

Houthis Emerge As Latest Threat To U.S. Control Over Global Shipping



Red Sea - Map:
en.wikipedia.org

01-25-2024. ~ *A powerful symbol of the U.S.-led global security order is increasingly under threat by the Yemeni rebel group. The lack of a robust international response has laid bare vulnerabilities as the U.S. attempts to shore up the world's maritime routes in the aftermath of the COVID-19 disruption to supply chains.*

On December 30, 2023, the Singapore-flagged Maersk Hangzhou, owned by Danish company Maersk Line, came under missile and subsequent boat attacks by Houthi rebels [in the Red Sea](#). The U.S. Navy responded by using helicopters to destroy three of the four ships used in the assault. Maersk, the world's [largest shipping company](#), immediately [announced](#) it was suspending operations in the sea indefinitely, rejoining [major Western shipping firms](#) and [energy companies](#) in redirecting shipping away from the region.

Houthi attacks have occurred regularly [since October 2023](#) after the group [declared](#) it would target ships associated with Israel. In response, Washington announced a task force on December 18—Operation Prosperity Guardian—to

combat the attacks, and [imposed sanctions](#) on Houthi funding networks, mainly linked to Iran. But the difficulty in securing the Red Sea's narrow waters and the bottleneck at the Suez Canal have laid bare the fragility of global shipping, with an estimated [20 percent decline](#) in ship traffic through the Red Sea in December 2023. Daily container vessel traffic through the Suez Canal [had meanwhile halved by early January 2024](#), compared to a year before.

The repercussions of redirecting shipping are being felt globally, with ocean cargo rates [skyrocketing](#) since the attacks began. By early January, the logistics company Freightos reported that rates for Asia-to-North Europe shipping had more than doubled to [above \\$4,000 per 40-foot container](#). By mid-January, the cost of sending a 24-foot shipping container from India to Europe and the U.S. East Coast had risen [from \\$600 to \\$1,500](#). Adding to the financial burden, surcharges ranging from \$500 to \$2,700 per container are anticipated, and rates for shipments from Asia to North America have also experienced significant hikes.

For those daring to navigate the Red Sea, insurance premiums have more than tripled from [0.2 percent to 0.7 percent](#) of a vessel's value per journey. Though consumers haven't yet felt the brunt of rising prices, the specter of inflation looms in the coming [weeks](#). The [anticipated domino effects](#) recall the aftermath of the 2021 Ever Given disaster, when a ship ran aground in the Suez Canal for six days, leaving a lasting impact that [reverberated for months](#).

The imperative for the U.S. in controlling and stabilizing threats to shipping is underscored by its commitment to global economic stability, [dollar-dominated international trade](#), and the leverage it gains over allies and adversaries. Being able to ensure or compromise the safe movement of other countries' goods and military vessels complements Washington's ability to enforce blockades and economic sanctions, as well as to respond quickly to global crises and combat terrorism and organized crime.

Despite the challenges in maintaining its influence, the U.S. has successfully dealt with threats to global shipping before. Multilateral safeguards like the [Combined Maritime Forces](#), consisting of dozens of countries under U.S. command, monitor the Middle East, and task forces such as the Combined Task Force 151 (CTF-151), [created in 2009](#), have successfully tackled specific threats such as Somali piracy.

[Since 2015](#), the Houthis have intermittently targeted ships in the Red Sea, but

their sustained campaign since October 2023 has raised significant doubts about the U.S. military's capacity to safeguard shipping. Operating out of Yemen, the Houthis employ a mix of missiles, radars, helicopters, small boats, and inexpensive drones, presenting a challenge as they lack substantial infrastructure susceptible to targeting. The use by the U.S. Navy of [\\$2 million missiles to intercept \\$2,000 drones](#) adds to concerns about the cost-effectiveness of its response.

