

The Red Sea Crisis: Implications of The Houthi Attack on Maritime Trade and Global Security

Nandini¹⁾, Syamsul Maarif²⁾, Syamsunasir³⁾, Pujo Widodo⁴⁾

¹⁾ Disaster Management Study Program / Faculty of National Security, Indonesia Defense University

^{2,3,4)} Lectures of Disaster Management Study Program / Faculty of National Security, Indonesia Defense University

*Corresponding Author

Email: ndini323@gmail.com

Abstract

The study explores the impact of the Houthi group's missile and drone attacks on Israeli commercial ships in the Red Sea, focusing on the broader implications for regional stability, maritime and global trade security. The strategic position of the Red Sea as an important trade route connecting the Middle East with Asia and Europe has made it an important area of international attention, especially after the Houthi attacks in November 2023. The research uses a qualitative approach, analysing data from a variety of sources including academic literature, official reports, and news articles. The findings highlight that the Houthi attacks have caused significant disruptions in maritime trade, with the capacity of container ships in the Red Sea decreasing by 80 percent as ships moved around Africa, resulting in higher costs and longer travel times. In addition, the attacks have exacerbated regional tensions and required increased military patrols by international forces. The study concludes that the ongoing Houthi aggression poses a serious threat not only to regional stability but also to global trade and security, and calls for coordinated international efforts to mitigate this impact.

Keywords: Red Sea Crisis, Houthi Attacks, Global Security

INTRODUCTION

The Red Sea, with its strategic position as the main trade route connecting the Middle East with the region of Asia and Europe, has been a focus of international attention in recent years. The peace in the region, however, is undermined by a crisis triggered by an attack by the Houthi group in Yemen. In response to the intensified war in Gaza, the Houthis in November 2023 launched several missile and drone attacks on commercial Israeli ships in the Red Sea targeting (Karimanal et al., 2024). This crisis not only threatens regional stability, but also poses a serious threat to shipping trade and global security.

After the attack on October 7, 2023, by Hamas, the Houthis threatened to provide military support to the group and began attacking Israel with missiles and drones. The Houthis declared in November that they would attack Red Sea cargo with ties to Israel in retaliation for Israeli military actions in Gaza. The US claimed that the Houthis had carried out at least 48 assaults on February 24, 2024. Houthi-targeted ships were earlier claimed to have connections to 55 nations. According to projections from the German think tank Kiel Institute for the World Economy, in January 2024, the Red Sea's container ship capacity was 80% less than anticipated as a result of ships being diverted (comparing levels from 2017 to 2019) (House of Commons, 2024).

