

Tortuga of the Red Sea

Maritime Insurgency at the Global Junction

Jahangir E. Arasli

“Surprise has a stunning effect.”

– The Field Manual of the Red Army, 1939

The end of 2023 pinned another flashpoint on the map of the forming global conflict. The crisis in the Red Sea, initially considered just an extension of the ongoing war in Gaza, suddenly acquired its own visible dimension after the Yemeni Houthi movement unleashed a maritime insurgency upon one of the world’s critical junctions. The ensuing effects of that action go far beyond the region, evolving to the level of a distinct international problem and distressing global trade and logistics.

This IDD Analytical Policy Brief discusses the different aspects of the developing dynamics of the Red Sea crisis and its miscellaneous impacts on the already volatile world economy and the geopolitical situation. Besides, the brief analyses the capabilities that the Houthi movement could commit to action, as well as the countermeasure options available for the concerned international actors to mitigate the Houthi challenge and the associated risks.

A Strait in Dire Straits: How the Houthis Stole Christmas

For almost a decade, Yemen has remained a failed state with no single ruling authority. It is a battleground for various tribal actors engaged in the endless civil war. It is a stage for the proxy conflict between regional powers (Saudi Arabia, the UAE, and Iran) and subsequent foreign military interventions. Furthermore, it is the site of one of the most calamitous humanitarian crises in the world.

Jahangir E. Arasli is Senior Research Fellow at the Institute for Development and Diplomacy (IDD) of ADA University and a former Adviser on International Issues in the Ministry of Defense of Azerbaijan. The views and opinions expressed herein are solely those of the author, who may be contacted at jangir_arasly@yahoo.co.uk.

The most powerful actor in the Yemeni conflict is the Houthi movement (a.k.a. the Ansar Allah movement), which claims to be the “legitimate government” of Yemen. This entity represents the Shia community (roughly one-third of the overall population) and therefore is often viewed by analysts simply as an Iranian proxy; however, despite the existence of relations with Tehran, the movement follows its own domestic agenda. The Houthis control the capital city of Sanaa, nearly 35 percent of the national territory, and some 75 percent of the Yemeni population. Their zone of control includes the entire coastal area adjacent to the Red Sea and the strategic Bab el-Mandeb Strait, and this fact is exceptionally relevant to the subject of this analysis. The movement maintains a substantial military force, which merges the tribal militia and the bulk of the former regular armed forces of Yemen. Their aging capabilities based on Soviet-made weapons were impressively upgraded in the past decade through military technology reportedly delivered from Iran and North Korea.

After the Hamas terrorist attack of 7 October 2023, the Houthis issued statements of unconditional support. On 19 October 2023, their military forces switched to direct engagement, starting to launch cruise missiles and long-range drones against Israel. Those attacks caused no damage beyond propaganda effects, as all incoming projectiles were intercepted and destroyed. Yet the real surprise came one month later.

On 14 November 2023, Ansar Allah’s leader, Abdul-Malik al-Houthi, issued a warning stating that his military forces would interdict Israel-related commercial shipping in the Red Sea. Five days later, Houthi forces performed a spectacular heliborne rope-boarding operation, hijacking the *Galaxy Leader* container vessel and forcing it to dock at a seaport under their control. In the following weeks, the Houthis upped the ante, targeting selected merchant ships with the assorted missiles and loitering munitions, or tried to seize them outright. As of 24 December 2023, there were no less than 20 such recorded incidents in the southern part of the Red Sea, the Bab el-Mandeb Strait, and even in the northern part of the Arabian Sea. The Houthis’ selection of target criteria is still not clear: are they attacking indiscriminately or focusing only on vessels related to Israel and Western countries? Yet, although some of those strikes were successful, not a single vessel was destroyed (some just sustained controlled damage). Equally, none of the crew members were hurt, although 25 were taken hostage.