Benefitting from Iranian logistical aid and driven by their steadfast commitment to the Palestinian cause, the Houthis have encountered minimal resistance from regional countries hesitant to escalate tensions. Following its eight-year campaign in Yemen, neighboring Saudi Arabia withdrew from the country and entered peace talks with the Houthis in 2022. Apart from tiny Bahrain, local partners of the U.S. have refrained from joining Operation Prosperity Guardian out of fear of being accused of supporting Israel. Even Egypt, which is witnessing [substantial losses in transit revenue](#) through the Suez Canal, has opted to stay on the sidelines.

The inability of the Saudi military, [bolstered by modern Western weapons](#), to overcome Houthi forces over the last decade by relying on air raids and drone strikes implies that a ground intervention may be necessary to effectively defeat the Houthis. Yet Washington lacks the resolve and influence to undertake such an effort. Notably, NATO allies, including France, Italy, and Spain, withdrew from Operation Prosperity Guardian to avoid being under U.S. command, leaving only a few core allies like the UK and Australia—the latter of which has sent [11 military personnel](#) to the region but no ships.

Meanwhile, other major powers have sought to conduct their own independent operations in the region. After [declining Washington's invitation](#) to join Operation Prosperity Guardian, the Indian Navy [began its own operations](#) in the region. China also [declined the opportunity](#) to join the multilateral coalition, and has also [distanced itself from U.S. messaging](#) on the crisis as it deploys its own military vessels to the region.

Failing to deter the Houthis will inspire others to test Washington's willingness to defend open shipping lanes. After [declining significantly](#) in recent years, Somali piracy [since increased](#) in 2023. Southeast Asia has also seen a steady rise in piracy over the [last few years](#), and there are fears [incidents could continue to rise](#)

with the U.S. distracted in the Middle East. Additionally, Iran has [seized Western ships](#) sailing through the region before and was accused by the Pentagon [in December 2023](#) of using a drone to attack a chemical tanker in the Indian Ocean.

The attacks and blowback from the conflict have reverberations beyond regional trade. In December 2023, Malaysia [closed its ports to Israeli ships](#), while Russian actions in the Black Sea have further [disrupted international shipping](#). Moreover, the situation could impact freedom of navigation exercises globally. Heightening tensions and [China's escalatory movements](#) in the South China Sea and Taiwan have stirred unease in the U.S., prompting [two-day talks](#) between defense officials from Washington and Beijing in early January ahead of Taiwan's recent election.

Russia, China, and Iran welcome the U.S.'s struggle to maintain control over sea lanes due to the Houthi threat, seeing it as an opportunity to exploit Washington's global standing. However, particularly in the case of China, they have also benefited from the stability that this system has provided to global trade, and viable alternative routes for overseas trade remain undeveloped and untested.

Amid the chaos, the Panama Canal, another crucial juncture for international shipping, faces disruptions from severe drought lowering water levels. As only a [limited number of ships](#) can navigate through, Washington's oversight in ensuring the uninterrupted flow of global sea lanes appears more precarious than it has been in decades. While options like [continued military convoys](#) and the rise of [private maritime security companies](#) are on the table, the Suez Canal's [eight-year closure](#) after the 1967 Arab-Israeli War remains an ominous reminder of what is at stake.

As Washington attempts to balance control with the risk of escalation, the Houthis have underscored the resilient influence of non-state actors in 21st-century geopolitics amid the resurgence of great power competition. The situation has become the latest litmus test for Washington's commitment to preserving access to global sea lanes, even as it pivots toward [friendshoring and reshoring economic policies](#) encouraging overland trade and manufacturing in North America.

As the 2024 election season unfolds and the enduring impact of Trump's "America First" policies persists, safeguarding global sea lanes may emerge as a pivotal topic in the upcoming election. Coupled with the unique challenges posed by the Houthis, mounting an effective and decisive response against the maritime threat

has so far proven elusive for the Biden Administration. Ongoing U.S. and UK airstrikes against the Houthis have [not prevented further attacks on shipping](#). The longer it takes to respond effectively, the greater the threat to the future of the current state of global supply chains and U.S. dominance of the world's waterways.

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