I Quaderni di Med-Or



Special Report

The Great Red Sea War

Conflicts, Chokepoints and New Strategic Corridors

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The Great Red Sea War: Conflicts, Chokepoints and New Strategic Corridors

Maps and charts: Med-Or analysis. Base maps: Natural Earth. Boundaries and areas of control shown on maps are approximate and indicative.

Executive Summary

DEVELOPMENTS

Today for the first time, both maritime gateways of the Arabian Peninsula are disrupted at once: at the time of writing, Iran has closed Hormuz, and the Houthi are contesting the Bab el-Mandeb.

The Houthi are often seen as Iran's proxy, but the Bab el-Mandeb crisis is not just an extension of the confrontation with Iran. Their July embargo on Saudi-linked shipping, their strikes on Saudi refineries, and their advance to within 80 km of Aden serve their own goals in Yemen's war. They are also helped by a rift between Saudi Arabia and the United Arab Emirates, once allies against them, which has left the anti-Houthi forces divided.

On the African shore, Somalia is splintering into foreign spheres of influence, with a political crisis and advances by al-Shabaab just as the country's international security umbrella folds. Sudan's war is in its fourth year: the army holds Khartoum and the Red Sea coast, the RSF is entrenched in Darfur, and an end to the conflict is not in sight. Ethiopia crushed a Tigrayan offensive in under two weeks, but victory has not ended the guerrilla war. To make matters worse, Addis Ababa and Asmara severed relations on 1 October, and an Ethiopia–Eritrea war is now widely seen as the region's most likely next conflict.

All this unfolds amid an El Niño-driven climate shock, deepening hunger, and a new Democratic Congress in Washington that may have lowered, though not removed, the risk of fresh US strikes on Iran. Yet the conflict itself remains unresolved, with no clear settlement in sight, and could last for the remainder of President Trump's term.

TRENDS

Six new trends are reshaping the region:

- **Spatial collapse.** Iran, the Gulf and the Horn now form a single theatre. Drones reportedly launched from Iraq shut down a Saudi pipeline feeding the Red Sea; the Houthi have links to al-Shabaab in Somalia; Russian satellite data and Chinese commercial imagery reportedly help guide Houthi strikes. Conflicts that once looked separate now feed one another.

- **Rival architectures.** The UAE has built a solid network of ports and corridors through local partners, from states to autonomous regions and non-state actors, with Israeli interests often intersecting along the same routes. Alongside it, a state-centred constellation in support of the status quo has formed around the Mecca Joint Defence Agreement, accompanied by Saudi Arabia, Turkey, and Pakistan, with Egypt in its orbit. Neither is a rigid bloc, and their members keep overlapping ties.
- **Unending conflicts.** No party is allowed to lose or win, patrons keep their partners fighting, and international diplomacy has lowered its sights from peace to ceasefires and humanitarian access. The era of peace agreements underwritten by large international financial packages and peacekeeping missions has passed.
- **Fragmentation as the new normal.** In the Horn and in Yemen, weak national governments face self-governing peripheries, and the revisionist powers backing them are winning. Spheres of influence are replacing states as the region's organising principle.
- **The return of chokepoints.** Waterways once treated as global commons are now instruments of coercion, within reach of states and militias alike. For insurers and shippers, this is a much more serious risk than piracy. A single strike can send an entire corridor's traffic around the Cape of Good Hope.
- **New corridors built around today's conflicts.** The Gulf states have shown that redundancy pays off: through routes that bypass Hormuz, they have spectacularly brought oil exports back to pre-war levels. Further south, Kenya and Tanzania are building their own corridors. Those trapped in conflict risk being bypassed for decades.

STRATEGIC SECTORS

This report focuses on three sectors where the shock strikes first and hardest: shipping, energy and undersea infrastructure. Its effects, however, reach well beyond them, into food security, migration, public finances and politics far from the region.

- **Shipping:** Ships that avoid the straits sail longer on costlier fuel; those that cross pay much higher war-risk premiums. Safe passage is now political, depending on whose flag a ship flies and who can negotiate for it. Suez revenue is at half its record level; in the Mediterranean, Gibraltar-side hubs win and the Eastern Mediterranean has become the end of the line. Italy's record port volumes come mostly from transhipment at Gioia Tauro, driven by ships rerouted around Africa, while the traffic serving the Italian economy itself stagnates. If Cape of Good

Hope routing becomes structural, Italian ports risk being downgraded to feeder stops.

- **Energy:** Saudi Arabia rerouted its crude to the Red Sea, only to see Jazan and the East–West pipeline hit and output fall in August to its lowest level since 1990, before recovering by switching routes again. The bypass needed a bypass. Egypt is again a net gas importer; Ethiopia exports power but imports fuel through a single corridor, and has had to ration it. True resilience means alternatives that do not fail at the same time.
- **Digital cables:** The Bab el-Mandeb carries more than 90% of Europe–Asia data capacity on underwater cables that cannot be buried in its rocky, partly shallow seabed, and a drifting anchor is enough to cut them. Africa has a single stationed repair ship, and repairs near the strait would require Houthi assent. If data-centre investment flees the Gulf for Southeast Asia, Africa risks being cut out of the AI economy.

TOP THREE RISKS

These are not forecasts. They are three negative scenarios, not necessarily the most likely, but conceivable and serious enough to plan for, listed from the most immediate to the slowest to unfold.

1. **A second front at Bab el-Mandeb (near to medium term).** Fresh US–Israeli strikes on Iran look less likely after the midterms, but with the conflict unresolved, they cannot be ruled out. If they came, they would end the Houthi's current restraint, possibly close both straits at once, send shipping back around the Cape of Good Hope and leave the Mediterranean, via Egypt's SUMED pipeline, as the only maritime outlet for Saudi crude. The worst case is a simultaneous shock to trade, energy and data.
2. **An Ethiopia–Eritrea war (short to medium term).** Abiy may choose to strike what he sees as the domestic insurgency's source in Eritrea. Even a swift victory could leave a vacuum on Eritrea's coast and its 350 islands, facing the Houthi across the strait, and draw in Egypt, Sudan and divided Gulf powers.
3. **A fractured Somalia (medium term).** Between the end of US funding for AUSSOM's logistics in December and the May 2027 election, an Afghanistan-like scenario becomes conceivable, with al-Shabaab gaining power in Mogadishu, whether through its insurgency or through a deal with the government, leaving a divided Yemen facing a fragmented Somalia across the Gulf of Aden, with no diplomatic off-ramp.

CONCLUSIONS

- **Reinforce Europe's presence at the Bab el-Mandeb.** Europe has already established a credible operational presence around the strait through EUNAVFOR ASPIDES and ATALANTA. As risks in the region multiply and shipping demands more protection, that presence must be reinforced, ASPIDES above all.
- **One security challenge, not two.** Hormuz and the Bab el-Mandeb cannot be secured separately: protecting one only shifts exposure to the other. Europe should contribute to a broader maritime security system with its Gulf partners, Hormuz included. It is in Hormuz that the principle of freedom of navigation has been broken by force, and it is there that it must first be restored.
- **Defend the old routes, join the new ones.** Protecting the Red Sea is not enough: as new corridors take shape, Europe can help build them. True resilience means new routes, not more pipes and cables along the same exposed lines, backed by rapid repair and support for Djibouti as the Red Sea's data gateway.
- **New infrastructure cannot substitute for political stability, nor can navies:** escorts protect ships, but only coastal governance and political settlements on both shores can secure the routes. Above all, renewed Riyadh–Abu Dhabi cooperation is the starting point for containing the Houthi and managing the Horn's conflicts, and would make European security cooperation with the Gulf more effective.

Introduction

Two and a half years ago, this title would have been excessive. Today, as conflicts on both shores converge into a single crisis, the Red Sea has moved towards a great war.

In March 2024, as Houthi attacks in the Bab el-Mandeb thrust the region into the centre of international attention, the Med-Or Italian Foundation published *The Red Sea and the Gulf of Aden: Dynamics, Main Risks and Key Considerations*. That report argued that the Horn of Africa, the Middle East and the western Indian Ocean had become bound together to a degree without precedent in the past century. The present report picks up where that analysis left off, and finds a region that has moved much closer to the edge.

Houthi attacks around the Bab el-Mandeb have escalated sharply in the past two months. What began as retaliation for the Gaza war between November 2023 and October 2025 has become part of the U.S./Israel–Iran conflict, with Saudi Arabia as its main target. Yet the Houthi are not merely an extension of Tehran: they pursue their own objectives in Yemen, and a settlement with Iran might ease pressure at Hormuz without ending attacks in the Red Sea. The Democratic sweep of the US midterm elections adds a new variable: a Congress with control over funding may constrain Washington's options from January, but it has not ruled out new strikes on Iran in the weeks before. Shipping, insurance and security costs are rising for everyone who uses this Europe–Asia–Africa route, and the Mediterranean's strategic relevance is at stake. On land, fighting has resumed in Tigray, Sudan's civil war has no settlement in sight, and Somalia is losing ground. Above all, a possible Ethiopia–Eritrea war could shape the regional order for decades or push the whole region over the edge. Hence our title.

A great Red Sea war is not fought on a single battlefield. It is a constellation of interconnected conflicts, each with its own actors, triggers and root causes, bound together by a wider contest for influence. Saudi Arabia and Egypt generally favour recognised governments and territorial integrity; the United Arab Emirates (UAE) has shown greater willingness to work through ports, local forces and sub-state authorities. The distinction is not absolute, but it helps explain why the same fault lines recur from Yemen to Sudan and Somalia. Turkey, China and Russia add further layers. Turkey is becoming a direct security actor through Somalia, Sudan and the Mecca Joint Defence Agreement with Saudi Arabia and Pakistan, invoked in October against Houthi attacks; China and Russia face allegations that companies in their

jurisdictions and Russian intelligence have aided the Houthi. At stake is not only freedom of navigation but the region's political order: whether it is shaped by recognised states, or by autonomous ports, corridors and armed authorities.

> **A great Red Sea war is not fought on a single battlefield.**

The crisis is also unfolding against a climate shock. A strong El Niño is bringing drought to parts of the Horn and floods to others, just as hunger deepens in Sudan and Somalia. Much of the region's food aid, fuel and fertiliser arrives by sea, so insecurity in the Red Sea and the Gulf of Aden does not only raise costs for commercial shipping: it delays and deters relief at the moment it is most needed.

Yet the Red Sea crisis is not only a story of war. It is also redrawing the map of economic corridors: energy, transport and digital. Because the Bab el-Mandeb sits at the heart of global trade, what happens there does not stay there; it reshapes trade flows worldwide from the Gulf to the Middle East and from the Mediterranean to the Indian Ocean, creating both risks and opportunities for the UAE, Saudi Arabia and other states. In the Horn and East Africa, countries that remain outside the conflicts, and that have the strategic vision and the instruments to plan ahead, may seize the opportunities. Those trapped in conflict risk losing the developmental progress they have made.

The same logic applies to Europe. Just as trade through the Mediterranean may contract, new avenues may be opening in the Gulf, the Middle East and Africa. European countries and companies can help build them, rather than leaving the field to Asian actors, and share in the returns. If the new corridors no longer pass through Europe, Europe must make itself relevant where they are being built.

This report therefore follows two lines of inquiry, which also define its structure: conflict and connectivity. It examines how political fragmentation and geopolitical disruption are weakening maritime security and giving rise to new strategic corridors across the Gulf, the Horn of Africa and, further south, along the East African coast to the countries of the Western Indian Ocean.

Chapter 01
Key Developments

1.1
Yemen

The confrontation around Bab el-Mandeb transcends the war between the United States, Israel and Iran. It is rooted in Yemen's fragmentation, the strategic agency of the Houthi, and a widening divergence between Saudi and Emirati regional approaches.

Between 2020 and 2025, Yemen was divided among several overlapping centres of power. The Houthi controlled Sana'a, Hodeidah and most of the north-west, including much of the Red Sea coast. The Saudi-backed Presidential Leadership Council (PLC) exercised uneven authority across central, eastern and southern Yemen. The UAE-backed Southern Transitional Council retained substantial influence in Aden and much of the south.

Oil- and gas-producing Marib formed another important centre. It remained under PLC-aligned authorities and forces associated principally with the Islah party (an anti-Houthi group affiliated with the Muslim Brotherhood), combining strategic energy assets, tribal mobilisation and one of the government camp's principal military positions in northern Yemen. By late 2025, however, Islah had become increasingly isolated as STC and UAE-supported forces expanded around its positions and supply routes. Along the western coast, the National Resistance Forces led by Tariq Saleh controlled territory around Mokha and the approaches to Bab el-Mandeb. Together with the STC and other UAE-supported formations, these forces, in addition to guaranteeing security along a crucial coastline, gave Abu Dhabi a presence across Yemen's ports, islands and coastal positions. This did not amount to uncontested control: the Houthi retained Hodeidah, while authority elsewhere depended on local alliances.

The Saudi-Emirati divergence became visible after the 2018 Stockholm Agreement, which halted the campaign for Hodeidah and froze a front on which UAE-backed forces had played a leading role, particularly in containing the Houthi. Consequently, the UAE reduced its direct troop presence in 2019 while retaining influence through local forces. The drawdown was discussed with Saudi Arabia, but it reflected a growing difference in priorities. The divergence deepened in November 2021, when UAE-backed Joint Forces withdrew from positions around Hodeidah towards Khokha and

Mokha. The forces argued that the Stockholm ceasefire had rendered their positions ineffective. The United Nations and the Yemeni government committee responsible for the agreement said they had not received advance notification. The Houthi rapidly occupied much of the vacated territory. The same fault line re-emerged when the STC advanced into Hadramout and al-Mahra in December 2025.