However, despite the fact that the physical destruction caused by those attacks is quite limited, the *disruption* effects are extremely high. The Bab el-Mandeb Strait, a 26-km-wide chokepoint connecting the Indian Ocean with the Red Sea (and, most importantly, the Suez Canal), is one of the most vital waterways in the world. An estimated 12 to 14 percent of the global trade turnover proceeds through that crucial gap. More specifically, the strait serves between 20 percent and 30 percent of the global container traffic, 10 percent of other dry cargo movement, and 8 percent and 10 percent of the transportation of oil and liquefied natural gas (LNG).

After the gravity of the situation became clearer, the psychological effects of the Houthi attacks came into full force. At this moment, 7 of the world's 10 top shipping operators (including Maersk, Evergreen, CMA-CGM, MSC, and Hapag-Lloyd) have ceased or restricted their navigation in these hazardous waters. Those enterprises control 63 percent of the global maritime industry. This has meant that the peak Christmas season's retail goods, including ordered gifts, did not arrive timely to the customers. However, the long-term stakes extend much further than a spoiled holiday for consumers in the West.

Daisy Chain: Delayed Geoeconomic and Geopolitical Consequences

The spiraling chaos in the Red Sea has generated a panic in the maritime industry and effectually excludes the area from global economic activity. Each day, some 100 commercial vessels are diverted to other longer routes in order to dodge the Houthi quasi-war zone. The only available option to sail to European destinations is around the African continent. The route from Singapore to Rotterdam with the use of the Red Sea is 8,440 nautical miles; however, now it will take 11,940 nm to sail via the Cape of Good Hope. Equally, the distance between Rotterdam and Mumbai would increase by an additional 4,000 nm. It takes, on average, 10 to 14 additional days to circumnavigate Africa. That condition causes delayed commodity delivery and increased fuel consumption, which in turn imminently raises the price tag for transportation services. Since early December 2023, container freight rates have increased by 18-45 percent, depending on the cargo's final destination point. The war risk has seen insurance rates spike, too (for the Israel shipping lines or Israel-bound vessels, up to 200 percent). Many sides are affected; for instance, Greece, which operates the largest merchant fleet, or Russia, whose reflagged "grey" tankers carrying the sanctioned oil to India would now have to cover the longer sea route.

The Bab el-Mandeb Strait should not be treated separately from the Suez Canal. The vast majority of commercial vessels passing the strait are also transiting the canal, and vice versa, while only a minor part makes port calls on the Red Sea proper. An illustration of the Suez Canal's significance: the world economy lost \$400 million every hour, when a container ship owned by China accidentally blocked the passage in 2021. Additionally, the current Red Sea crisis coincides with complexities surrounding another vital chokepoint: the Panama Canal, which serves 5 percent of the world's maritime traffic. The limitations on ship movements caused by a drought that shallows this waterway have also created a bottleneck.

Next is energy security. In total, 7 million barrels of oil pass through the Bab el-Mandeb each day, in addition to a large quantity of Qatari LNG exports to Europe. BP has already restricted its operations via that strait. In the case of a total blockade of the Red Sea, the consumption of fuel by ships circumnavigating Africa would cost

an additional \$7 million per day. No doubt, the energy markets will react with higher prices if the current situation persists much longer.

Now, onto the political and security implications. Beyond Israel, which is partly hurt by the situation but still has its Mediterranean ports operational, the emerging situation starts affecting Egypt, which remains economically dependent on the Suez Canal's transit fees. Over 18,000 vessels pass the canal each year, providing Egypt's treasury with \$8 to \$10 billion annually. Given the inherently fragile domestic situation, the financial loss from the declined traffic could affect the national economy and eventually lead to social and political instability. Similarly, internally volatile Jordan, which has its narrow maritime access limited to the Red Sea only, would suffer economically too. The unintended consequences of the Red Sea imbroglio may ricochet on the security and stability of other countries.