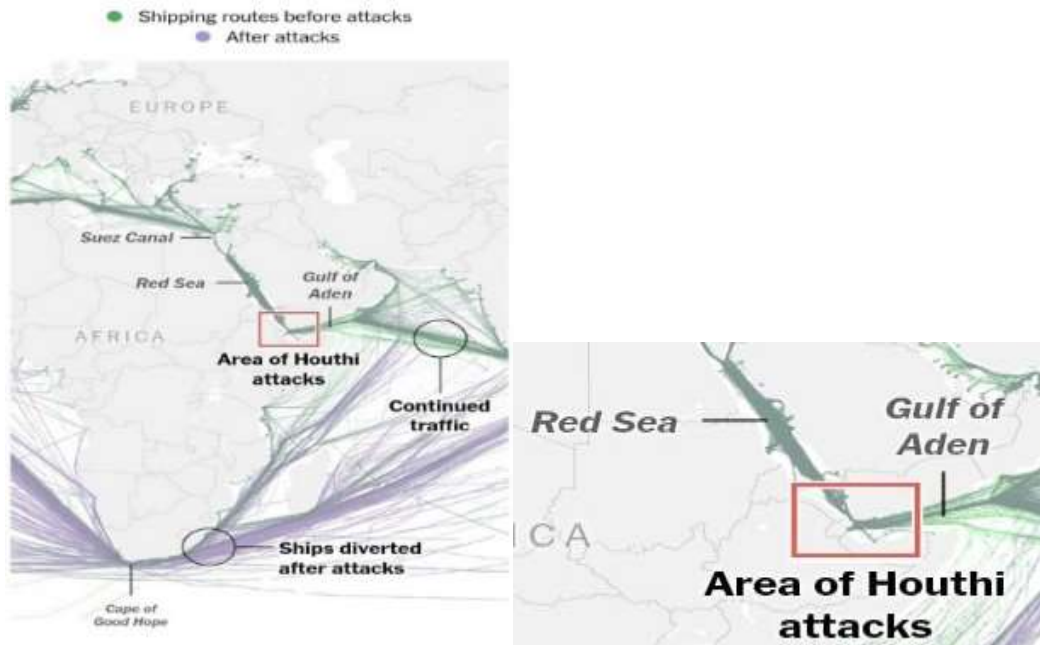


Figure 1. Cruise route before and after the attack
(Source: Spire Global)

From the page of the New York Times, the image above is described to show changes in the routes of ships regularly crossing the Red Sea, showing that 3,461 cargo ships have been registered at the entrance to the red sea in the last three months. The navigation route before the attack (green) shows the position of the ship from November 1st to 15th 2023, and the position from January 1st to 15th 2024 is shown after the attack (purple).

Further on the explanation above, the New York Times stated that this was an extraordinary turnaround. Hundreds of ships try to avoid the Suez Canal and choose to sail 4,000 miles around Africa, consuming fuel, raising costs, and adding 10 days or more of travel in each direction. They have evaded one of the world's most important shipping routes, the Red Sea, where for months Iran-backed Houthi militias have attacked ships with drones and missiles from positions in Yemen. The Houthi group says they are trying to disrupt shipping ties with Israel to force Israel to end its military campaign in Gaza. However, ships connected with more than a dozen countries have been targeted, and a Houthi spokesman said this week that they regard “*all American and British ships*” as enemy targets (Chang, et al., 2024).

The recent increase of heedless Houthi attacks, which come from Yemen, violates international law, endangers innocent seamen, and undermines free flow of business. The Red Sea is a vital waterway that has historically been necessary for maintaining the right of passage and a significant commercial route that supports global trade. The challenge posed by this non-state actor launching ballistic missiles and unmanned aerial vehicles (UAVs) at merchant vessels from numerous states lawfully passing international seas requires cooperation from all nations that desire to defend the fundamental concept of freedom of navigation (United States, 2023) quote from

The thunder has hit. About 150 ships passed through the Suez Canal, which is on the northwestern tip of the Red Sea, during the first two weeks of January. That number dropped from more than 400 at the same time last year, according to Marine Traffic, a maritime data platform. The turning roads, and the Houthi attacks, continue despite the air strikes carried out by the United States and its allies against the Houthis. The Houthi's ongoing attacks have caused tensions in the Red Sea to rise significantly. Efforts to contain such attacks have raised concerns about the safety of ships crossing these vital trade routes. The impact is felt not only by the

countries in the surrounding region, but also by those involved in global trade (Chang, et al., 2024). This paper aims to provide a comprehensive overview of the ongoing crisis in the Red Sea, assess its impact on global shipping trade and security.

RESEARCH METHODS

Research techniques are employed to comprehend the topic of this study. Researchers will be guided by this approach at every stage of the investigation, including the methods and processes employed. According to (Sugiyono, 2013), research methods are scientific approaches to gathering reliable data with the goal of learning, expanding, and establishing knowledge that can eventually be applied to comprehend, address, and foresee issues. This research uses a qualitative approach. This study employs secondary data and a literature study methodology, drawing on sources such as collecting and analyzing relevant literature, including books, academic journals, official reports, news articles. Data collection techniques are methods or strategies for gathering pertinent and related information so that it can be used in research.

