



By: Tomorrow's Affairs Staff

Is the Red Sea becoming a new epicentre for global logistics?



Statement by Admiral Vasileios Gryparis, Commander of the EU Aspides mission regarding the **increase** in traffic through the Red Sea to an average of 36 to 37 ships per day from August 2024, is a key indicator of the temporary recovery of one of the world's most important sea routes.

This news, published on 5 June, clearly marks the moment when international trade through this strategic corridor begins to return to normal after several months of significant disruption.

The Aspides mission is a European naval **operation** launched on 19 February 2024 under the auspices of the EU's Common Security and Defence Policy.

Its sole purpose is the defence and protection of civilian commercial ships in the Red Sea and surrounding waters from threats, primarily from attacks by Yemen's Houthi rebels.

The Houthi **attacks** began in November 2023, after which the passage of ships through the Red Sea and Suez Canal dropped to 20–23 daily passages, compared to the pre-conflict average of 72–75.

Wartime insurance premiums increased from around 0.7% of ship value before the conflict to 1% to 2% during the most severe attacks.

Due to the decline in traffic and regional tensions, the Suez Canal's revenues have **fallen** from \$10.25 billion in 2023 to \$3.99 billion in 2024.

In February, the EU voted in favour of **extending** the mandate of the maritime mission Aspides, which is tasked with protecting the trade route between the Mediterranean and Asia while monitoring illegal arms imports and sanctioned shipments of Russian oil.

Although the mission only has two to three ships at any given moment, it has so far protected 476 ships, shot down 18 drones, destroyed two remote-controlled boats, and intercepted four ballistic missiles.

Houthi tactics shift

The change in tactics by the Houthis at the end of May proves that the political and military dynamics in Yemen have yielded to pressure from international mediators from the USA and Saudi Arabia.

Following the ceasefire **agreement** of 6 May, the Houthis announced that they would no longer attack ships linked to the US or the UK but would only target ships "explicitly linked to Israeli ports or companies".

This means that ordinary commercial ships that have no connection to Israel are virtually eliminated from the risk of attack, while Israeli ships are still considered legitimate targets.

This change in tactics suggests that the Houthis have responded to pressure from US air and naval forces and Omani diplomats, but at the same time, they are trying to maintain their objective – economic pressure on Israel.

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However, the recovery is not yet complete. The average daily traffic of 36 to 37 ships is still less than half the level before the attack began, when between 72 and 75 ships passed through Bab el-Mandeb and the Suez Canal.

The limited capacity of the escort is causing additional bottlenecks, with ships sometimes waiting up to seven days to join the convoy.

Under normal conditions, around 12% of global maritime trade is diverted through the Red Sea and Suez Canal, which equates to around USD 9–10 billion in goods per day in the event of a disruption.

The rerouting around the Cape of Good Hope usually adds around two weeks to the voyage, with additional fuel costs of USD 200,000 to USD 300,000 per voyage.

In 2023, an average of 8.2 million barrels of

crude oil and derivatives per day were transported through this corridor.

Egypt has responded with a **discount**: from 15 May, the Suez Authority offers a 15 per cent discount on transit fees for container ships with a gross tonnage of at least 130,000 tonnes, and the discount will be valid for 90 days.

This measure will mitigate the short-term decline in revenue but raises the question of at what price and to what extent services should be charged under conditions of rising public debt.

Fragile ceasefire

From a security perspective, the ceasefire with which the Houthis have limited their attacks remains extremely fragile. Even the slightest excess could bring tensions back to their previous level.

Within Yemen's internal ranks, the various factions have different interests, which further complicates the implementation of the agreement.

The mediation efforts of the USA and Saudi Arabia are accompanied by Russian and Iranian networking with the rebels. Some of their weapons and financial support are linked to the Persian Gulf region.

Controlling the most important sea routes is important for political and economic security

Global interest in protecting shipping in the Red Sea is not diminishing. The United States and the United Kingdom will continue their joint operations as part of the Prosperity Guardian mission.

France and Italy are not in this coalition but are sending their warships as part of the European Eunavfor Aspides mission.

In addition, more than twenty countries are operating as part of the Combined Maritime Forces, whose main task is to prevent piracy and terrorism in this region.

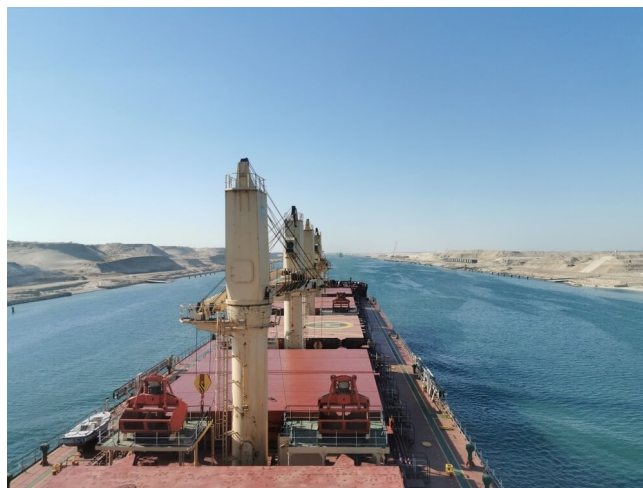
This multi-layered approach clearly shows how important the control of the most important sea routes is for political and economic security.

The road to stabilisation

Shipping analysts predict that the return of traffic to pre-crisis levels will take until 2026, while a partial improvement is expected in the second half of 2025 if escort and safety measures are significantly strengthened.

Without clear public forecasts, claims of five to six escorts and 60 to 65 ships per day remain overly optimistic.

The additional war premiums for a seven-day passage through the Red Sea have ranged between around 1% and 2% of the ship's value in recent months, compared to around 0.7% before the attack began.



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This means that insuring a ship worth USD 50 million costs between around USD 500,000 and USD 1,000,000, whereas before the crisis it was around USD 350,000.

The energy market will immediately come under pressure, as any interruption to the voyage of tankers transporting crude oil from the Persian Gulf to Europe will immediately lead to an increase in the price of oil per barrel.

Such **disruptions** require producers and regulators to react quickly to stabilise supplies and prevent further price shocks.

A new phase of global logistics is beginning, in which the Red Sea is no longer just a sea passage but is becoming an arena in which the interests of the major powers, security strategies and economic calculations are interwoven.

The changing tactics of the Houthis, the increased presence of international naval forces, and temporary economic relief in the Suez Canal are only the first steps on the road to stabilisation.

However, any new wave of attacks or weakness in the ceasefire agreement can quickly undo the recovery.

This requires constant monitoring of political pressure, security capacity development, and supply chain costs.

This crisis shows how closely the vulnerability of key transport corridors is linked to the global balance of power and the consequences of even a slight change in the security framework.