For Saudi Arabia, the eastern governorates are both a border-security buffer and a potential corridor to the Arabian Sea. Future pipelines or transport infrastructure could provide an additional outlet bypassing both Hormuz and Bab el-Mandeb. Any such project would face major political, security, financial and environmental obstacles. It would require local consent and agreements on sovereignty, governance and revenues. Its strategic logic nevertheless extends beyond immediate Saudi border security.

When the STC rejected Saudi demands to withdraw, Riyadh backed a counter-offensive that restored PLC control over the east and Aden. Tariq Saleh, who had initially supported the STC's advance, ultimately remained within the PLC and accepted its reconstituted authority. His forces consequently moved from Emirati sponsorship towards operational alignment with Saudi Arabia. The anti-Houthi camp was therefore reorganised rather than fully reunited. Riyadh gained greater influence, but the coalition remained dependent on forces with different command structures, territorial bases and political objectives.

The struggle for Mokha demonstrates the importance of this reconfiguration. The port is a military and logistical hub close to Bab el-Mandeb, while nearby Mayyun, or Perim Island, supports maritime monitoring. Mokha remained under Tariq Saleh's forces in August 2026 before being seized by the Houthi in September. Government forces subsequently reported retaking Mokha and parts of the Bab el-Mandeb coast in October with Saudi-led air support. The principal beneficiary of Yemen's divisions has nevertheless been the Houthi movement. Although its military capabilities remain closely connected to Iran, it increasingly acts according to its own political calculations. Its attacks on Saudi infrastructure and its July 2026 maritime embargo against Saudi-linked shipping reinforced Iranian pressure while also seeking concessions from Riyadh on the stalled UN roadmap.

At the time of writing, Houthi forces, now within 80 km of Aden, are trying to advance southward in an attempt to confront the internationally recognised government of Yemen, but it remains to be seen whether they will have the capacity to sustain their supply lines. Their strategy appears to be threefold: first, ending Saudi military operations in Yemen and easing Saudi restrictions on Yemeni ports and airports; second, using Saudi Arabia's economic vulnerability to pressure Washington

to ease or end its blockade of Iran; and third, strengthening their political position within Yemen.

Iran may not be the Houthi's only external enabler.

US officials have accused the state-linked Chinese company Chang Guang Satellite Technology of providing imagery used to target US and international vessels. The allegation does not establish that Beijing directed the transfer. The US Treasury has also sanctioned networks operating in Yemen, China, the UAE and the Marshall Islands for allegedly facilitating Houthi acquisition of missile, cruise-missile and drone components. Several China-based companies were accused of transporting military-grade material or arranging dual-use shipments.

Separate reporting has linked Russian satellite information to Houthi targeting of Saudi and commercial assets. An investigation covering 40 attacks between July and October 2026 identified recurring Russian satellite activity around targeted locations. Russian officials did not comment, while Saudi and Houthi officials said Russian-derived information had benefited Iranian-aligned forces. These allegations do not establish that Beijing or Moscow selected targets or commanded operations. They suggest that Houthi capabilities may draw on a wider network combining Iranian military support, Russian-derived intelligence, Chinese commercial imagery, and China-based procurement and dual-use technology.

A de-escalation with Iran would therefore not necessarily secure the Red Sea. The Houthi possess both the means and the incentive to use maritime insecurity for specifically Yemeni objectives.

The consequences extend beyond Yemen. Egypt regards instability at Bab el-Mandeb as a direct threat to Suez Canal traffic, while Saudi Arabia depends on the Red Sea as an energy outlet and source of strategic depth. Yemen's internal political order will therefore shape the security of the broader maritime corridor.

1.2

The Horn of Africa

If Yemen offers one lesson, it is that its politics, though shaped by the Gulf and the broader Middle East, resemble those of the Horn of Africa far more than those of its Arabian neighbours: a fragmented state, competing armed actors and external patrons dividing the territory into spheres of influence. Nowhere is this resemblance clearer than in Somalia.

Somalia faces three intertwined problems. The first is a de facto territorial and political fragmentation that increasingly follows the spheres of influence of external powers. The north, which holds Somalia's most strategic coastline on the Gulf of Aden, lies largely in the orbit of the UAE, which has long supported both Somaliland and Puntland. Israel has become a further patron in the north, starting with its recognition of Somaliland as an independent state in December 2025.

The centre, around Mogadishu and the federal government, is Turkey's sphere, built on its military base and training mission, the 2024 defence and economic cooperation agreement, and concessions for offshore oil and gas exploration. In the south, Jubaland has traditionally fallen within Kenya's sphere of influence, with the UAE now increasingly present, and lingering support from the U.S. Between them, South West State has become contested ground. This division is uneven. The UAE has secured the most strategic assets: the northern coastline overlooking the Gulf of Aden and the approaches to the Bab el-Mandeb. Turkey has invested in a federal centre that controls less and less territory, although its offshore concessions and military presence give Ankara long-term stakes in the country.

The second problem is a constitutional crisis at the centre. Since 2012, electoral delays have accompanied almost every presidential transition, but each was settled through a national consensus on how elections would be held. When President Farmaajo tried to extend his mandate without one in 2021, the move triggered clashes in Mogadishu and was reversed. Hassan Sheikh Mohamud's one-year extension, approved by parliament in March 2026, is the first to go ahead without the federal states' consensus, and the presidential vote is now set for 15 May 2027. Jubaland and Puntland have suspended cooperation with Mogadishu, and South West State is contesting federal-backed authority through armed operations around Baidoa, most recently clashing in late October 2026. No incumbent Somali president has ever won a second consecutive term. The old indirect, clan-based system was openly corrupt, but because it took place in the open, its results were hard to contest, and power kept changing hands. A new system imposed without consensus offers no such guarantee. In a world where losing candidates increasingly reject results, a contested outcome could unravel two decades of fragile state-building.

The third problem is al-Shabaab, the main beneficiary of this disarray. Its gains come just as Somalia's international security umbrella is closing. AUSSOM, the African Union mission in which Egyptian and Ethiopian troops serve side by side, faces a deep funding crisis, and the United States will stop supporting the UN office that provides its logistics after December 2026. Mogadishu is reportedly looking to Turkey or Saudi Arabia to fill the gap, but whether either will do so remains to be seen. Al-Shabaab has also found a partner across the Gulf of Aden. According to the UN Panel of Experts on Yemen, the Houthi supply it with weapons and training, including in

drones and explosives, while its (al-Shabaab) networks help move arms, and reportedly funds, towards Yemen. The same networks have fed the return of piracy: since late April 2026, six commercial vessels have been seized off Somalia and in the Gulf of Aden, against three in the previous fourteen years.

BOX 1.1

AUSSOM: Somalia's security umbrella

AUSSOM, the African Union Support and Stabilization Mission in Somalia, has an authorised strength of some 11,800 personnel, drawn mainly from Uganda, Ethiopia, Kenya and Djibouti, with Egypt due to join. Together with its predecessors, AMISOM and ATMIS, it has for almost two decades shielded Mogadishu and the federal institutions from al-Shabaab, which it drove out of the capital in 2011. Its troops depend on the UN Support Office in Somalia (UNSOS) for food, fuel, transport and medical evacuation. The United States, which covers about a quarter of the office's budget, has announced it will stop funding it. Uganda, the largest troop contributor, has already begun withdrawing.

Sudan remains the largest open conflict on the African shore of the Red Sea. Since recapturing Khartoum in March 2025, the Sudanese Armed Forces (SAF) have consolidated control over much of northern, central and eastern Sudan, including the Red Sea coast. The Rapid Support Forces (RSF) remain entrenched across much of Darfur and contest parts of Kordofan and Blue Nile, but the conflict is increasingly moving towards the RSF's western heartland.

The SAF is seeking to convert its recovery of Khartoum and central Sudan into a westward advance towards Darfur. The SAF is combining military operations with diplomatic and political campaigns. Internationally, the army-aligned government is seeking support through African and Arab institutions and the United Nations, while increasing pressure on alleged RSF sponsors. Domestically, the return to Khartoum allows the SAF-aligned authorities to present themselves as the country's effective government rather than a wartime administration based in Port Sudan. This effort includes support for a proposed Sudanese-Sudanese dialogue, which parts of the civilian opposition see as a way to turn the army's battlefield gains into political legitimacy.

The RSF, for its part, governs from Darfur, where its parallel administration in Nyala seeks to turn territorial control into a rival claim to government. Facing a wave of de-

1. UN Security Council Resolution 2809 (2025); The EastAfrican, "Somalia's peace mission faces collapse as US funding dries up," July 2026; Anadolu, "Uganda begins troop withdrawal from Somalia after nearly 20 years," Oct 2026.

fections to the army, it has created a new intelligence service to monitor its own commanders. Militarily, it holds most of Darfur and, with its ally the Sudan People's Liberation Movement–North (SPLM-N), continues to contest Kordofan and Blue Nile, where recent attacks have reached the state capital, Ed Damazin. Politically, it presents its Tasis coalition as an alternative government and seeks international recognition: in September, a Tasis delegation travelled to Burundi, which currently chairs the African Union (AU), to press for a seat in the peace process and to counter what it sees as the army's influence over the AU Commission. With the army pushing west, Darfur is becoming both the military centre of gravity and the principal test of Sudan's political unity.

Sudan has accused Ethiopia of allowing the RSF to launch drone attacks from Ethiopian territory against civilian infrastructure and power stations. Khartoum submitted complaints to the United Nations Security Council and the African Union Peace and Security Council. Ethiopia denies supporting the RSF and has accused Sudan of enlisting and assisting TPLF-linked rebels, an allegation Khartoum rejects.

Egypt and Saudi Arabia fear that a durable RSF-led authority in Darfur would institutionalise Sudan's fragmentation and create a Somalia-like system of competing authorities on the western shore of the Red Sea. Although Cairo and Riyadh do not hold identical views on Sudan's transition, both support its territorial integrity and recognised national institutions.

Sudan is also a theatre of the region's broader rivalries. Observers have accused the UAE of supporting the RSF, while Ethiopia, a close ally of the UAE, is also alleged to host an RSF base within its territory (both Abu Dhabi and Addis Ababa deny these reports). On the other hand, Egypt and Eritrea have been supportive of the SAF together with Saudi Arabia, including possibly via Pakistan.

The SAF's control of Port Sudan, with Egyptian support, has meanwhile preserved comparative stability along the coast. Unlike Yemen's contested shoreline, Sudan's Red Sea ports remain open to commercial navigation.

Egypt increasingly treats the Nile, Sudan and the Red Sea as interconnected strategic files. It regards Sudan's territorial integrity as strategic depth and sees Ethiopian maritime ambitions, Nile water security, and instability in the northern Horn as parts of the same problem.

Turkey has become directly relevant to the military balance through the SAF's use of Turkish-made Bayraktar Akıncı drones in Darfur and Kordofan. The systems have supported surveillance, strikes and aerial interception, although the RSF has reportedly shot down several aircraft. Available open-source evidence attributes Turkish-manufactured drones principally to the SAF and allied forces. It identifies RSF-

operated platforms of Chinese, Belarusian and Russian manufacture rather than Turkish systems. Turkey's role adds a Sudanese dimension to its rapprochement with Saudi Arabia and Egypt, but Ankara retains its own interests and important relations with Ethiopia.

Russia occupies a different position. Recent Sudanese-Russian discussions have reportedly focused on logistics, commodities, railways, and minerals rather than an agreed military presence. During Abdel Fattah al-Burhan's October 2026 meeting with Vladimir Putin, Sudan proposed a Russian economic zone on the Red Sea, storage facilities for wheat and fuel, railway cooperation and investment in gold, copper and other minerals.

No agreement establishing the zone was announced, and the public account did not mention a naval base. Port Sudan is thus being presented to Moscow principally as a commercial gateway to inland African markets. Such projects, if implemented, could nevertheless develop into strategic influence without formal military basing.

This is not the first time Russia has eyed Sudan. For Russia, a foothold on the Red Sea fits a wider effort to build a presence around the Mediterranean and to add pressure on Europe's southern neighbourhood, alongside the open front in Ukraine. For the SAF and its Islamist backers, courting Moscow is also a familiar tactic: raising the prospect of a Russian alternative to encourage Western support for, and recognition of, the army-led government.

Despite the SAF's gains, the decisive challenge remains political. An advance into Darfur would not by itself restore local legitimacy, reunify national institutions or disarm Sudan's armed coalitions. Equally, the survival of an RSF administration would harden Sudan's de facto partition, without any guarantee that it could become a viable order.

Sudan's future will depend not only on who gains territory but also on whether a modicum of legitimate national political authority can emerge.

Next door, South Sudan's transition is unravelling. In September, President Salva Kiir dissolved the unity government created by the 2018 peace deal ahead of elections due on 22 December, while his rival Riek Machar remains on trial for treason. A breakdown would add refugee flows and cross-border armed movements to Sudan's war, and South Sudan's oil, exported through Sudan to Port Sudan, ties its fate to the same Red Sea coast.

Ethiopia and Eritrea: If Yemen, Somalia and Sudan show a region fragmenting, Ethiopia shows it on the brink of a broader war. In September 2026, the Tigray People's Liberation Front (TPLF) and its rebel allies, newly formalised into the Ethiopian Peoples' Forces Coalition for Survival, known as Tsimdo, launched an of-

fensive against the federal government. The offensive failed, but it has brought Ethiopia and Eritrea to the edge of what could become the war of wars in the Horn of Africa. That war has not broken out, but many experts now see it as the region's most likely next conflict.

FIGURE 1.1

Ethiopia, Eritrea and the Tigray region



Source: Med-Or. Base map: Natural Earth. Boundaries are indicative.