RESULT AND DISCUSSION

According to (Karimanal et al., 2024) the Houthi, a group of armed Zaydi Muslim militants, have been fighting to control the Sunni majority Muslim government in Yemen since 2004. 19th November last year, Houthi rebels have launched attacks in the Red Sea, the entrance between Saudi Arabia, Egypt, Sudan, Eritrea, Israel, and Yemen. The attack involved launching drones and missiles targeting international merchant ships crossing the Red Sea. By attacking these Western ships, the rebels aim to show support for Palestine. Yahya Saree, the Houthi military spokesman, insisted that the Houthis will continue to prevent Israeli expeditions and those who will head to the occupied Palestine until the siege of Gaza ceases. Some say that this attack on the Red Sea is meant to create economic difficulties for Israel, pressuring Israel for a ceasefire.

Trade delays have been brought on by Houthi control over the Red Sea, though. Yemenis have also been impacted by these delays. The U.S. Department of State's spokesperson, Matthew Miller, claims that the Houthis have been bombing food-carrying ships that are sailing to nations in need of humanitarian aid, including Yemen (Karimanal et al., 2024).

A. The Strategic Position Of The Red Sea In Global Trade

The Red Sea has a strategically important position as the main trade route connecting the Middle East with the region of Asia and Europe. As one of the most important maritime trade routes in the world, the Red sea has become the focus of international attention because of its role in supporting the flow of global trade. The following is a picture of the strategic position of the red sea in global trade :



Figure 2. Position of the Red Sea
(Source: depositphotos)

Through the compass, the Red Sea as the entrance to the Suez Canal from the south, is one of the busiest shipping routes in the world. This route offers an alternative route for ships to Europe, without having to rotate the African continent through the Lake of Hope. The Red Sea also occupies a very important position as it is the natural boundary between the eastern coast of Africa and the western shore of the Arabian Peninsula. The Red Sea is becoming extremely important economically, because it has huge oil reserves in and a source of precious metals. In addition, there are large amounts of zinc, copper, silver, gold, and elements such as cadmium, cobalt, and hydrocarbons have been found in the isolated depths of the Red Sea. The Suez tunnel that connects the Mediterranean and the Red Sea handles about 12 percent of global trade. This route is accessed by ships travelling from Asia through the Bab el-Mandeb Strait. The route is also an important route for oil shipments from the Persian Gulf to Europe and North America, The Guardian. As long as oil remains the primary source of energy for the world, this cruise line will remain an important route for oil transportation from the Gulf.

B. The Impact Of The Houthi Attacks On Shipping Trade And Global Security

The ongoing attacks launched by the Houthis threaten global shipping commerce and security. Rising tensions have raised concerns about the safety of ships crossing this vital trade route. The impact is not only limited to the countries around the Red Sea, but also felt by the countries involved in global trade. Here are some of the aspects affected:

- 1) Major trade routes: Houthi attacks have caused the world's largest shipping companies to divert routes from the Red Sea. This can disrupt global supply chains as companies have to look for alternative shipping routes. The International Maritime Chamber of Commerce reports that 20% of the world's container ships are now avoiding the Red Sea and choosing a longer route across the southern tip of Africa.



Figure 3. Trade Flows in the Red Sea, around the Cape of Good Hope and through the Panama Canal, October 2023- February 2024

(Source : Quoting from (Dunn & Leibovici, 2024) IMFPortWatch’s Daily Chokepoint Transit Calls and Trade Volume Estimates).

The graph indicates a decrease in trade flows via the Red Sea following the onset of disruptions. This indicates how much the maritime industry has chosen to divert cargo from the Suez Canal. The graph additionally indicates that trade flows around the Cape of Good Hope have grown concurrently, offsetting the drop in shipments via the Suez Canal, indicating that this has been the alternate route for a significant portion of the cargo that was originally planned to travel via the Red Sea. Trade through the Panama Canal has also decreased significantly in recent months due to an unrelated incident, although the impact there started earlier and appears to be much less severe than the reallocation occurring in the Red Sea region (Dunn & Leibovici, 2024).

