

Scale and Scope of the Houthi Threat to Shipping

ANIL JAI SINGH

Abstract

One defining feature of the Gaza and Ukraine conflicts is that despite both being localised continental conflicts and mainly restricted to their respective territories, their spillover into the maritime domain has had global implications that are impacting the smooth functioning of the global economy. This article examines the impact of this conflict on maritime global commons and brings out why securing the maritime global commons is extremely important. To do this there is a requirement to develop a coordinated multi-dimensional, multi-layered and multi-national effort to combat the threats to the international order at sea.

Introduction

The continuing political imbroglio in West Asia is showing no signs of abating. The world's half-hearted attempts at brokering a peaceful settlement or even a cease-fire is having no effect on Prime Minister Netanyahu's intransigence and single-minded determination to eradicate Hamas at any cost, irrespective of the humanitarian and material cost of the conflict. The US, as is its wont, is making the right noises but vetoing every attempt by the United Nations to force Israel's hand in accepting a ceasefire, however tenuous it might be. The continuation of this conflict is also encouraging other state-sponsored militant organisations in the region including Hezbollah in Lebanon and the Houthis in Yemen to wade into this quagmire and actively support the Palestinian (read 'Hamas') cause at

the behest of their sponsors. This is further destabilising the region.

One of the defining features of this conflict and also the Russia-Ukraine conflict is that despite both being localised continental conflicts and mainly restricted to their respective territories, their spillover into the maritime domain has had global implications that are impacting the smooth functioning of the global economy. In the case of the former, the effects of the Houthi attacks and the Somali piracy are already being felt and will only get further aggravated if this continues for much longer, whereas in the case of the latter, it has food security with the worst afflicted being the Global South. In the maritime domain, even a single incident, however inconsequential it may seem, can impact the global economy. On 23 March 2021, the grounding of the MV Ever Given in the Suez Canal had blocked shipping for five days or so, leading to losses estimated at almost US\$ 10 billion per day. In a restricted waterway such as the Bab-el-Mandeb, the economic losses due to prolonged disruption of shipping cannot even begin to be counted.

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The Threat at Sea.

It will soon be three months since the Houthis carried out their first attack on merchant shipping in the Red Sea in mid-November 2023 in support of the Palestinians in the ongoing Israel-Hamas conflict. This led to the launch of Operation Prosperity Guardian, a US and UK-led operation tasked with ensuring freedom of navigation and the safe passage of all shipping passing through the Red Sea–Bab el Mandeb Strait and the western Arabian Sea, the critical waterway connecting the Atlantic Ocean and the Mediterranean Sea to the Indian Ocean.¹ The responsibility of this lies with Task Force 153, which is one of the five Task Forces under the Combined Maritime Forces (CMF), headquartered in Bahrain and focuses on Red Sea security.

As this article is being written, the Houthi attacks on commercial shipping in the troubled Red Sea–Bab el Mandeb–Western Arabian Sea shipping route are continuing with unfailing regularity. MV Rubymar, a British-owned, Belize-flagged merchantman suffered a missile attack in the Red Sea on 18 February 2024, forcing the 24 crew members to abandon the ship, which is now reported

to be sinking. On 22 February 2024, MV *Islander* a British-owned and Palau-flagged merchant ship was targeted by two anti-ship ballistic missiles and was fired at by the Houthis from southern Yemen. The ship suffered minor damage although injuring one of the crew members. An Indian Navy destroyer was at hand to provide relief. It sent an Explosive Ordnance Disposal (EOD) team and a medical team on board to assist. The ship was soon on its way to its destination.

The more recent Houthi attacks have become increasingly lethal with their increasing use of anti-ship cruise missiles, anti-ship ballistic missiles, and other sophisticated systems. Perhaps the most worrying is the use of underwater drones, which was confirmed by the US Navy on 19 February. These technologies are available only in a few countries, thus confirming the involvement of state actors in the background. Vice Admiral Brad Cooper, the Deputy Commander of United States Central Command (CENTCOM), has confirmed the Iranian presence in Yemen alongside the Houthi militia. The presence of the Iranian spy ship *Behshad* in the Red Sea is suspected to provide the Houthis with real-time tracking and targeting data on the movement of merchant shipping through the area.²

While Operation Prosperity Guardian and the attempts to contain piracy continue, the increasing frequency and lethality of these attacks have led to the launch of the US and UK-led Operation Poseidon Archer,³ which has taken the counter-attack to the Yemeni mainland targeting Houthi military and missile facilities, though with limited success so far. This has led the Houthis to also include all American and British ships as possible targets, thereby raising the probability of an escalation into a wider conflict at sea. In fact, the Houthis have come dangerously close to attacking at least two US Navy destroyers (USS *Gravely* and USS *Carney*). The Houthis have also downed two MQ-9 Reaper drones with the Iranian-supplied 358 (Saqr), loitering Surface-to-Air missile (SAM). On 19 February 2024, the European Union Naval Force (EUNAVFOR) also entered the fray with the launch of Operation 'Aspides'⁴ to provide a robust capability to ensure freedom of navigation in the Red Sea.