The rebel coalition, long an informal network encouraged by Eritrea, is a marriage of convenience united largely by opposition to Abiy Ahmed. It brings together the TPLF, Amhara Fano and the Oromo Liberation Army, with the TPLF providing much

of the fighting force in September. The offensive collapsed in less than two weeks, as the Ethiopian army regained control of Tigray's main cities and roads and pushed TPLF forces into the countryside. The speed of the reversal, perhaps unexpected even in Addis Ababa, exposed a widening military imbalance. Federal forces now rely heavily on drones and modern military technology, while the TPLF remains tied to guerrilla tactics that depend on manpower and popular support, neither of which it commands as it did in 2020–2022. Yet defeat on the battlefield has not meant the end of the fighting. At the time of writing, TPLF forces have reverted to insurgency, and renewed clashes since mid-October in central Tigray and northwest of Shire suggest that, although the immediate threat to federal control has receded, Addis Ababa still faces a potentially prolonged guerrilla war.

The roots of the crisis lie in a peace that was never made. The 2022 Pretoria Agreement ended the Tigray war as a security arrangement between Addis Ababa and the TPLF, not as a political settlement, and it left out two of the war's key actors: Eritrea and the Amhara forces. Both have since turned against the federal government, while Ethiopia's renewed claim to access to the sea has revived Asmara's oldest fear. The allies of the Tigray war (Addis Ababa and Asmara) are enemies again, and the Red Sea coast is the prize.

Initial military gains have bred a dangerous temptation. For Addis Ababa, the insurgency's centre of gravity lies in Asmara, which has long relied on supporting armed movements in neighbouring states as its main instrument of influence, a record that earned it UN sanctions from 2009 to 2018. The conflict in Tigray and Amhara is no exception: Eritrean troops have been reported inside Tigray and elsewhere in Ethiopia on numerous occasions since the new round of fighting began. This may also be pushing Abiy to test Eritrea's readiness, amid growing reports of ENDF drones and new digitised mortars striking Eritrean positions.

Chapter 02
Key Trends

In March 2024, Med-Or's report on the Red Sea and the Gulf of Aden identified six trends shaping the wider region: the crisis of multilateral diplomacy; the resort to arms, rather than politics and negotiation, as the main instrument for seeking or bargaining for power; the spread of drones in fragmented and unstable states; the rise of minilateralism, with small groups of states, rather than international organisations, forming ad hoc alliances to broker solutions; economic default and mass famine; and the Gulf states' drive for economic diversification.

Two and a half years on, none of these trends has faded. All have been confirmed, and most have intensified. They are now compounded by six new trends, which this chapter examines: spatial collapse; diverging regional architectures; unending conflicts; state fragmentation and the redrawing of borders; the renewed weaponisation of maritime chokepoints; and the search for alternative economic corridors.

2.1

Spatial Collapse: One War Zone from Iran to the Horn

Iran, the Middle East and the Horn of Africa are increasingly converging into a single, densely interconnected geopolitical space, in which distinct conflicts feed into and reinforce one another. The underlying logic is not new. Throughout its modern history, the Horn of Africa has operated according to the principle that the enemy of my enemy is my friend: governments have routinely sponsored one another's rebels, and conflicts have frequently generated proxies across borders. What is different today is the scale, density and geographical reach of these entanglements.

The Horn's alliances and rivalries are becoming increasingly intertwined with those of the Gulf, Iran and North Africa, whose competing interests, in turn, feed back into the Horn. It is the degree of convergence within such a condensed geographic space, accelerated by instant communications, rapid air connectivity and advanced technologies rather than the logic of proxy competition itself, that is historically unprecedented. These have allowed conflicts and alliances to spread at a pace and scale previously unimaginable, thereby compressing time and distance.

These connections run in every direction, linking conflicts that might otherwise appear separate. The US–Israeli war on Iran has drawn Yemen into the confrontation, with Tehran mobilising its Houthi allies and turning the Bab el-Mandeb Strait into an additional source of strategic leverage alongside the Strait of Hormuz. Meanwhile, the rivalry between Saudi Arabia and the United Arab Emirates, which became increasingly visible in Yemen, has extended into the Horn of Africa, where the two powers pursue competing interests and cultivate different partnerships in Sudan, Somalia, Eritrea and Ethiopia.

Sudan's civil war illustrates how far these rivalries now extend. To the west, the conflict is connected to Chad and Libya through the supply networks that sustain the Rapid Support Forces (RSF). To the north and east, the Sudanese army's relations with Egypt and Eritrea link the war to a wider network of regional alliances. Further south, Somalia has become another arena of overlapping geopolitical competition, involving Turkey, the UAE and increasingly Israel, each pursuing different strategic interests. At the same time, Somalia's security is becoming more closely intertwined with developments across the Gulf of Aden in Yemen, through reported cooperation between al-Shabaab and the Houthi, cross-border arms trafficking, and the resurgence of piracy.

Ethiopia adds another dimension to this increasingly complex regional landscape. Its ambitions to secure access to the Red Sea, its relations with Somaliland, and its tensions with Eritrea and Egypt connect the Horn's territorial disputes to the wider competition for influence over the Red Sea. Access to ports, maritime trade routes, and strategic coastlines is becoming an increasingly important element of regional power politics, drawing external actors more deeply into the Horn's internal rivalries.

The result is a web of overlapping conflicts in which developments in one country can have consequences far beyond its borders. A confrontation involving Iran can disrupt maritime security off the coasts of Djibouti and Somalia. Fighting in Darfur can influence the strategic calculations of governments in Cairo, Riyadh, Addis Ababa, and Abu Dhabi. What were once relatively distinct arenas of competition are becoming parts of a much larger, interconnected regional confrontation.

The potential for these dynamics to extend beyond the Red Sea and the Gulf of Aden adds a further layer of complexity. To the west, the longstanding rivalry between Algeria and Morocco, centred on Western Sahara, is increasingly playing out across the Sahel and West Africa, while also intersecting with the geopolitical alignments of the Gulf and the wider Middle East. Morocco's participation in the Abraham Accords, Algeria's deteriorating relations with the UAE, and Algiers' support for the Sudanese Armed Forces illustrate how these seemingly distant arenas of competition can become connected. While this report focuses on the broader Red

Sea region, the emerging pattern suggests that its conflicts and rivalries could increasingly form part of a much wider belt of interconnected instability, stretching from Iran and the Persian Gulf, through Yemen and the Horn of Africa, across North Africa and the Sahel, all the way to the Atlantic Ocean.

2.2
Diverging Regional Architectures

Two competing but fluid regional constellations are emerging across the Red Sea. They are not equivalent or rigid blocs, and their members retain overlapping relationships.

The first centres on ports, maritime networks and alternative economic corridors, backed by support to the local partners needed to make them viable. UAE's relationships with Ethiopia, Somaliland, and other local authorities intersect with Israeli and Indian interests in connectivity between the Gulf, the Horn and the Indian Ocean. This is not a formal UAE-Ethiopia-Israel-India alliance. It is a network of overlapping partnerships built around logistics, investment, strategic coastlines and relationships with both governments and sub-state authorities.

FIGURE 2.1

Rival blocs: the Abraham Accords and the Mecca Defence Alliance



Rival blocs: the Abraham Accords and the Mecca Defence Alliance

- **Abraham Accords** — Normalisation with Israel, signed in 2020
- **Mecca Defence Alliance** — Mutual defence pact signed in Mecca, 7 August 2026
- **Egypt** — Not a member of the alliance, but closely aligned with its members
- **India** — Not a party to the Accords, but closely aligned with their members

Source: Med-Or analysis. Sudan signed the Abraham Accords declaration in 2021 but never finalised normalisation; Kazakhstan announced its accession in November 2025. Base map: Natural Earth.

The second has acquired a more explicitly state-centred character. The Mecca Joint Defence Agreement formalised a collective-defence commitment among Saudi Arabia, Turkey and Pakistan in August 2026. It built on the Saudi-Pakistani agreement of 2025 and is connected to a consultative mechanism that includes Egypt. Egypt is not a treaty member but increasingly operates within the same strategic orbit. The agreement responded principally to attacks by Iran and the Houthi and doubts about external security guarantees. Israel's recognition of Somaliland was not a demonstrated formal cause, but it reinforced Saudi and Egyptian concerns that recognition, port access, and security partnerships could institutionalise Somalia's fragmentation and expand rival influence around the Gulf of Aden. Turkey occupies a pivotal position. It is formally aligned with Saudi Arabia and Pakistan and has improved relations with Egypt, while retaining ties with Ethiopia and an extensive presence in Somalia.

2.3

Unending Conflicts

If the region's conflicts are compressed into a single space, they are also stretched across time. On both shores of the Red Sea, wars are neither won nor settled. Yemen's war is in its second decade, and Sudan's is in its fourth year. Somalia's insurgency has lasted for nearly two decades, and the unresolved confrontation between Ethiopia and Eritrea threatens to reopen. The war with Iran has added a further front stretching from the Gulf to the Bab el-Mandeb. Conflicts that might once have run their course now remain open side by side.

This marks a break with the past. Wars in the region used to end, either on the battlefield or at the negotiating table. In 1991 the Ethiopian Peoples' Revolutionary Democratic Front (EPRDF) and the Eritrean People's Liberation Front (EPLF) won outright and took power in Addis Ababa and Asmara. In 2000 the Algiers Agreement ended the war between Ethiopia and Eritrea, and in 2005 the Comprehensive Peace Agreement ended the war between Khartoum and southern Sudan. Today, no party wins decisively, and political settlements have dropped off the agenda. Diplomacy has lowered its sights to a ceasefire, and even ceasefires have become rare. The last to bring lasting relief to the region's own wars came in 2022, in Yemen and Tigray, and both froze those conflicts rather than ending them. The ceasefires agreed since then have been struck between outside powers, such as Washington and the Houthi in 2025 and Washington and Tehran in 2026. They protected the interests of those who negotiated them and left the wars on the ground untouched.

As brutal as it may sound, wars are no longer won largely because no party is allowed to lose, and once a war has lasted more than two years, it becomes difficult to stop or contain and highly likely to become unending. External patrons across the Red Sea have the money, weapons and reach to keep their partners in the fight, while armed actors under pressure can usually find new sponsors, supply routes or political protection. Drones, commercial satellite services and dual-use technology have also made long-range operations cheaper to sustain. The Western powers that once underwrote settlements, meanwhile, are absorbed elsewhere and have lost much of their leverage.

In the past, peace agreements were sustained by large financial packages and diplomatic leverage, offered as peace dividends, and by sizeable peacekeeping operations. That era has passed. The liberal international order is receding, development budgets are shrinking, and warring parties know that Western funds come with conditions, heavy bureaucracy, and long timelines that would not allow them to deliver to their constituencies in time. The regional powers that have stepped in as mediators are often parties to the rivalries themselves. Humanitarian pledges have become a moral substitute for the political leadership needed to end these conflicts. The consequence is that nothing in the system pushes towards an end. Over time, armed actors build administrations, revenue systems, and foreign ties that depend on the war continuing; so a ceasefire may halt the fighting without dismantling them.

Prolonged conflict is thus becoming a structural feature of the Red Sea order rather than a momentary major war followed by decades of new détentes. For external actors, Europe included, the immediate challenge is less the pursuit of peace than the management of instability: keeping sea lanes open, containing spillovers, and preserving channels for future settlements. The danger is that, as the international community grows accustomed to managing conflicts rather than resolving them, permanent instability gradually becomes an accepted feature of the regional order.

2.4
State Fragmentation and the Redrawing of Borders

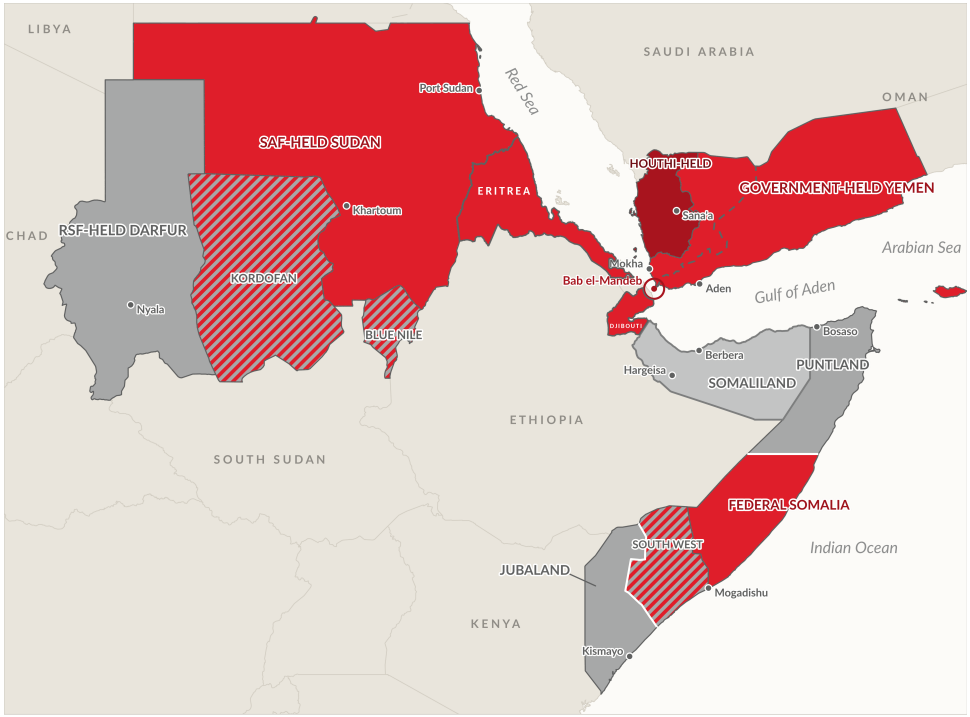
Prolonged conflict is dividing states into weak centres and increasingly autonomous peripheries. These are not autonomous regions in any constitutional sense, but they operate as self-governing de facto quasi-states, built around armed forces that answer to no central national authority. Yemen shows that fragmentation does not require formal partition: Marib, the western coast, Hadramout, and the south remain nominally aligned with the Presidential Leadership Council but are controlled by

forces rooted in different political movements, economic assets and external relationships.