Furthermore, the Red Sea is one of the world’s major interoceanic trade passages with two entries: the Suez Canal in the North and the Bab al-Mandab Strait in the south. An average of 8.8 million barrels of oil shipments pass through the Bab al-Mandab strait annually, according to the US Energy Information Administration (2023). This amounts to 8.7% of the 101.7 million barrels per day that the International Energy Agency (2023) estimates there will be needed globally by December 2023. Approximately 20% of the world's products and 15% of the world's container traffic typically travel via the Suez Canal (UNCTAD, 2024). According to information gathered by Lloyd's Intelligence, prior to the onset of the Red Sea crisis in mid-November, roughly 1500 merchant boats per month would typically pass via the Suez Canal (Notteboom et al., 2024).

- 2) Tariff rises: The shipping industry has a direct impact, with spot tariff increases from Asia to Europe exceeding the 2023 level. Delays in delivery of goods and rising costs can trigger potential inflation.

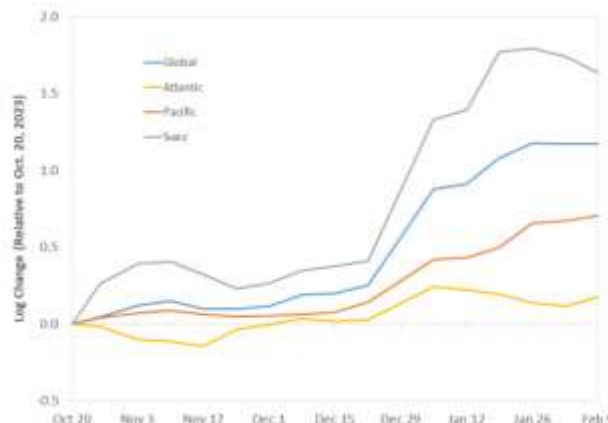


Figure 4. Change in Regional and Global Shipping Prices, October 2023-February 2024 (Source : Quoting from (Dunn & Leibovici, 2024) freightos price indexes and authors’ calculations

The Freightos index showed a rise of about 120% in comparison to those recorded in late October. Prices have increased on all routes, even if a portion of this increase reflects the impact of greater shipping expenses in the Red Sea. For example, compared to late October, shipping costs on the Pacific routes have climbed by around 70%, while shipping costs on the Atlantic lines have grown by about 20%. Recent worldwide trade and shipping price trends are probably explained by the impact of Red Sea shipping interruptions on shipping capacity. The volume of commodities that may be carried globally decreases when trade flows redirect from the Red Sea toward the Cape of Good Hope due to longer average shipping times. This is because global shipping capacity is limited in the short term. Suddenly lengthier shipping durations result in a global reduction of shipping capacity, not just in the Red Sea, since shipping companies usually run at capacity. In order to balance supply and demand, shipping costs rise on all routes. Even while shipping prices have already gone up significantly, it's possible that they haven't yet had an effect on overall economic activity and international trade flows (Dunn & Leibovici, 2024).

- 3) Global security: Houthi attacks increase tensions in the Red Sea region and its surroundings. International forces, including those led by the United States, must patrol waters near Yemen to maintain security. The attempt to sail to the Suez Canal has become more dangerous as a result of this attack.

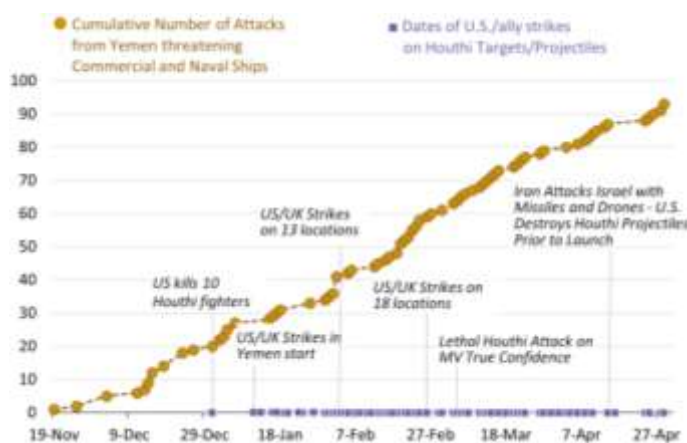


Figure 5. Maritime Incidents and Responses as of May 1, 2024

(Source : Quoting from (Blanchard, 2024) CRS, using U.S. government statements and media reports.