As the Red Sea crisis is open-ended, it is premature to assess its actual damage to world trade and logistics. One can only say, at this point, that if the crisis persists for a longer time, the global economy—which still has not fully recovered from the impacts of the COVID-19 pandemic—will be gravely affected.

Meanwhile, certain international actors are already seeking ways to capitalize on and benefit from the developments. Four alternative multimodal routes appear promising. The first is the International North-South Transportation Corridor (INSTC), essentially connecting Russia with the Indian Ocean via Azerbaijan (or the Caspian Sea) and Iran. Another is the Northern Sea Route (NSR), linking China and the other Far Eastern countries with Europe through the Russian Arctic waters. Then, there is the Middle Corridor (formally known as the Trans-Caspian International Transportation Route, or TITR), linking China and Europe via Central Asia, the Caspian Sea (again!), Azerbaijan and Georgia, and the Black Sea. Finally, the still abstract India-Middle East-Europe Corridor (IMEC)—whose projected overland leg would bypass the Red Sea—could (paradoxically) materialize sooner in the current conditions. All of the mentioned options have structural disadvantages, though; in particular, the NSR functions in the summer only, its infrastructure is underdeveloped, and the available icebreaker fleet is not sufficient. Furthermore, the shadow of geopolitical rivalry is affecting the state of affairs, providing no alike alternatives to the Red Sea route anytime soon.

Capabilities Matter: Pirates with Missiles and Drones

The Houthis may remain an archaic tribal society, but the weapons arsenal in their possession that they could commit to the disruption of the Red Sea maritime route is impressive. They operate the set of uncrewed surface vehicles (USV), unmanned aerial vehicles (UAV), loitering munitions (a.k.a. kamikaze drones), and shore-based surface-to-surface missiles (SSM), which were already in use during the current crisis. For the first time, the Houthis also used an Iran-made anti-ship ballistic missile with an electro-

optical guidance system. The “mosquito fleet,” resembling the well-known Italian *Decima Flottiglia MAS* of the Second World War period, has supplements those strike capabilities. It consists of dozens of speedboats, including those manned by suicide crews, and is fitted for swarming attacks or shipboarding. Add to that the sea mines that can be planted from traditional sail fishing dinghies infesting the local waters and the coastal surveillance network monitoring the maritime traffic through the Bab el-Mandeb.

The most sophisticated assets in the Houthis’ arsenal reportedly comes from Iran. It is not clear what Ansar Allah’s role is in Tehran’s grand strategy vis-à-vis the current crisis. Still, Iran has never concealed its affinity to the Houthi movement; on the contrary, it openly stresses its material and political support for them. On 19 December 2023, Rear Admiral Alireza Tangsiri, the Commander of the Islamic Revolutionary Guards’ Navy, stated that Iran backs the Houthis and is establishing a maritime wing of the Bassij militia in the Persian Gulf that will extend its operational outreach “up to Tanzania.” This new entity most likely would operate a fleet of disguised merchant vessels and fishing boats, akin to the Chinese maritime militia model. A preponderance of the publicly available evidence indicates that the Iranians prefer to operate in the “hybrid” expeditionary settings in the Arabian and Red Seas instead of entering into direct confrontation with superior Western navies deployed in the area. That mode does not exclude episodic kinetic actions: at least in three recent cases, kamikaze drones launched from what are reputed to be Iranian “arsenal ships” that targeted Israel-related merchant vessels in the northern part of the Indian Ocean, one of which sailed just 200 nautical miles off the coast of India.

Prosperity Guardian: Tough Mission, Hard Choices

The West established its permanent multinational naval presence in the region in the early 2000s. As the current crisis unfolded, the U.S. and French warships deployed in the Red Sea were able to intercept effectively all but one missile and drone targeting commercial shipping in the area. Yet, it appears not to be enough. On 19 December 2023, the Biden Administration established a “coalition of the willing” to conduct a maritime shipping protection operation dubbed “Prosperity Guardian.” The generation of forces is in progress, with several extra-regional countries already confirming their contribution (plus Saudi Arabia, the UAE, Egypt, and Jordan, which would engage tacitly but actively), without necessarily accepting direct American command authority. A U.S. Navy aircraft carrier strike group is already “haze gray, underway” in the operational area. Still, political complexities surround this effort, as European states indicate their cautiousness (notwithstanding their membership in NATO).