In Somalia, Somaliland claims full independence, while Puntland and Jubaland operate largely outside Mogadishu's authority. In Sudan, the RSF's parallel administration in Darfur seeks to turn wartime territorial control into an alternative political order. Fragmentation is no longer treated only as a problem to be fixed. Local actors and their external partners increasingly accept it as a possible solution. Ethiopia is both part of the pattern and an exception to it. The presence of rebel groups in parts of the country fits the regional trend, but its revisionism also points outward, in a renewed claim to access to the sea that calls into question borders that had seemed settled since Eritrean independence.

FIGURE 2.2

The Red Sea today: fragmented states and spheres of influence



The Red Sea today: fragmented states and spheres of influence

De facto quasi-states and their backers

Central authorities backed by status quo powers

Houthi-held Yemen

Contested

Former border of South Yemen (1967–1990)

Source: Med-Or analysis, October 2026. Areas of control are approximate and indicative; front lines shift. Boundaries, including those of Somaliland and Puntland, are not authoritative. Base map: Natural Earth.

This shift reflects a contest between two approaches. On one hand, a revisionist approach works with the actors at the margins of states: the STC in Yemen, the RSF in Sudan, and Puntland and Somaliland in Somalia, the latter now also recognised by Israel. It builds influence through concrete military support, ports, and trade, often bypassing formal governments. On the other hand, a status quo approach emphasises the territorial integrity of existing states and their central institutions: the Yemeni government, the Sudanese army, the federal government in Mogadishu, and the sovereignty of Eritrea. The line is not absolute: status quo powers also work through local forces, while revisionist ones keep ties with governments. These diverging approaches are reflected in shifts between Middle-Eastern blocs, discussed in Section 2.2.

The balance is tilting towards the revisionists, which appear more dynamic and more willing to take risks. The status quo camp can still push back, but elsewhere it is defending states whose centres are weakening by the year, while the territories backed by revisionist powers increasingly look like the stronger entities on the ground. As borders once thought fixed become negotiable, spheres of influence are replacing states as the organising principle of the region. External patrons increasingly deal directly with local authorities, and each new arrangement makes the next one easier to justify.

2.5

The Return of Chokepoints

For decades, the region's chokepoints were treated as global commons, kept open by the naval power of the United States. The war with Iran has turned them back into weapons. For the first time, both maritime gateways of the Arabian Peninsula are disrupted at once: Iran has closed the Strait of Hormuz, and the Houthi are contesting the Bab el-Mandeb. What was once episodic wartime disruption has become the systematic use of waterways as instruments of coercion, and freedom of navigation can no longer be taken for granted.

The two closures are linked but not equivalent. Before the war, Hormuz carried about a fifth of global oil consumption, while the Bab el-Mandeb, a gateway for around a tenth of global trade, guards the southern entrance to the Suez route between Asia and Europe. Hormuz is a chokepoint bordered by sovereign states. It has been closed by a state using conventional military means, and its reopening can in principle be negotiated between governments. The Bab el-Mandeb, by contrast, sits at the heart of a maritime space, from the Red Sea to the Gulf of Aden, where non-state armed groups operate throughout. It is threatened by one of them, armed

with cheap drones and missiles, far harder to deter, and bound by no agreement. A deal with Tehran on Hormuz would not automatically stop the Houthi from threatening shipping in the Red Sea. Pressure on one gateway multiplies the value of the other. With Hormuz closed, Saudi Arabia has rerouted most of its oil exports through Yanbu, making the Bab el-Mandeb both the Kingdom's lifeline and the Houthi's most powerful lever to gain political legitimacy.

The Houthi's most lasting legacy may be the precedent they have set. They have shown that a non-state actor can hold a global trade route hostage, and win in the process the attention, leverage, and recognition that years of war on land had not delivered. The lesson will not be lost on the other side of the Bab el-Mandeb, where the coasts are home to armed groups such as al-Shabaab in southern Somalia and the Islamic State in Puntland. Since de facto independence in 1991, Eritrea has kept control of its long coastline and more than 300 islands through a highly-centralised security state and a policy of near-autarky. It has avoided meaningful commercial or military entanglement with outside powers. That model is becoming hard to sustain. Sooner or later Eritrea will have to open up to regional markets, and above all to Ethiopia. How that transition happens is unknown: it might be negotiated, forced by Ethiopian pressure, or brought on by the regime's collapse. Whatever the path, something will have to fill the gap the current system leaves behind. That includes the hardest task of all: securing and governing the coastline and its islands.

None of these actors would need the Houthi's organisation or staying power. In waters this sensitive, a single attack from the Horn could have consequences out of all proportion to its scale. Insurgents seeking legitimacy, regimes fighting for survival, and militias simply wanting to prove they exist could all turn to the same tactics. The Red Sea may face not one spoiler, but many.

The reason lies in how shipping calculates risk. Piracy off Somalia, however costly, is a risk the industry has learned to live with: pirates seize vessels to ransom them and their crews, and hostages are usually released at a price that can be absorbed. A missile or drone strike is different. It puts the lives of the crew, the first concern of any shipping company, directly at stake. The loss of a vessel can threaten the viability of even the largest carriers and would simply finish off smaller ones. Insurers price that difference accordingly. A single strike is enough to drive up war-risk premiums across the whole corridor and push operators around the Cape of Good Hope, whoever fired it and whether or not it is repeated.

Chokepoints have thus become weapons within reach of states and armed groups alike. Those who depend on them are drawing the obvious conclusion by increasing maritime defence, while trade looks for protection and ways around them. Yet chokepoint security can no longer be reduced to naval escort: it also requires gov-

ernance of the surrounding coastlines, shared maritime awareness, control of weapons and dual-use supply chains, and rapid infrastructure repair.[2]

Regional states are also building their own frameworks for maritime security, though these vary widely in membership, mandate and maturity (Table 2.1).

TABLE 2.1

Red Sea cooperation architectures: composition, mandates and status

Architecture	Composition	Principal mandate	Institutional status
Red Sea and Gulf of Aden Council (RSGA)	Saudi-led; 8 coastal states: Saudi Arabia, Egypt, Jordan, Sudan, Eritrea, Djibouti, Somalia and Yemen	Political, economic and development cooperation, maritime safety and environmental cooperation	Established in 2020; charter signed in Riyadh; not operational to date
Multinational Maritime Defense Coalition	Saudi-led; 43 countries attended founding meeting; final membership not fully established	Maritime defense: protecting shipping, freedom of navigation, energy supplies and maritime trade	Launched July 2026; membership and implementation evolving
Djibouti Code of Conduct / Jeddah Amendment	22 participating states; 19 Jeddah Amendment signatories	Counter-piracy, maritime crime, information sharing, law enforcement and capacity building	Active regional maritime security framework
IGAD Red Sea and Gulf of Aden Task Force	Three representatives per participating IGAD member state; 21 representatives reported in 2023	Common regional position, strategic policy, regional action plan and proposed convention	Established 2019; policy documents validated in 2023; has a Special Envoy for the Red Sea and Maritime Affairs

Comparative overview, November 2026. Source: Med-Or analysis.

2.6

The Search for Alternative Economic Corridors

War and the weaponisation of Hormuz and Bab el-Mandeb are accelerating the search for alternative energy, transport and digital routes. What began as an emergency response to insecurity is hardening into a longer-term effort to build alternative corridors.

2. M. T. Maru, "Setting the Scene: Why Maritime Security Begins on Land," in D. Ghanem, M. T. Maru, L. Narbone and C. Palleschi (eds.), *The Red Sea: Divided by Water, United by Opportunities – Pathways from Competition to Cooperation*, Middle East Council on Global Affairs, Mediterranean Platform (Luiss School of Government) and Pan-African Agenda Institute, Feb 2026.

The Gulf monarchies have shown how quickly states with capital and infrastructure can adapt. The UAE has diverted cargo from Jebel Ali to Fujairah and Khor Fakkan on the Gulf of Oman, and its pipeline to Fujairah allows part of its crude exports to bypass Hormuz altogether. Saudi Arabia has leaned on the East–West pipeline to Yanbu and turned its western ports into alternative gateways for commercial cargo. Further north, Iraq, Syria, and Kuwait are exploring land corridors and pipelines towards Türkiye and the Mediterranean, while operators are diversifying fibre-optic routes away from vulnerable submarine cables. Many of these projects are costly and uncertain, and none fully replaces shipping. But the lesson is clear: redundancy that looked expensive in peacetime is paying off in war. The results have been striking: despite the disruption of Hormuz, Gulf exports are back to pre-war levels. Yet the disruption of both maritime gateways demonstrates that no alternative is invulnerable.

Eastern Yemen could provide Saudi Arabia with a possible corridor to the Arabian Sea. Any route through Hadramout or al-Mahra would require local consent, security and agreements on sovereignty and revenues. Without these, a project intended to create resilience could deepen conflict.

In the Horn of Africa, the effects are deeply uneven. Countries weakened by conflict lack the means to adapt. Sudan is losing decades of investment as war destroys its infrastructure. Eritrea's insistence on economic self-reliance and its tensions with Ethiopia keep it outside the new regional connections.

Further south, a different geography is taking shape. Kenya, Tanzania and Mozambique, with ports at Mombasa, Lamu, Dar es Salaam and along the Mozambican coast, are well placed to attract investment in Indian Ocean gateways and the corridors linking them to inland markets. Djibouti, long favoured by its geography as Ethiopia's main gateway to the sea, is now suffering precisely because of it, as traffic through the Bab el-Mandeb falls. It is seeking ways to diversify its economy and become more cost-effective, to retain its relevance in the face of future competition from Berbera in Somaliland and, possibly one day, Assab. Ethiopia itself may be split between these two geographies: its centre and south drawn towards Djibouti, Kenya and the Indian Ocean, its northern highlands, once the heart of the Ethiopian state, set on a path of insecurity and marginalisation, unless Eritrea-Ethiopia relations and Ethiopia's access to the sea are resolved.

Trade does not follow political alliances. It follows infrastructure that works, investment that is protected and goods that move predictably. As a new economic map takes shape alongside the region's changing political map, territories consumed by conflict risk being bypassed not only today but for decades to come, because once

ports, railways, and pipelines are built elsewhere, exclusion is hard to reverse. The corridors of tomorrow are being built around the conflicts of today.

> **The corridors of tomorrow are being built around the conflicts of today.**

For Europe, the shift carries both risk and opportunity. The diversion of traffic away from the Red Sea and Suez threatens Mediterranean ports and the logistics networks tied to them. At the same time, the new corridors will need to be financed, built, operated and serviced, from ports and railways to energy and digital infrastructure, and Asian investors and operators are already competing for that role. In the new geography of the Red Sea, influence will belong not only to those who guard the old routes but also to those who build the new ones.

Chapter 03
Implications for Strategic Sectors

3.1
Maritime Trade, Shipping and Ports

The crises in Hormuz and the Bab el-Mandeb have made seaborne trade more expensive whichever way it goes. Ships that avoid the straits sail longer routes and burn costlier fuel; ships that cross them pay sharply higher premiums. These costs, however, are not shared evenly. They depend on which strait is affected, whose flag a ship flies, and which port it calls at, and they are ultimately paid far from the Red Sea, in the price of goods and energy in Europe, East Africa and beyond.

Through Hormuz, which used to carry about a fifth of global seaborne oil and LNG, daily transits have fallen from over 130 to roughly 10–20 vessels, and part of that traffic has been redirected towards the Red Sea and Suez.[3] The Bab el-Mandeb briefly benefited: in the summer, all major carriers (MSC, Maersk, CMA CGM, Hapag-Lloyd) announced a gradual return to the Suez route.[4] The renewed Houthi escalation since September has not stopped that return. Total traffic through the strait is still about a third of pre-crisis levels, with tankers largely absent,[5] but container lines have kept moving Asia–Europe services back to Suez: by late October, about 63% of Far East–Europe container capacity was deployed on services through the Red Sea.[6]

The two straits hit shipping in different ways. Hormuz plays only a partial role in Asia–Europe trade, mainly through Dubai's Jebel Ali transhipment hub. Its weight lies in energy, and therefore in the cost of shipping itself. A global shortage of very-low-sulphur fuel oil (VLSFO), the most widely used marine fuel, has pushed its price up by 62% to nearly 100% depending on the port.[7] The scramble for scarce tankers lifted average earnings for large carriers to a record of about $805,000 a day in October, against some $55,000 in 2025.[8] Shipping one cargo of US crude to Japan in

3. S&P Global, "Middle East shipping insurance costs rise on Hormuz risks: Marsh," 22 Jul 2026; S&P Global, "INTERVIEW: Marine insurers lose billions supporting Hormuz energy flows: IUMI," 23 Sep 2026.
4. Baraket, M., "Ocean carriers accelerate their return to the Suez Canal as transits gather momentum," Kuehne+Nagel, 4 Sep 2026.
5. Africa Center for Strategic Studies, "Houthi Leverage over the Red Sea Escalates Threats for Africa," 22 Sep 2026; The Red Team Analysis Society, "The Houthis, Bab el-Mandeb, and Maritime Transport," 8 Oct 2026 (IMF PortWatch data).
6. Alphaliner survey of 21 Oct 2026, reported in ChemAnalyst, "Container Lines Return to the Red Sea Despite Houthi-Saudi Escalation," 22 Oct 2026; The Loadstar, "Shippers stressing over risks from Suez Canal and Red Sea transits," 12 Oct 2026; Lloyd's List Intelligence, "Red Sea Brief – 1 October 2026."
7. AGBI, "Marine fuel price surge adds to shipping industry woes," Oct 2026.