- 4) Threats to energy supplies: Saudi Arabia, a major crude oil exporter, has warned that the attacks launched by Houthi rebels in Yemen on oil facilities in its region pose a direct threat to global supply.

- 5) **Military Response from Allied Countries:** US and British forces have launched air strikes against a site that serves as a Houthi rebel base in Yemen. The attacks involve Tomahawk cruise missiles and fighter jets that hit more than 12 locations, including the Yemeni capital, Sanaa, and Hudaydah, the Houthi-controlled port fortress in the Red Sea. The Netherlands, Australia, Canada, and Bahrain also provided support as part of the mission.

Quoting from (Morgan, 2024) that attacks by the Houthis have continuously obstructed maritime transport lines since October 2023, demanding a military reaction from the United States. Essential choke points for marine shipping are the Suez Canal and the Bab el-Mandeb Strait; instability in these areas rocks the world economy and imperils the stability of trade internationally. For example, the cost of passing through the Suez Canal increased quickly due to a combination of higher war risk premiums and rising cargo insurance prices. Shipping corporations are choosing alternative routes over the more expedient and economical ones due to safety and financial concerns. Ships should instead be diverted to the Cape of Good Hope, albeit this can cause a delay in delivery of up to one month, or as little as ten days.

Meanwhile, according to www.pbd.org states that early on Friday morning local time, four explosions were heard by Associated Press journalists in Sanaa, the capital of Yemen. Amin Ali Saleh and Hani Ahmed, two Hodieda residents, claimed to have heard five loud explosions strike the city's western port sector, which is located on the Red Sea and is the biggest port city under Houthi control. Additionally, inhabitants of Taiz, a city in the Southwest close to the Red Sea, heard explosions. After the Israel-Hamas conflict began, there has been a continuous campaign of drone and missile assaults on commercial ships. These strikes represented the first military reaction by the United States to this campaign. The coordinated military attack also occurs barely one week after the Houthis were given a final warning to stop their attacks or risk possible military action by the White House and its allies. Under the condition of anonymity to talk about military activities, the officials confirmed the strikes. Congressmen were briefed on the strike plans earlier on Thursday. Attacks ceased for several days, suggesting that the warning had at least some temporary effect. However, on Tuesday, the Houthi rebels launched the most drones and missiles they had ever fired at American and British ships as well as American fighter jets, targeting shipping in the Red Sea. In response, the American fighter jets shot down two cruise missiles, an anti-ship missile, and eighteen drones. Additionally, a commercial ship saw the Houthis launch an anti-ship ballistic missile into the Gulf of Aden on Thursday, but the ship was not struck.

CONCLUSION

Based on the results of this research, it can be concluded that The Red Sea's strategic importance as a major trade route connecting the Middle East with Asia and Europe has come under significant threat due to recent Houthi attacks on commercial Israeli ships. These attacks, launched in response to the intensified conflict in Gaza, have destabilized regional security and disrupted global shipping. The rerouting of vessels to avoid the Red Sea has led to increased shipping costs, longer delivery times, and potential inflationary pressures. Despite military interventions by the US and its allies, the Houthis' ongoing assaults continue to jeopardize the safety of maritime trade in this critical region, impacting global trade flows and raising serious concerns about energy security and international commerce.