The mission is tough, as Western decisionmakers apparently had not foreseen the advent of such a challenge on one of the key global sea lanes of communication in this context. A West-led (or, for that matter, a Saudi- or UAE-led) ground invasion to defeat the Houthi military capabilities is not a viable choice. Thus, the available

options are limited to aerial and missile strikes against shore-based Houthis' assets, escorting and defending commercial vessels, and a blockade aimed at the interdiction of Iranian supplies by sea. Even in such settings, the operational risks are quite high, if Ansar Allah opts to react. The lessons learned from the Russo-Ukrainian naval war in the Black Sea indicate the vulnerability of big, expensive, and sophisticated warships, which could become the prey of cheap and improvised technological solutions and unorthodox tactics. For instance, a warship's close-in weapon systems could miss an incoming missile or an aerial or surface drone. Furthermore, the main Western operational naval base in Djibouti is well within the range of Houthi ballistic and cruise missiles. Any damage to the deployed naval task force, delivered by the Houthis, would cause a blow to the prestige of the United States and its allies. The ongoing civil war in Sudan and the potential revival of Somalian piracy pose two additional "side headaches" to the U.S.-led anti-Houthi coalition.

Meanwhile, in parallel to the naval buildup in the region, the soft-power track is activated too. Reportedly, the U.S. is asking China to reach out to Iran in order to halt the Houthis' anti-shipping activity. EU High Representative for Foreign Affairs and Security Policy Josep Borrel has also communicated several times with Foreign Minister Hossein Amir-Abdollahian of Iran for the same reason. So far, neither hard nor soft power has led to the cessation of the Houthis' actions.

Synopsis

- The unfolding crisis in the Red Sea has created a third strategic shock in the recent two-year period, following the war in Ukraine and the war in Gaza.
- This crisis represents another fundamental challenge to the world economy and global stability through the disruption of established logistics systems and supply chains.
- Such a development, from a long-term perspective, could contribute to the de-globalization and regionalization trends and the growing prominence of alternative logistical geography.
- Still, the strategic horizon of the crisis is short, as it is too premature to assess the unfolding scenarios at the current stage.
- In particular, it is not possible to define how far the Houthis (and Iran) are ready to go and what their bargaining chips are.
- Iran, the de facto Houthis' ally, is obviously cautious to escalate (putting aside its rhetoric) and will opt in favor of various hybrid options.
- The Houthi action represents a maritime insurgency by its execution whilst being a form of maritime piracy from a legal standpoint.

- Maritime piracy cannot be defeated on the sea, but only ashore, where its roots come from.
- As a military scenario of defeating Ansar Allah on the ground is not feasible, the only practical option left for the concerned states is the conduct of an expensive and exhausting protective maritime operation and the parallel search for political solutions (which are not in sight now).
- The Red Sea moment will remain on the radar screen of the international revisionist actors contesting Western claims to primacy in Ukraine, the Middle East, Africa, and elsewhere in 2024.

In 1690, Lord Torrington, one of the top commanders of the Royal Navy, coined the doctrinal term “fleet in being”—a reference to a situation in which the mere existence of even a modest naval force can influence the strategic calculations and actions of an opponent. The Houthi non-state quasi-navy that has established what amounts to an anti-access area denial (A2/AD) zone at the critical crossroads of the globe’s maritime transport network has—for all intents and purposes—brilliantly implemented Torrington’s concept. The concerned parties must carefully study the lessons from that state of affairs, as the “black swan” of the Red Sea can recur in other parts of the world. This applies to the Caspian Sea too, as one of the parties indirectly involved in the discussed crisis is present there.