India, despite being a full member of the CMF since November 2023, has chosen not to join Operation Prosperity Guardian but has been at the forefront in addressing the resurgence of Somali piracy in the western Indian Ocean and the Arabian Sea. Piracy, though seemingly less kinetic in comparison to the Houth-led maritime terrorism, is equally destabilising for global shipping. It had taken over 20 navies and more than five years to quell Somali piracy in this region between 2008 and 2013, though the Arabian Sea remained a designated 'High Risk Area' till 2022. In the present case, the unholy nexus between the

Houthi attacks and piracy has led to ships in the Bab-el-Mandeb and the Arabian Sea also being damaged by drone and missile attacks. India initially deployed five major surface combatants including three guided missile destroyers, raised it to 10, and then 12 soon thereafter. The drone attack on MV Chem Pluto, a little over 200 miles from Porbandar, that damaged the ship which had to be escorted to Mumbai, brought home the severity of this threat in India's neighbourhood, and the immediate need to not only protect shipping, but also to nip this problem in the bud.

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The Impact on Global Shipping

The immediate fallout of the first few Houthi attacks was the rerouting of ships, including some of the world's largest shipping companies like Maersk and Hapag-Lloyd, around the Cape of Good Hope, instead of transiting through the Suez Canal and the Red Sea. Besides the danger to the ships, the attacks also led to an exponential increase in insurance premiums which further deterred companies from sailing their ships through the Red Sea. However, going around the Cape of Good Hope increased the transit distance by almost 8000 kms, the sailing time by ten days or so, and led to consequent delays in delivering cargo, with an accompanying increase in costs and the disruption of global supply chains. The Red Sea is an important waterway with 12 percent of global trade, 30 percent of global container traffic, and 8 percent of global LNG passing through it.⁵ The Bab-el-Mandeb strait, which connects the Red Sea to the Arabian Sea is 18 miles wide at its narrowest, and ships transiting in either direction have to follow a traffic separation scheme. This limits their ability to manoeuvre and avoid an incoming attack, thus making them easy pickings for the Houthis. This route is the lifeline for the Indo-Pacific region, a majority of whose trade passes through it. With more than 60 percent of the global population resident in the Indo-Pacific and generating almost two-thirds of the global GDP, the safe passage of shipping in this interconnected world, where trade dependencies transcend traditional geographies, and resilient supply chains are a strategic imperative, is critical for countries across the globe.

Media reports suggest that traffic moving through the Suez Canal fell more than 60 percent in the three-week period from December 18 to January 7, compared to the corresponding period last year, while the number of containers

fell from 3.3 million to under 1.3 million. The UN Security Council Resolution 2722 on 10 January 2024, passed by a vote of 11 to 4, demanded that the Houthis stop attacks on commercial vessels in the Red Sea. At the recently-held Raisina Dialogue in New Delhi, Admiral Sir Ben Keyes, the First Sea Lord and Chief of Naval Staff of the Royal Navy, stated that as per the British Chamber of Commerce, more than one-third of British firms had been affected by the Red Sea crisis. Besides the disruption, the rapidly escalating costs of transporting cargo are equally a matter of concern. Prices of cargo transportation had jumped more than three-fold in the first two months between end-November 2023 and end-January 2024. An UNCTAD note of 22 February has warned that, "Recent attacks on commercial vessels in the Red Sea have severely affected shipping through the Suez Canal, adding to existing geopolitical and climate-related challenges facing global trade and supply chains," and goes on to highlight that the "full impact of higher freight rates will be felt by consumers within a year." Therefore, if this imbroglio continues, the global economy is going to face major headwinds.⁶