REFERENCES

- Amani, N. K. (2023, Desember 20). *Pemerintah Harus Waspadai Krisis Logistik di Laut Merah*. Retrieved Februari 22, 2024, from liputan6.com.
- Amani, N. K. (2024, Januari 19). *Alasan Mengapa Laut Merah Jadi Jalur Maritim Perdagangan Terpenting Dunia, Dilindungi AS Hingga Jadi Alat Serang Israel*. Retrieved Februari 22, 2024, from liputan6.com.
- AS dan Inggris bombardir Yaman imbas serangan pemberontak Houthi di Laut Merah – Bagaimana dampak serangan ini bagi perdagangan global?* (2024, Januari 12). Retrieved Februari 22, 2024, from bbc.com.
- AS dan Inggris halau serangan Houthi terhadap kapal-kapal di Laut Merah, bagaimana dampak serangan ini bagi perdagangan global?* (n.d.). Retrieved Februari 22, 2024, from bbc news indonesia.
- Blanchard, C. M. (2024, Januari 31). *Houthi Attacks in the Red Sea: Issues for Congress*. Retrieved Februari 22, 2024, from CRS Reports <https://crsreports.congress.gov/product/pdf/IN/IN12301/2>
- Chang, A., Robles, P., & Bradsher, K. (2024, Januari 21). *How Houthi Attacks Have Upended Global Shipping*. Retrieved Februari 22, 2024, from the new york times.
- DK PBB bahas serangan Laut Merah di tengah risiko meluasnya krisis Gaza*. (2024, Januari 4). Retrieved Februari 22, 2024, from Wartabuana.
- Dunn, Jason & Leibovici, Fernando (2024, February 15). *Shipping Disruptions in the Red Sea: Ripples across the Globe*. Retrieved Februari 22, 2024, from jasontdunn.com https://jasontdunn.com/files/stlouisfed.org_on-the-economy_2024_feb_shipping-disruptions-red-sea-ripples-globe_print=true.pdf
- Dzulfaroh, A. N., & Diahwahyuningtyas, A. (2024, Januari 24). *Mengenal Laut Merah, Jalur Penting Perdagangan Dunia yang Jadi Medan Pertempuran Houthi-AS*. Retrieved Februari 22, 2024, from kompas.com.
- Houthi Serang Kapal di Laut Merah, Apa Dampaknya Bagi Perdagangan Global?* (2024, Januari 12). Retrieved Februari 22, 2024, from detikNews.
- Karimanal, I., Aqid, Rusmiya., Tang, Shelby., Darr, Trevor., Clark, Harry., Karthikeyan, Sanjay., Kang, Irene (2024). *Houthi Rebel Attacks in the Red Sea*. Retrieved Februari 22, 2024, from Institute for Youth in Policy <https://yipinstitute.org/>
- Morgan, S. (2024, April 9). *Beyond Conflict: The Ripple Effect of Houthi Attacks in the Red Sea*. Retrieved from Georgetown Security Studies Review: <https://georgetownsecuritystudiesreview.org/2024/04/09/beyond-conflict-the-ripple-effect-of-houthi-attacks-in-the-red-sea/>
- Penyelesaian Konflik di Laut Merah Perlu Keterlibatan Global*. (2024, Januari 17). Retrieved Februari 22, 2024, from nu.or.id.
- Planasari, S. (2023, Januari 13). *Hindari Serangan Houthi di Laut Merah, Kapal Kargo Klaim Gunakan Kru dari Cina*. Retrieved Februari 22, 2024, from tempo.
- Puspapertiwi, E. R., & Nugroho, R. S. (2024, Januari 14). *AS-Inggris dan Houthi Yaman Saling Serang di Laut Merah, Apa Dampaknya bagi Indonesia?* Retrieved Februari 22, 2024, from kompas.com.
- Sugiyono. 2013. *Metodelogi Penelitian Kuantitatif, Kualitatif Dan R&D*. Bandung: Alfabeta.
- U.S. and British Militaries Launch Massive Retaliatory Strike Against Iranian-Backed Houthis in Yemen. 2024, Januari 11. Retrieved Februari 22, 2024, from www.pbs.org