and-initiatives/wmo-coordination-mechanism-wcm-support-humanitarian-activities/wcm-global-seasonal-climate-outlook.

World Bank. (2026). Commodity Markets page, including the May 2026 monthly update and April 2026 Commodity Markets Outlook. Available: https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099842304282633100.

[1] OCHA, Crisis Overview: How the Middle East Escalation is Affecting People and Responses in Asia and the Pacific (as of 24 April 2026), which identifies labour migration and remittances from Gulf Cooperation Council countries as a key transmission channel for South and Southeast Asia.