Impact on India

India is essentially a maritime nation with its destiny inextricably linked to the oceans. Its maritime credentials and its vantage location in the Indian Ocean are both, a strength and a vulnerability. With a coastline of 7516 kms (or over 13000 km if one includes its strategically-located island territories) and an Exclusive Economic Zone (EEZ) of more than 2 million sq. kms, its future sustenance and development is dependent on the sea. It straddles some of the most important sea lanes in the world and it has a powerful multi-dimensional blue water navy securing its maritime frontiers. These are its maritime strengths. However, it is the vulnerabilities that are a cause for concern. 90 percent of its trade by volume and more than 80 percent of its oil and gas travels over the sea. Its energy has not been adversely affected as yet because of the small percentage coming through the Red Sea, but in case the Iranian involvement becomes more obvious, or if Iran gets directly involved, there is a possibility of it disrupting the movement of tankers through the Straits of Hormuz. This would have a major impact on India's energy security as 60 percent of our oil and gas imports transit through the Persian Gulf. More than 50 percent of its trade also travels to and from its west. The threat to the safety of shipping was also discussed by Dr Jaishankar during his interaction with the Iranian Foreign Minister in Teheran in January 2024.⁷

The global disruption of shipping traffic is impacting India in much the same way as it is the rest of the region. Freight rates have increased more than three-

fold over the last few months, which will have a cascading effect on the economy. It is understood that exporters are holding back their shipments to the extent of over 25 percent,⁸ with large volume exports like basmati rice, pharmaceutical goods, steel, textiles and perishable goods amongst others being worst affected. The export of refined petroleum products has also reduced.⁹ The government has been

allaying the apprehensions of industry on the possible impact of this crisis on the Indian economy, but a prolonged stand-off does not augur well for India. As an Indian Ocean power and one of the few nations to have good relations with countries on both sides of the divide in West Asia, India must leverage its position to stabilise the region through engagement and through various bilateral, and multilateral mechanisms that exist in the region.

The Great Power Game

While a major part of the world is concerned about the economic effects of this crisis, the great power contestation continues. China, which wants to re-shape the future international order into one with 'Chinese characteristics' has stayed clear of any direct involvement, but its sympathy with the Houthis is evident from their declaration that Chinese and Russian ships will not be harmed, and in fact none have been. Apparently, ships passing through the region have been announcing the presence of Chinese crews on board over the AIS to avoid being attacked.¹⁰

The US too, has been acting in its own interest and has been vetoing the UN's call for a ceasefire. However, that notwithstanding, as a global superpower, it has intervened in addressing the Red Sea crisis. China is hoping that the US entanglement in West Asia and the Russia-Ukraine conflict will deflect attention away from its Indo-Pacific priorities and dilute its approach to the region. However, China, for all its pretensions of rivalling the US as a superpower still lacks the capacity, capability, and most of all the confidence to project its power in its 'far abroad.' Its parochial anti-US approach affects its objectivity and it often ends up supporting the wrong side as in this crisis. However, this is not to suggest that either side is acting selflessly, with both actively seeking to weaken the other in the region. West Asia is of particular interest to both. China has been

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China was quick to exploit. China became the world's largest net importer of crude oil in 2017; it is estimated that by 2040, about 80 percent of China's crude oil will be imported, with a major portion of it sourced from West Asia, including Iran. Given China's current growth trajectory, this increase from the 2019 figure of 67.43 percent will mean a substantial increase in quantity, the current economic headwinds notwithstanding. Hence West Asian stability and its presence figures prominently in the Chinese security calculus.¹¹

The impact of the Houthi attacks is affecting the maritime domain in more ways than one. Besides the threat to shipping, the safety of the undersea cables in the Red Sea region, which is critical for global connectivity, have also been in peril. It has been reported that, of the 16 fibre-optic cables in the Red Sea region¹² handling about 17 percent of data stretching across Europe, India and East Asia, at least one fibre-optic line has been severely damaged (connecting Egypt and Kenya) and there is suspected damage to at least another three.¹³ The Houthi intent to damage the sub-sea cables had been forewarned as a clear and present danger, and susceptible to attack in shallow waters, where depths are only 300 feet or so. The Houthis had earlier also posted a map of these cables and termed them as strategic. Repairing these damaged cables will also be a challenge because of the reluctance of cable ships to operate in troubled waters.