November will cost $40.50 a barrel, about nine times last year's rate.[9] Tanker bottlenecks are expected to keep energy prices high in the near term.

The Bab el-Mandeb, by contrast, is a route shock. It is essential to trade between Asia and Europe and between East Africa and Europe, and avoiding it is costly. Rerouting around the Cape of Good Hope, the pattern set by the Houthi attacks of 2023–24, adds 3,000–3,500 nautical miles and 10–14 days to an Asia–Northern Europe voyage, and carriers must add on average two vessels to each loop to keep weekly services.[10]

For ships that still cross the straits, insurance has become the main barrier. War-risk premiums in the Red Sea peaked at 0.7–1% of a ship's value during the 2024 crisis, against 0.1% before it. After the Houthi declared a blockade on Saudi shipping in July 2026, they rose by a further 0.3 percentage points to over 1% of hull value within days.[11] In Hormuz, premiums jumped from 1–3% to 7.5–10% of hull value at the start of the crisis.[12] Naval escorts, by the US Navy around Hormuz and the EU's Aspides mission around the Bab el-Mandeb, have not brought them down substantially.

Risk has also become political. In 2024, some Chinese-linked vessels paid premiums of about 0.35% of hull value, against 0.5–0.75% for most other ships, after the Houthi said Chinese ships would be safe.[13] When the Saudi blockade was declared, two Chinese supertankers carrying Saudi oil crossed the Bab el-Mandeb within days, as Beijing held direct talks with the Houthi on safe passage. The UAE responded with state-linked cover: DP World launched cargo war-risk insurance of up to $400 million per shipment at below-market rates.[14] Safe passage increasingly depends on who owns a ship, who can negotiate on its behalf, and which states can quickly put additional cover in place for their shippers.

Whichever option carriers choose, the bill rises. In mid-October, shipping a 40ft container from Shanghai cost on average $3,522 to Rotterdam and $3,945 to Genoa, 3.4 and 2.9 times the levels of October 2023.[15]

The crisis is redistributing traffic among ports, and the pattern is consistent: ports close to safe routes gain, while those tied to the contested straits lose. Inside the Gulf, daily port calls fell by 86% in Kuwait and 69% in the UAE compared with pre-crisis levels.[16] Emirati and Omani ports just outside Hormuz gained instead. Khor Fakkan rose from about 8,000 to 65,000 containers a week,[17] and the UAE plans to

8. Seatrade Maritime, "Sky-high tanker rates change crude trade flows," 12 Oct 2026; Reuters (via Euronext), "Analysis-Oil shipping costs spike, lifting prices from pump to grocery," 15 Oct 2026.
9. Reuters (via Euronext), "Analysis-Oil shipping costs spike, lifting prices from pump to grocery," 15 Oct 2026.
10. CargoLinked, "Red Sea, Cape Routing and the 2026 Capacity Squeeze," 5 Aug 2026.
11. Africa Center for Strategic Studies, "Houthi Leverage over the Red Sea Escalates Threats for Africa," 22 Sep 2026; Insurance Journal (Reuters), "War Risk Insurance Costs Surge for Southern Red Sea Voyages After Houthi Attacks," 23 Jul 2026.
12. S&P Global, "Middle East shipping insurance costs rise on Hormuz risks: Marsh," 22 Jul 2026.
13. AJOT (Bloomberg), "Chinese ships get cheaper insurance to navigate Red Sea," 7 Feb 2024.
14. AGBI, "DP World backs trade routes with war risk cover," May 2026.
15. Daily Cargo News, "World Container Index – 15 October 2026," 16 Oct 2026; Hellenic Shipping News, "Drewry: World Container Index Stable Last Week," 21 Oct 2023.
16. Al Jazeera, "How a 95 percent drop in Hormuz traffic changed global shipping," 27 Aug 2026.

expand road and rail links from its east-coast ports. Land bridges have grown too, although cost and truck availability limit their wider use. In the Horn of Africa, Djibouti has lost traffic since the Houthi campaigns of 2023–24 raised shipping costs. Ethiopia, which routes over 90% of its trade and fuel imports through Djibouti, is the region's most acute point of vulnerability. The disruption has fuelled inflation and forced fuel rationing,[18] reinforcing Addis Ababa's search for alternative outlets such as Mombasa and Berbera, and its quest for access to the sea, above all through Assab. Further south, Kenyan ports have benefited from diverted Gulf traffic, with Lamu emerging as an alternative transhipment hub to Jebel Ali, while transit cargo through Dar es Salaam rose 17% in the 2025/26 financial year.[19] These gains accrue mainly to the ports. For East African traders, trade with the Gulf and Europe, Kenya's main markets, has become more expensive and slower.

Egypt is among the biggest losers. The Suez Canal lost an estimated 30–40% of its annual revenue during the 2024 crisis.[20] Gulf cargo diverted from Hormuz has brought a partial recovery, with transits up 27% year on year in August. Even so, revenue in the 2025/26 fiscal year, at $4.67 billion, remains about half its 2022/23 record, adding pressure on Egypt's already precarious finances.[21]

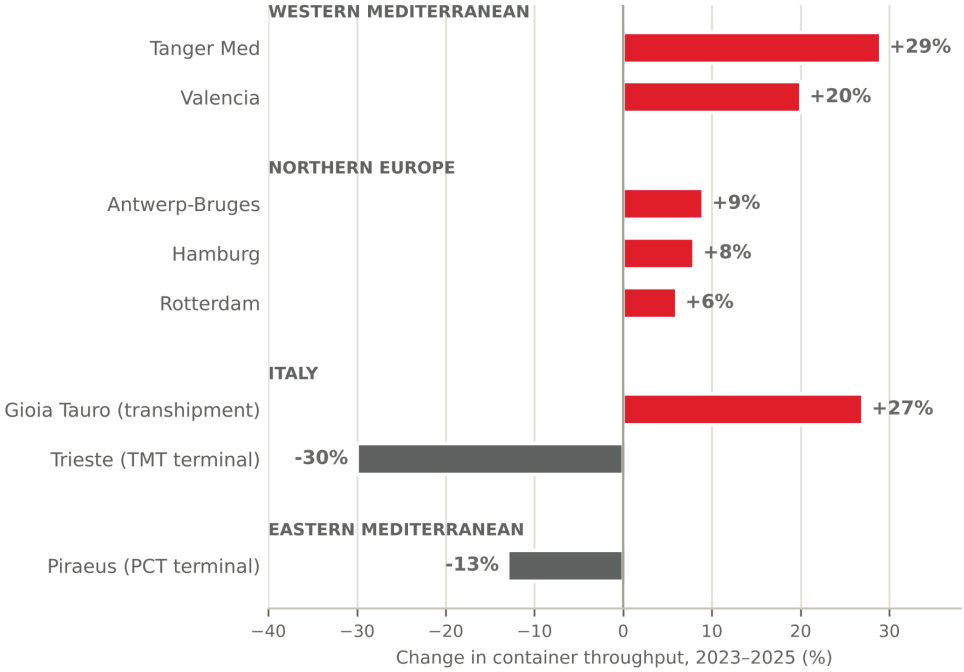
Across the Mediterranean, the Cape of Good Hope detour has redrawn the map of winners and losers (Figure 3.1). Ships sailing around Africa now reach Europe through the Atlantic, calling first at Northern European ports or entering the Mediterranean from Gibraltar. The Eastern Mediterranean, once the first stop after Suez, has become the end of the line. Piraeus lost 8% of its container traffic in 2024 and was still declining in early 2026, while Port Said suffered significant losses at the onset of the 2023–24 crisis.[22] In the first half of 2026, Piraeus's main container terminal handled 2.9% less than a year earlier.[23] Northern European ports grew only modestly, by roughly 6% in Rotterdam, 9% in Antwerp-Bruges and 8% in Hamburg between 2023 and 2025, driven mainly by rising imports from Asia rather than diverted traffic.[24] The real beneficiaries were the Western Mediterranean hubs closest to Gibraltar: Tanger Med grew by about 29% over the same period, to over 11 million TEU,[25] and

17. AGBI, "UAE accelerates switch to zero-Hormuz shipping routes," Jul 2026.
18. Mercy Corps, "From Hormuz to the Frontline of Hunger," May 2026.
19. Daily News, "Dar es Salaam transit cargo rises 17% as corridor competition shifts," 2 Oct 2026.
20. Africa Center for Strategic Studies, "Houthi Leverage over the Red Sea Escalates Threats for Africa," 22 Sep 2026.
21. Ahram Online, "Suez Canal traffic rises 27% in August, revenue jumps to $567 mln: Rabie," 20 Sep 2026.
22. Container News, "European Ports 2024: Antwerp Narrows Distance to Rotterdam, Piraeus Loses Ground," 26 Feb 2025; A. A. Buonfanti and A. Panaro, "I nostri porti reggono ma non è scontato," Limes, 3 Aug 2026.
23. COSCO Shipping Ports, interim results 2026, reported in Hellenic Shipping News, "COSCO SHIPPING Ports Announces Positive 2026 Interim Results – Piraeus Port Container Throughput Slower," 2026.
24. HHLA, Annual Report 2024; HHLA, Annual Report 2025; Trans.info, "Rotterdam and Antwerp lose tonnes as Europe's trade shifts east," 27 Feb 2026; Baird Maritime, "Antwerp-Bruges container throughput rises as empty boxes offset loaded decline," 20 Oct 2026; World Cargo News, "Port of Rotterdam sees TEU growth limited in H1 2026," Jul 2026. Two-year changes are the author's calculation.
25. Tanger Med, "Tanger Med passes the 10 million container mark," 31 Dec 2024; Tanger Med, "Port activity report in 2025," 2 Feb 2026. Two-year change is the author's calculation.

Valencia by about 20%.[26] A sustained return to Suez would begin to reverse this pattern, putting Piraeus and the Eastern Mediterranean back on the main line.

FIGURE 3.1

Change in container throughput at selected European ports, 2023–2025. Piraeus and Trieste figures refer to their main container terminals (PCT and TMT)



Sources: HHLA; Trans.info; Baird Maritime; World Cargo News; Tanger Med; Container Magazine; Piraeus Port Authority; Ports Europe; InforMARE; Shipping Italy. Changes are the author's calculations.

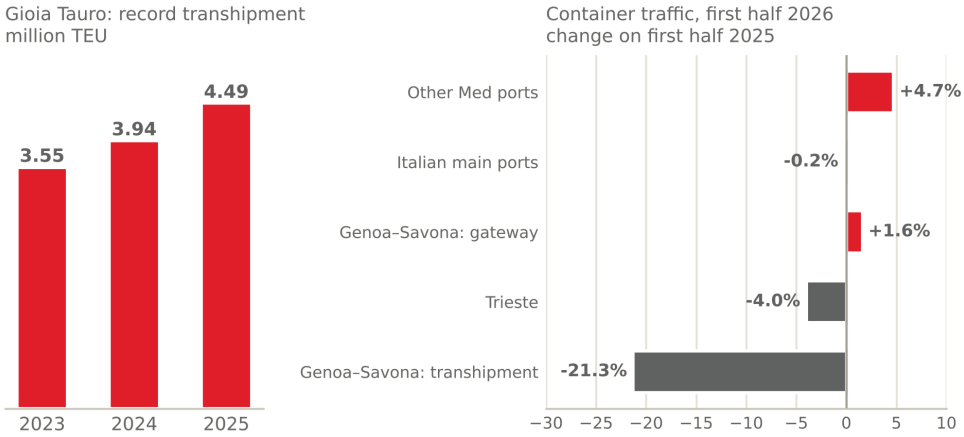
Italy sits in between, and its headline figures conceal the strain. Italian ports posted records in 2025, with over 510 million tonnes of cargo (+3.5%) and more than 12 million TEU (+7.1%).[27] Much of that growth came from a single port. Gioia Tauro handled a record 4.49 million TEU in 2025, 14% more than in 2024 and about 27% more than in 2023,[28] even as traffic through the Red Sea collapsed. The explanation lies in one carrier's network. The terminal is wholly controlled by MSC, which since February 2025 has run its own East–West network outside any alliance, with Asia–Mediterranean services routed around the Cape of Good Hope and calling at Gioia Tauro.[29] Cargo that once reached the Eastern Mediterranean, the Adriatic and North Africa

26. Marine Insight, "Top 10 Busiest Container Terminals in Europe," 2026; Container Magazine, "Valenciaport Breaks Throughput Record in 2025 as Profits Climb 50%," 12 Feb 2026. Two-year change is the author's calculation.
27. A. A. Buonfanti and A. Panaro, "I nostri porti reggono ma non è scontato," Limes, 3 Aug 2026.
28. Shipping Italy, "Nuovo massimo storico nei container per il porto di Gioia Tauro," 14 Jan 2026; Shipping Italy, "Terminal container italiani: la nuova fotografia dei bilanci 2025," 30 Oct 2026. Two-year change is the author's calculation.

directly through Suez now enters via Gibraltar, is unloaded at a few large hubs and redistributed on smaller feeder ships. The port authority at Gioia Tauro itself noted that the Red Sea crisis had forced carriers to sail around Africa to reach its port.[30] Its record is therefore a product of disruption and of one company's choices, not a sign of strength in Italy's own trade.

FIGURE 3.2

Italian ports: a record at Gioia Tauro, weakness elsewhere



Gioia Tauro's 2024 figure is derived from its reported 2025 growth. Sources: Shipping Italy; InforMARE; Fedespedi via SoldiOnline (ANSA); Ports of Genoa.