Coordinating the Response

Presently there are eight multinational forces besides independent navies operating in these troubled waters. Five of these are the Task Forces which are part of the 41-nation US-led CMF which also includes nine EU states. The US also leads the International Maritime Security Construct (IMSC) with the UK to secure the Straits of Hormuz. The EU in addition has three. These include Operation Atlanta which has been in the region since it was established to counter Somali piracy over a decade ago. The others are 'The European Maritime Awareness in

the Strait of Hormuz' Initiative (EMASoH) which has its Operation Agenor, launched in 2020 and the recent Operation Aspides launched in January 2024. Countries like China have a permanent naval presence with a base in Djibouti. In the earlier anti-piracy campaign, it coordinated closely with other navies but with its regional geopolitical ambitions, its priorities may have changed. Hence, it is essential to develop a coordinated response strategy and ensure the optimum deployment of substantial naval presence towards addressing a threat from this quarter

if it arises. However, this could also give rise to fresh geopolitical challenges. Multilateral mechanisms like the Indian Ocean Rim Association (IORA), the Djibouti Code of Conduct, and the Maritime Security Programme (MSP) of the Indian Ocean Commission should be leveraged to provide this coordination. For example, India has not joined Operation Prosperity Guardian in the Red Sea but has done a stellar job in addressing the resurgence of Somali piracy in the region. The deployment of its frontline ships and surveillance aircraft for maritime security operations in the Arabian Sea has ensured the safety of commercial traffic transiting through some of the busiest, most critical, and most threatened sea lanes in the world.

During the piracy crisis off Somalia in 2008, various mechanisms had been established to develop a coordinated approach, and navies, whether operating as part of a multilateral mechanism or individually (like India) had been able to develop a coordinated response to tackle the problem. Many of these are still active, though their engagement may have diminished since the decline in piracy. One of the most effective of these is the 'Shared Awareness and Deconflicting' mechanism (SHADE), which is an informal grouping of navies that was set up by the CMF and the EU.¹⁴ Since the framework still exists, it should be revived to address the current threat from maritime terrorism and piracy. The recent focus on information sharing to enhancing maritime domain awareness for addressing the multitude of non-traditional and transnational threats in the Indian Ocean region has led to additional mechanisms like the Information Fusion Centres across the Indian Ocean (including the IOR-IFC

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located in Gurugram, India). Similarly, the Maritime Security Centre Horn of Africa, (MSCHoA) provides information and is also connected to the operating navies The UK's Maritime Trade Office (UKMTO) has been very active in the current crisis in providing information on piracy attacks. The European Union-led capacity-building initiative CRIMARIO I (Critical Maritime Routes Indo-Pacific),¹⁵ established in the western Indian Ocean in 2014 has greatly enhanced information-sharing through its IORIS (Indo-Pacific Regional Information Sharing) platform¹⁶ which has linked many smaller regional mechanisms to offer a comprehensive picture.

Strategic Impact on India

From an Indian geopolitical perspective, the maritime dimension of this conflict will impact some major initiatives that have been taken in the recent past to engage more actively with West Asia. India's relations with the countries in the region are at their best ever, which need to be consolidated. The four-nation I2U2 mini-lateral (India, Israel, UAE, USA)¹⁷ focussing on multi-dimensional security including human, energy, food climate etc has the potential to become a driver for a secure order in the region. In fact, it is also being referred to as a Middle East Quad.¹⁸ During the G20 Summit held in New Delhi in September 2023, Prime Minister Modi launched the India-Middle East-Europe (IMEEC) corridor linking India to Europe through sea-land-sea connectivity.¹⁹ While it is being described as a counter to China's BRI, it is in fact a very significant geo-economic development in its own right. IMEEC is still at a very nascent stage so it is hoped that its further development is not stymied by the current conflict. The third important Indian initiative to consolidate its strategic presence in the region is the development of Iran's Chahbahar port which India has been progressing with Iran. This is also linked to the INSTC (International North-South Transport corridor) connecting Central Asia to the Arabian Sea.²⁰ The success of these projects will lie in India's ability to address the security challenges and the political divergences between various stakeholders.

Conclusion

The current Israel-Hamas conflict is showing very little signs of abating. In fact, it runs the risk of further escalation, particularly in the Red Sea-Gulf of Aden region. The simultaneous emergence of maritime terrorism and the resurgence of piracy is a matter of concern; the disproportionately major response of navies to contain it emphasises the gravity of the threat. The economic impact of this

conflict is already being felt on the global economy and will spiral exponentially if the smooth flow of global trade and energy continues to get disrupted. This is also not the first time that a non-traditional threat has posed such a risk to the global economy and it will not be the last. Securing the global commons is a public good. Hence the world has to put aside its narrow differences and parochial national interests and must develop a coordinated multi-dimensional, multi-layered and multi-national effort to curb this and other emerging threats to the international order at sea.

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Commodore **Anil Jai Singh** is a veteran submariner. He is the Vice President of the Indian Maritime Foundation and an Honorary Fellow of the National Maritime Foundation. Views expressed are personal.

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