That trade is weakening (Figure 3.2). Gateway traffic serving the Italian economy declined even as transhipment grew,[31] and in the first half of 2026 the main Italian ports handled 3 million TEU, flat on a year earlier (−0.2%), while other Mediterranean ports grew by 4.7%.[32] In Genoa and Savona-Vado, container volumes fell 2.7%: gateway traffic rose by only 1.6%, while transhipment dropped by 21.3%.[33] Trieste lost 23.6% of its container traffic in the first quarter, then recovered over the summer, coinciding with the partial return of carriers to the Suez route; third-quarter volumes rose 22.3%, bringing the nine-month total to +2.5%.[34] That recovery now depends on the return to Suez holding. Meanwhile, in the third quarter Genoa, Gioia Tauro and

29. Seatrade Maritime, "Standalone MSC network to offer Suez and Cape routes," 2024; MSC, "Asia– Mediterranean 2025 Network via Cape of Good Hope."
30. Shipping Italy, "Record di container trasbordati ma calo di auto al porto di Gioia Tauro nel 2024," 3 Jan 2025.
31. InforMARE, "With over 3.9 million TEUs, the port of Gioia Tauro set a new container traffic record in 2024," 3 Jan 2025; TrasportoEuropa, "The port of Gioia Tauro marks a record year in 2025," 13 Jan 2026. Shipping Italy, "Più luci che ombre nei numeri ufficiali di Assoporti sui porti italiani nel 2024," 1 Apr 2025.
32. Fedespedi data reported in SoldiOnline (ANSA), "Fedespedi: la logistica si adatta alle crisi geopolitiche ma con costi su tempi e noli," 7 Oct 2026.
33. Ports of Genoa, "Ports of Genoa 2nd quarter: traffic stable as container gateway volumes and conventional cargo grow," 13 Aug 2026.
34. Il Nord Est, "Porti del Nordest, Trieste crolla nei container ma cresce l'asse con la Turchia," 2026; Il Nord Est, "Porto Trieste in crescita: nei 9 mesi movimentate 45,2 milioni di tonnellate," Oct 2026.

La Spezia all lost connectivity to global container lines.[35] If Cape of Good Hope routing becomes structural, Italian ports risk being downgraded from key Asia–Europe links to feeder destinations. The closure of Hormuz has also cut Italian exports to the Middle East by €2.2 billion (−22.7%) between March and June 2026,[36] a measure of how exposed an export-led economy is to crises on distant trade routes.

The shipping industry is adapting: liner alliances are being restructured, risk and fuel surcharges built into baseline tariffs, and networks redesigned around multiple hubs. The global economy has so far absorbed the cost, but not painlessly. Transport-driven inflation is pushing governments and central banks to raise interest rates despite growing risks of recession, straining businesses and feeding popular discontent in Europe, East Africa, and beyond. The longer the two straits remain contested, the further the crisis will spread from the sea lanes into economies and political systems far from the Red Sea.

3.2
Energy: Redundancy under Fire

The Red Sea has two shores and two energy problems. On the Arabian side, Saudi Arabia has struggled to keep its oil exports flowing because both of its maritime outlets, the Strait of Hormuz and the Bab el-Mandeb, are contested, and the routes it built to bypass them are under attack. Across the Gulf, exports have nonetheless recovered towards pre-war levels, but only by constantly switching between routes, and the recovery remains fragile.

On the African side, the problem is securing supply. Yemen, Sudan, Eritrea, and Somalia are energy-poor. In Yemen the public grid has largely collapsed and households have turned to solar panels.[37] In Sudan, the war has destroyed much of the thermal power fleet, repeated outages have hit the Merowe dam, and those who can afford it rely on diesel generators.[38] Eritrea and Somalia generate most of their power from imported fuel.[39] Egypt has become a net gas importer again, and Ethiopia exports electricity but depends on a single corridor to the sea for its fuel.

Different as they are, all these countries face the same lesson in 2026: no route, field or power line is safe from disruption. Energy security now depends on redundancy,

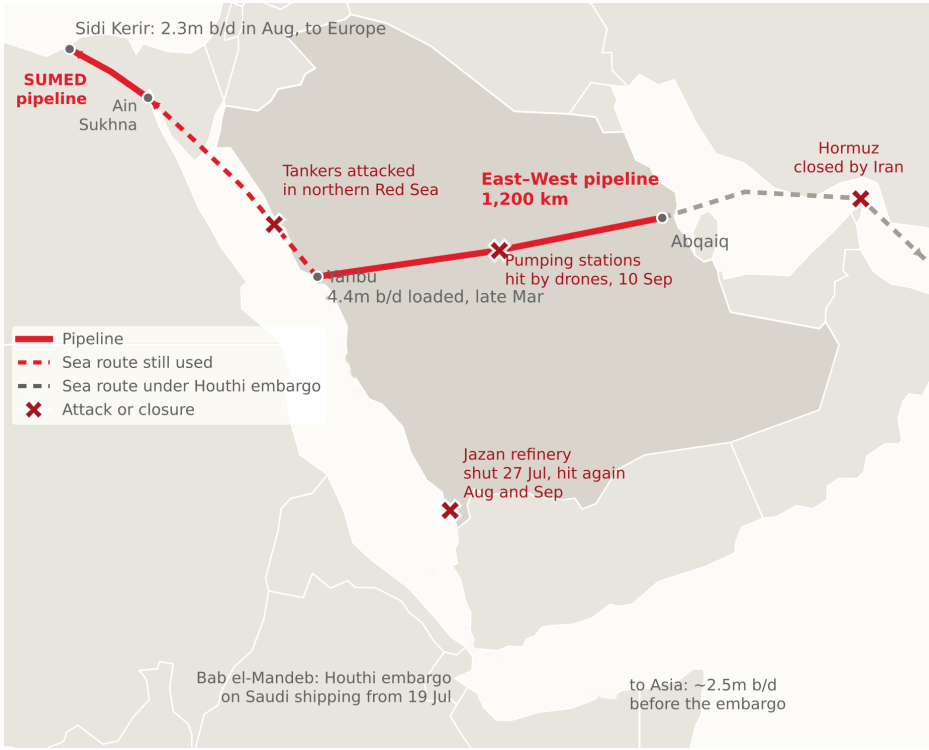
35. Shipping Italy, "Genova, Gioia Tauro e La Spezia perdono connettività container nel terzo trimestre 2026," 29 Sep 2026.
36. A. Troise, "Perché gli Stretti di Hormuz e Bab-el-Mandeb sono indispensabili? L'export italiano ha già perso 2,2 miliardi," Quotidiano Nazionale, 19 Sep 2026.
37. G. K. I. Al-Akwaa, "Measuring electricity access amidst active conflict: Lessons from Yemen", World Bank blog, 7 May 2019.
38. W. Talha, "Merowe Dam outage brings Sudan's power crisis back into focus", Asharq Al-Awsat via Arab News, 6 Aug 2026 (Merowe over half of grid supply; nine drone attacks; more than half of thermal units destroyed); Reuters, "Extensive power cuts hamper life in Sudan", via TimesLive, 28 Aug 2026 (generators out of reach for many because of fuel prices).

meaning not just more capacity but alternatives that do not fail at the same time. There is one limit to this: crude oil can be rerouted, but liquefied gas from the Gulf largely cannot.[40]

When Iran closed the Strait of Hormuz after the war began on 28 February, the Red Sea became the Gulf's back door. Saudi Arabia pumped crude across the peninsula through the 1,200 km East–West pipeline, and by late March the Red Sea port of Yanbu was loading 4.4 million barrels a day, double the level of two weeks earlier.[41]

FIGURE 3.3

Saudi crude around the Red Sea in 2026: the bypass and where it was hit



Sources: The Maritime Executive; EnterpriseAM; Reuters; Rigzone; Financial Times; Khaleej Times.

Yanbu avoids Hormuz, but cargoes bound for Asia must still sail south through the Bab el-Mandeb (Figure 3.3). About 2.5 million b/d did so until the Houthi declared an

39. Climatescope (BloombergNEF), Somalia market profile (2023: 91.35% of generation from oil and diesel); IEA, Eritrea country profile; Direction générale du Trésor, "Énergie : L'Érythrée, une forte dépendance aux énergies fossiles importées" (2018 IEA data: over 91% of generation from oil).

40. D. Kaissy, "Hormuz Under Fire: LNG Disruption, Regional Exposure, and Energy Sovereignty in MENA", Arab Reform Initiative, 16 Mar 2026 (citing the IEA).

embargo on Saudi-linked shipping on 19 July.[42] The embargo pushed flows north, through Egypt's SUMED pipeline to the Mediterranean.[43] Asian buyers can still be supplied, but only by swapping barrels with Atlantic producers[44] or by sailing around Africa, which more than doubles the voyage to South Korea, from 24 to 54 days.[45]

The Houthi, however, do not need to close a strait. They can strike what lies on either side of it. After the embargo they claimed attacks on Saudi tankers, first near the Bab el-Mandeb and then in the northern Red Sea, following the traffic Riyadh had moved north.[46] A Houthi strike shut Aramco's Jazan refinery on 27 July, and the site was hit again in August and September.[47] Leading war-risk insurers at Lloyd's stopped covering Saudi-linked cargoes in the Red Sea,[48] and in August Saudi output fell to its lowest level since 1990 (Figure 3.4).

Then the pipeline itself was hit. On 10 September, drones that Riyadh said were launched from Iraq struck pumping stations on the East–West line and forced its shutdown,[49] and Aramco cancelled or delayed cargoes to European refiners.[50] The system bent rather than broke. Aramco shifted loadings back to its Gulf terminals and shuttled crude through Hormuz to tankers waiting off Oman, and output recovered in September.[51] The bypass needed a bypass. By mid-October, Gulf producers excluding Iran were shipping 24.6 million b/d, above pre-war levels, through a mix of routes rather than any single one.[52]

The bypass needed a bypass.

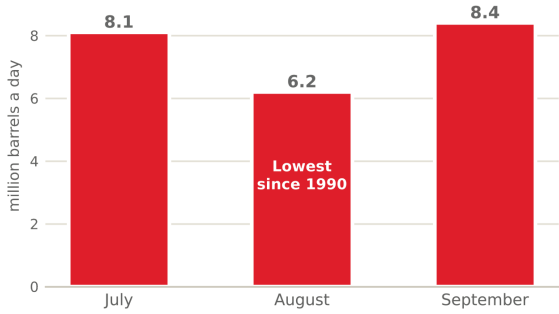
This is a warning for the new corridors under discussion, from a revived Trans-Arabian pipeline to oil routes linked to the India–Middle East–Europe Corridor (IMEC).[53] A pipeline to the Mediterranean would shorten the trip to Europe, but it would cross

41. J. Lee, "Saudi Arabia ramps Yanbu exports toward 5 MMbpd as Hormuz disruption forces rerouting," Bloomberg via World Oil, 25 Mar 2026; V. Ratcliffe, "Saudi Aramco to boost exports to 70% of normal levels within days," Financial Times, 10 Mar 2026.
42. E. Broekhuizen (Poten & Partners), "Houthi Blockade Complicates Saudi Tanker Logistics," The Maritime Executive, 24 Jul 2026.
43. EnterpriseAM, "Riyadh wants 10 mn bbl/d of pipeline capacity outside the Gulf," EnterpriseAM, 14 Oct 2026.
44. Kpler, "Explainer: Can Saudi Arabia keep its Red Sea oil exports flowing without Bab el-Mandeb?," 2026.
45. Broekhuizen, "Houthi Blockade Complicates Saudi Tanker Logistics," cit.
46. AFP, "Yemen's Houthis say attacked two Saudi oil tankers," Ahram Online, 5 Aug 2026; Al Jazeera, "Yemen's Houthis report attack on Saudi oil tanker in Red Sea," 24 Aug 2026.
47. Reuters, "Fire extinguished at Aramco refinery in Saudi Arabia's Jazan," via Khaleej Times, 9 Aug 2026; Rigzone, "Saudis Delay Restart of 400,000 Bpd Refinery," 11 Aug 2026; Financial Times, as reported by Shafaq News, 7 Sep 2026.
48. L. Harris et al., "Ship insurers restrict war coverage for Saudi Arabian cargoes in Red Sea," Financial Times, 24 Jul 2026.
49. M. Moore, "Saudi Arabia shuts East-West pipeline that bypasses Hormuz after attacks," Financial Times, 12 Sep 2026; Khaleej Times, "Saudi Arabia closes East-West oil pipeline as Iraqi drones cause injuries," 12 Sep 2026.
50. "Saudi Arabia's oil export lifeline severed indefinitely – analysts," Hellenic Shipping News / Engine, 16 Sep 2026 (Argus data).
51. V. Ratcliffe, "Gulf oil production rebounds ahead of increase in Iran war hostilities," Financial Times, 13 Oct 2026; Al Jazeera, "From Yanbu to Sohar: Tracking Saudi Arabia's alternative oil routes," 17 Sep 2026.
52. V. Ratcliffe et al., "Middle East oil exports climb back to prewar levels," Financial Times, 21 Oct 2026 (Kpler data).
53. Arab News, "Could a revived Trans-Arabian Pipeline map a new future?," 3 May 2026; Outlook Business, "IMEC In Focus Again as Gulf Eyes New Oil Routes Amid Hormuz Risks," Apr 2026.

northern Saudi Arabia, within reach of the same Iraq-based groups, and depend on fragile transit states. A second pipe along the same route protects against breakdowns, not against attacks on the route itself. The search for redundancy must therefore weigh security as well as engineering risk: a pipeline crossing contested territory may avoid one maritime chokepoint while creating dependence on unstable local authorities. Riyadh is nonetheless expanding westward: it aims to raise pipeline capacity to the Red Sea to 10 million b/d within two to three years.[54]

FIGURE 3.4

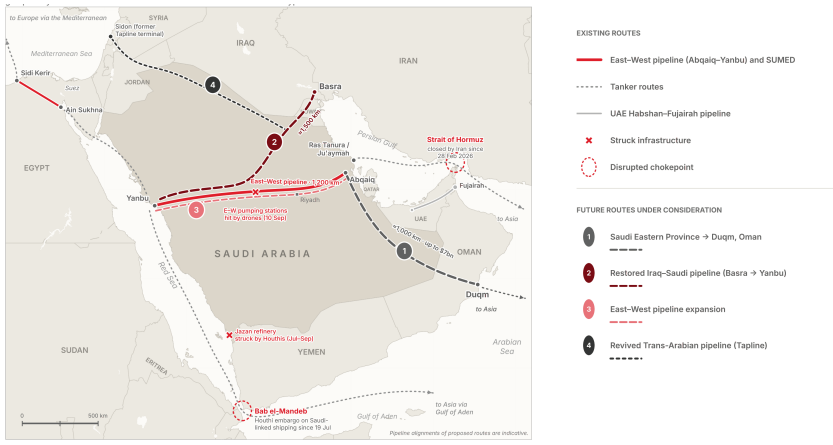
Saudi crude output in 2026, million barrels a day



Sources: Financial Times; Bloomberg.

FIGURE 3.5

Saudi Arabia's oil export routes: the existing system and new routes under consideration



Sources: Rystad Energy; Financial Times; Reuters; Enerdata; Arab News. Proposed alignments are indicative.

54. Enerdata, "Saudi Arabia plans to raise oil export pipeline capacity to 10 mb/d," Oct 2026; M. Moore, "Saudi Arabia signals reopening of East-West pipeline," Financial Times, 22 Sep 2026.

Losing a refinery hurts more than losing a crude cargo. One is a production facility; the other is only a product. Buyers can find other crude, but diesel and jet fuel are scarce in a tight market. Almost all of Saudi Arabia's product exports, 1.17 million b/d in March, leave from its Red Sea coast,[55] and in early June Europe was importing Saudi jet fuel from Yanbu above pre-war levels.[56] In July, exports from the west coast fell below 1 million b/d, and the shutdown of Jazan removed another 200,000 b/d.[57] Trucks cannot fill the gap: moving a single day of Saudi crude exports by road would take 25,000–35,000 tanker loads.[58]

Ethiopia exports electricity and imports fuel along the same corridor (Figure 3.6). Power sales, mostly from hydropower, earn around a fifth of the state utility's income,[59] while fuel, the country's largest import at about a quarter of the import bill, arrives almost entirely through Djibouti.[60] The Gulf crisis hit fuel first: by the end of March, diesel prices had nearly tripled, a 180,000-tonne delivery had failed to arrive, and the government imposed rationing.[61]

Electricity has also become a political weapon. In July, Ethiopian supplies to Sudan stopped entirely, amid mutual accusations of backing rebel groups and over $90 million in Sudanese arrears.[62] Sudan suffered blackouts of often more than 18 hours a day and turned to Egypt, which raised its interconnection to 75 MW.[63] The war that resumed in Tigray on 23 September raises the stakes further. Addis Ababa and Asmara severed relations on 1 October, and Eritrean troops reportedly crossed into Tigray days later.[64] Behind the fighting lie Ethiopia's quest for access to the sea through Assab and the Nile dispute over the Grand Ethiopian Renaissance Dam, the same dam that powers Ethiopia's exports.[65] Water, ports and power are becoming a single contest.

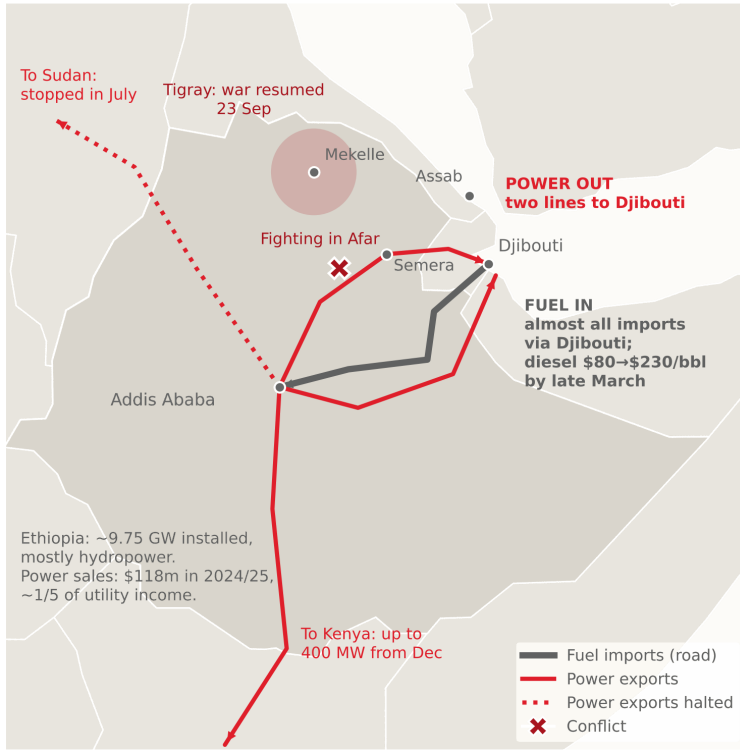
The most exposed point is the corridor to Djibouti, which the Tigrayan push into Afar was likely aimed at cutting.[66] One of the two power lines to Djibouti runs through Afar's capital, Semera, and Djibouti depends on Ethiopian hydropower that has been

55. J. Ingram, "Saudi Arabia Maxes Red Sea Refinery Exports", MEES, 3 Apr 2026 (Kpler data: 1.17 million b/d in March, 99% from the Red Sea coast); MEES, 15 May 2026 (1.9 million b/d Red Sea refining capacity; remarks by Aramco CFO Ziad al-Murshed on the Q1 2026 earnings call).
56. Reuters, 9 Jun 2026 (Kpler: EU and UK imports from Yanbu in the first week of June; Vortexa estimate of flows), as reported by Financial Intelligence, 10 Jun 2026.
57. Kpler, "Saudi west coast product exports dip below 1.0 Mbd as Middle East refinery downtime escalates," Aug 2026.
58. Al Jazeera, "From Yanbu to Sohar," cit. (about 200 barrels per truck against 5–7 million b/d of exports).
59. M. Mekonnen (EEP), "Mapping Ethiopia's Clean Energy Ascent", Capital Ethiopia, 2026.
60. The Reporter (Ethiopia), "Fed Introduces Fuel Conservation Measures amid Iran Uncertainty", 2026.
61. The Reporter (Ethiopia), "Failed Fuel Delivery Prompts New Allocation Rules, Crackdown on Underground Trade", 2026; Geeska, "Ethiopia imposes fuel rationing as global oil disruptions bite", 30 Mar 2026.
62. Sudan Tribune, "Sudan, Egypt boost cross-border power capacity to 75 MW," 10 Sep 2026; Ahram Online, "Sudan has not received any electricity from GERD," 24 Sep 2026.
63. Sudan Tribune, "Sudan blames power cuts on Ethiopian line halt, damage to grid," 21 Jul 2026; Sudan Tribune, 10 Sep 2026, cit.
64. Reuters, "Ethiopia's Abiy names new Tigray government," via Daily Maverick, 16 Oct 2026; AFP, "Eritrean troops deployed in Ethiopia's Tigray region," via Express Tribune, 8 Oct 2026; The Africa Report, 4 Oct 2026.
65. ADF, "Eritrea-Ethiopia port dispute heats up," Feb 2026 (citing The National, Dec 2025); IndraStra, "Tigray's War and Ethiopia's Red Sea Gamble," Oct 2026.
66. AFP, "Heavy fighting, internet disruption as Ethiopia conflict rages", The Africa Report, 25 Sep 2026.

curtailed in past dry seasons.[67] A disruption would cut both ways. In the last war, Tigray's capital was cut off from the national grid for over a year.[68]

FIGURE 3.6

Ethiopia: power out, fuel in



Sources: Industrial Info Resources; Capital Ethiopia; The Reporter (Ethiopia); Geeska; Sudan Tribune; Ahram Online.

The responses so far show what redundancy does and does not mean. A planned $660 million fuel pipeline from Djibouti to Ethiopia would take tankers off the road and add storage,[69] but it follows the same route through the same port. Ethiopia is also shifting power exports south, raising supply to Kenya to as much as 400 MW from December.[70] That gives Ethiopia more customers. It does not give Djibouti a second supplier.

67. World Bank, Djibouti: Sustainable Electrification Program (P158505), project document (non-firm imports curtailed in the Ethiopian dry season); African Development Bank, Ethiopia–Djibouti Second Power Interconnection Project (Semera–Nagad 230 kV, 292 km); Oxford Business Group, "Regional linkages," Djibouti 2023 report (first line Dire Dawa–Djibouti, 283 km, 2011).
68. North Africa Post, "Ethiopia reconnects Tigray's capital to national power grid after year-long blackout," Dec 2022.
69. Reuters, "Djibouti, Ethiopia and Dangote to build $660m petroleum pipeline," via Engineering News, 25 Sep 2026; African Energy, "Dangote commits to Kenya refinery and Ethiopia-Djibouti pipeline", Issue 549, 11 Oct 2026.
70. Capital Ethiopia, "Ethiopia, Kenya finalize preparations to scale up cross-border power trade by December 2026," 15 Sep 2026.

Egypt, which hoped to become an energy hub, is once again a net gas importer.[71] In July it was negotiating 15–18 LNG cargoes a month for at least three years, at an estimated $8–11 billion a year.[72] Most of this lifeline arrives on the Red Sea: in August, three of Egypt's four floating LNG terminals were moored at Ain Sukhna, on the Gulf of Suez, handling about four-fifths of cargoes. The fourth, at Damietta, was set ablaze by a drone on 29 July.[73] Much of the rest comes by pipeline from Israel, which before June 2025 supplied up to 60% of Egypt's gas imports.[74] That supply is cheaper than LNG, but it has been cut twice in a year, and in spring 2026 Cairo ordered shops to close early and dimmed street lights to save energy.[75] A $35 billion contract for Israeli gas through 2040[76] deepens a dependence that is cheap in peace and fragile in war.

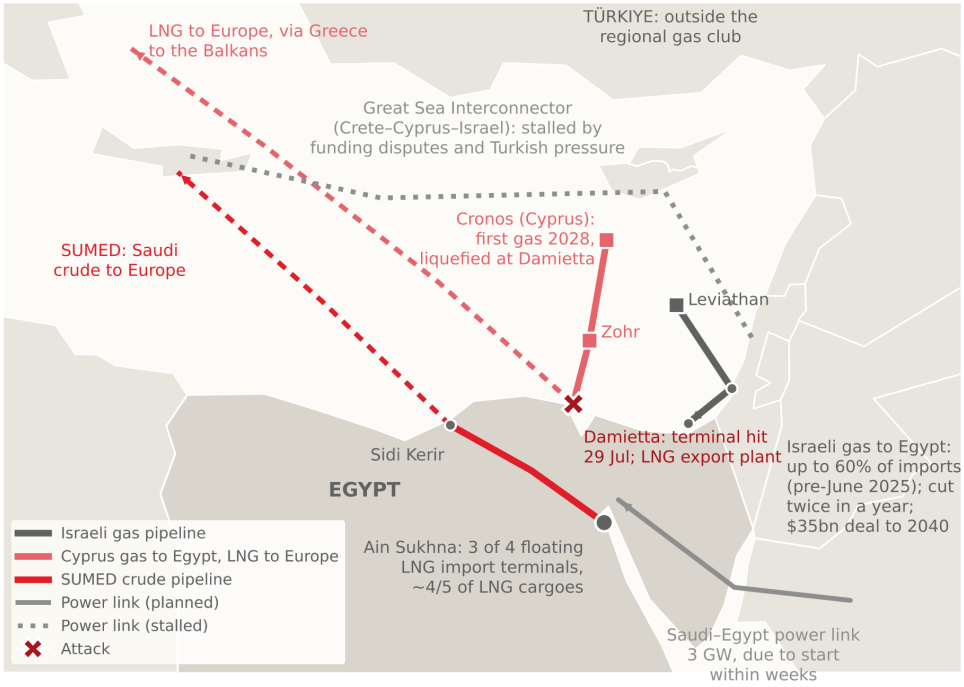
Egypt is also becoming a hub for Europe (Figure 3.7). In July, Eni and TotalEnergies approved the development of Cyprus's Cronos field, whose gas is due from 2028 to be liquefied at Damietta, mainly for European buyers.[77] The 3 GW Saudi–Egypt power interconnector, which Cairo said in October would start within weeks, would add Gulf electricity to the same node.[78] But the politics are fragile. The Great Sea Interconnector, meant to link Crete with Cyprus and later Israel, has been stalled by funding disputes and Turkish naval pressure.[79] Turkey remains outside the regional gas club, and Cairo is itself a party to the Horn's rivalries. The Eastern Mediterranean is the natural bridge between the Red Sea and Europe, but not yet a stable one.

Europe benefits from Saudi Arabia's shift to northern routes and from Egypt's emerging role as a gas hub, but it is also exposed when they are disrupted, as the cancelled Saudi cargoes of September showed. Italy has a direct stake: Saudi Arabia supplied about 6% of its crude imports in 2025, mostly via the Red Sea and Egypt, and Eni anchors both Zohr and Cronos.[80] Redundancy in the energy systems around the Red Sea is therefore not only a Gulf or African concern, but a European interest.

71. Bloomberg, "Israel halts Leviathan, Karish gas fields after Iran strikes," via World Oil, 2 Mar 2026.
72. Reuters, via PortNews, "Egypt targets up to 18 LNG cargoes a month in three-year buying drive," 22 Jul 2026.
73. S. Abdel-Razek, "Gas supplies secured", Al-Ahram Weekly, 5 Aug 2026 (Kpler data).
74. Reuters, "Israel resumes limited gas exports amid conflict," via Baird Maritime, Jun 2025 (JODI data).
75. World Oil, 2 Mar 2026, cit. (Leviathan gas cheaper than LNG; June 2025 shutdown of Leviathan and Karish); Rigzone, "Chevron Resumes Leviathan Gas Production offshore Israel," 6 Apr 2026 (33-day suspension); RANE, 3 Apr 2026; Reuters, "Egypt dims Cairo's nightlife to tackle soaring energy costs", via TimesLive, 31 Mar 2026 (energy import bill more than doubled since the war began); Semafor, 27 Apr 2026 (measures lifted after about a month).
76. Reuters, "Israel's Leviathan, Egypt ink $35 billion natural gas supply deal," via Baird Maritime, Aug 2025.
77. Eni, "Eni announces Final Investment Decision for Cyprus' Cronos project", 28 Jul 2026; Euronews, "Egypt, Greece and Cyprus back plans to bring Cypriot gas to Europe," 9 Sep 2026.
78. EnterpriseAM, "Egypt, Saudi Arabia in final stages of trials for 3 GW electricity interconnection," 26 Aug 2026; Ahram Online, "Egypt, Saudi Arabia to launch 3,000 MW electricity link within weeks," Oct 2026.
79. Brussels Signal, "Athens looks to Paris to restart power cable stalled by Turkish warships," Sep 2026.
80. UNEM data via Sky TG24, "Guerra in Iran e crisi del petrolio, ecco da dove arriva il greggio che importa l'Italia," 5 Mar 2026 (Saudi Arabia 5.8% of 2025 crude imports); Auto.it, "Quanto petrolio 'italiano' passa da Hormuz?," 13 Apr 2026 (Saudi volumes via the Red Sea and Suez); Bloomberg via World Oil, 25 Mar 2026, cit. (Saudi crude for Europe typically loaded at Sidi Kerir).

FIGURE 3.7

Egypt, the energy hinge between the Red Sea, Israel and Europe



Sources: Al-Ahram Weekly; Reuters; Eni; Euronews; EnterpriseAM; Ahram Online; Brussels Signal.

3.3

Submarine Cables and Digital Infrastructure

Below the waterline lies the least defended layer of the Gulf and Red Sea crises: submarine infrastructure. The seabed is a growing matter of concern for policymakers and military strategists as the domain has fully entered the playbook of hybrid war: actions that cause strategic damage, stay below the threshold of armed attack and are hard to attribute. While only countries with advanced submarine technologies can operate in deep seas, vulnerability to both accidents and sabotage is very high near shore, as a cable or pipeline lies within reach of anchors, trawls, divers and, increasingly, cheap uncrewed systems.

Beyond the shelf, only cable ships, work-class ROVs and submersibles can reach the seabed, so accidental cuts become rarer and deliberate ones harder to detect. Major powers are mapping this space and building capacity. Russia's GUGI directorate uses the Yantar, nominally an oceanographic vessel, to survey Western cables and

pipelines.[81] Pipelines and power interconnectors are particularly sensitive in this regard, because they are few and, unlike fibre-optic cables, have no spare route. Meanwhile, Chinese researchers published a cutter for armoured cables rated to 4,000 metres in March 2025, and a recent CSIS study found Chinese research vessels lingering disproportionately over foreign cables.[82] The United States and key European states also possess the technology to operate in deep waters.

Sabotage is no longer hypothetical. The Nord Stream gas pipelines were blown up in September 2022 at 70–90 metres in a busy, watched sea, and no state has been held to account. In October 2023, the anchor of a Hong Kong-flagged ship tore the Balticconnector gas pipeline between Finland and Estonia. On 25 December 2024, the shadow-fleet tanker Eagle S dragged its anchor across the EstLink 2 power cable and four data cables in the Gulf of Finland.[83] This toolkit can easily be replicated in other contested areas of the world, starting with the Red Sea and the Gulf.

The Red Sea is the narrowest door of the global internet. With 17 systems carrying an estimated 17% of global internet traffic,[84] Bab el-Mandeb, roughly 30 km wide, has been described as the world's most cable-dense chokepoint. More than 90% of Europe-Asia capacity runs through the corridor,[85] which also links East Africa and the Middle East to both continents. Djibouti is the hub for the Horn of Africa. Its three landing stations host a dozen systems, in service or planned; landlocked Ethiopia's 135 million people reach the internet almost entirely through them. Djibouti Telecom's DARE1 cable, already linking Somalia and Kenya, is being extended to South Africa.

Now, the intensifying conflicts around the Red Sea rim pose a major threat to the cable network, with incidents and indirect attacks already intensifying. In February 2024, the anchor of the Rubymar - drifting after a Houthi missile strike - cut AAE-1, EIG and SEACOM, disrupting internet service in East Africa and forcing about 25% of internet traffic between Asia, Europe and the Middle East to reroute.[86] In September 2025, SMW4 and IMEWE failed near Jeddah, most likely in another anchor incident. Hormuz, by contrast, matters less for global traffic, since most Europe-Asia cables bypass the Gulf. Nevertheless, the chokepoint is critical for Gulf states and their post-oil economic transformations through AI and the digital economy. The same exposure extends to data centres. Much of the capacity serving East Africa is hosted in the Gulf, and operators are now weighing relocation to South-East Asia, given the risks

81. F. Gardner, “How serious is the Russian spy ship move?”, BBC News, 19 November 2025.
82. SCMP, "China unveils a powerful deep-sea cable cutter", 21–22 March 2025; J. M. Macias III et al., "China's Weaponization of Dual-Use Research Vessels for Undersea Data Dominance", CSIS, October 2026.
83. ERR News, "In brief: Estonia–Finland cable disruption", December 2024.
84. IEEE ComSoc Technology Blog, "HGC Global Communications, DE-CIX & Intelsat perspectives on damaged Red Sea internet cables", 7 March 2024.
85. A. Mauldin, "The Red Sea: A Key Subsea Cable Crossroads Under Siege", TeleGeography, 17 January 2024.
86. IEEE ComSoc Technology Blog, "HGC Global Communications, DE-CIX & Intelsat perspectives on damaged Red Sea internet cables", cit.

posed by the US–Iran war and by threats to the cables crossing Hormuz. If future investment shifts to these safer locations, Africa could become even more marginal to the global development of artificial intelligence.

Like the surface, the Red Sea's seabed is becoming an energy corridor too. The inauguration of the USD 1.8 billion, 3 GW HVDC interconnector linking Saudi Arabia to Egypt via the seabed is expected by the end of the year; both governments are now seeking consultants to oversee the subsea cable.[87] The energy component heightens the Red Sea's geoeconomic relevance while forcing new security considerations.

These considerations need to take into account the risk of sabotage. In May 2026, Iranian lawmakers made an implicit sovereignty claim over underwater cables, with the Revolutionary Guard (IRGC) floating "protection fees" for systems crossing the Strait.[88] Meanwhile, in September 2026 the Houthi advanced along Yemen's Red Sea coast to the shore of Bab el-Mandeb, Perim island and the Hanish Islands, giving them a wider base from which to carry out attacks in the southern Red Sea. In early October, a Saudi-backed government counter-offensive retook some of these positions, but at the time of writing the coastline facing the strait remains contested.

The Red Sea then adds its own complications. Long stretches are shallow, such as the Hanish Sill – a submarine ridge about 130 km north of Bab el-Mandeb – where the seabed lies less than 150 m below the surface at its deepest point.[89] Neither Iran nor the Houthi have publicly demonstrated the ability to operate on the seabed at this depth, but shallow stretches like the Hanish Sill are still relatively accessible and the fast progress of cheap unmanned technologies suggests the gap could be filled in the near future. Even without underwater technologies, the anchor of a ship could serve the same purpose, as seen with the Rubymar incident. Additionally, the largely rocky, volcanic bottom of the Red Sea prevents cable burial in a 1–2 metre trench, the industry's main defence against accidents.[90]

Repair is another weak link globally. The fleet of repair ships is not large and average time to start a repair rose from under 20 days in 2012 to over 50 in 2024; Africa has just one permanently stationed repair ship, in Cape Town.[91] Disabling one ship could stretch an outage from weeks to months, and the two ships Orange Marine has ordered to replace its ageing Africa- and Mediterranean-based vessels are not due before 2028 and 2029.[92] Another key stumbling block is obtaining permits from lit-

87. EnterpriseAM, "Egypt–Saudi power link in final trials", 26 August 2026.
88. Windward, "Alcatel pauses Gulf subsea cable repairs as Iran demands protection fees", 2026.
89. MARUM – University of Bremen, "Red Sea Modelling".
90. Interview with telecom industry representative on 15 October 2026.
91. International Advisory Body on Submarine Cable Resilience (IAB), Report of the Working Groups, Geneva: International Telecommunication Union (ITU), in partnership with the International Cable Protection Committee (ICPC), 2026.
92. Orange, "Orange Marine modernizes its fleet of cable ships to secure digital infrastructure in Europe, Africa and the Middle East", press release.

toral states, as geopolitical tensions between them and the countries owning ships can delay operations substantially. After the 2024 cuts, SEACOM had anticipated up to eight weeks to obtain permits from Yemen's rival authorities for the Emirati-flagged CS Niwa repair ship; in practice the overall restoration took around six months.[93] Moreover, repair ships are slow, unarmed and at times stationary over known positions, which makes them hard to deploy in volatile environments without the approval of all armed actors, besides the high insurance costs they would face.

In the southern Red Sea, these obstacles are compounded. With the Houthi present along the coast facing the Bab el-Mandeb, cable consortia working near the strait would need not only permits from the internationally recognised government but also assurances from the Houthi. Their designation as a terrorist organisation rules out engagement through formal channels, making safe passage for repair ships harder still to secure.

As geopolitical competition enters the underwater domain, Europe needs to work with its African and Middle Eastern partners to meet the challenge, building shared security and creating new economic opportunities at the same time.

93. IAB, Report of the Working Groups, cit.; Interview with telecom industry representative on 15 October 2026.

Chapter 04
Top Three Risks

Chapters 1 to 3 described a region on the edge and the sectors most exposed to it. This chapter looks ahead. It sets out the three main risks to Red Sea security in the near to medium term, and the scenarios through which each could unfold, including worst-case scenarios. The risks are presented in order of their time horizon, from the most immediate to the slowest to unfold.

4.1

A Second Front at Bab el-Mandeb

Time horizon: near to medium term

A resumption of war with Iran could close both maritime gateways to the Arabian Peninsula. That prospect has receded since the Democratic victory in the 3 November midterm elections, but instability and protracted conflict are nevertheless likely. Before the vote, Washington had reportedly warned Gulf partners to prepare for strikes. The result has since raised the political cost of a new war: a Democratic Congress will gain leverage over war funding and oversight from January, and the appetite for escalation in Washington appears to have cooled. With no settlement in sight, the confrontation could flare again at any point in the remainder of President Trump's term. Gulf governments fear that a renewed US–Israeli campaign would bring the Houthi back into the fight, with Saudi Arabia and Red Sea shipping among their first targets.

This time, the Houthi would escalate from a position of strength. At the time of writing, their forces are now within 80 km of Aden, they retain a foothold on Yemen's shore of the Bab el-Mandeb despite a Saudi-backed government counter-offensive, and the war with Riyadh serves them politically as well as militarily. It confers legitimacy at home while allowing them to blame Saudi Arabia for Yemen's economic collapse.

The forces arrayed against them remain divided. On the western coast, Tariq Saleh's National Resistance, the Giants Brigades, the Saudi-backed Nation's Shield forces and local Tihama formations operate broadly under the PLC but retain separate commands and interests. Recapturing Mokha will not create durable security if the

forces holding it remain politically divided; their effectiveness will depend on whether Saudi-led coordination can be institutionalised.

The immediate casualty would be the Houthi's remaining restraint at sea. Since July, their blockade has been selective: roughly a dozen attacks on commercial vessels, mostly Saudi-linked tankers, designed to exert pressure without bringing shipping to a complete halt. A new war with Iran would weaken the logic of that restraint. Targeting could widen to vessels linked to governments supporting Riyadh or Washington, extend into the Gulf of Aden, or revert to the broader campaign of 2023–25, when more than 100 merchant ships came under attack. Chinese-linked vessels would probably retain their exemptions, echoing Iran's permit regime at Hormuz. For shipping companies, however, such distinctions offer little reassurance. One successful strike can be enough to send entire services around the Cape of Good Hope.

The timing could hardly be worse. Despite the Houthi–Saudi escalation, carriers have been returning to Suez since September. By late October, some 63% of Far East–Europe container capacity was again deployed on Red Sea services. A renewed war with Iran could undo that recovery almost overnight, leaving Hormuz and Bab el-Mandeb closed or under hostile control simultaneously. Saudi Arabia would lose its Red Sea outlet to Asia, retaining only the northbound route through Suez and SUMED to the Mediterranean. The Houthi could also abandon their tactical restraint towards the Yanbu terminals and the East–West pipeline. Across the strait, Djibouti and landlocked Ethiopia would face rising war-risk costs and fewer port calls, potentially just as another war erupted between Ethiopia and Eritrea.

For the Mediterranean, the shock would hit trade and energy simultaneously. Container services would swing back around the Cape of Good Hope, cutting short the recovery that had begun to restore Piraeus, Trieste and the Eastern Mediterranean to the main Asia–Europe corridor. Traffic would again shift towards Tanger Med, Valencia and Northern Europe, while Egypt would lose the Suez revenues it had only begun to recover. At the same time, the Mediterranean would become the only remaining maritime outlet for Saudi crude, via SUMED, making Europe's energy security still more dependent on Egypt.

The most dangerous extension would be below the surface. In October, Iranian officials threatened to target submarine cables beneath Hormuz if war resumed, alongside data centres and AI facilities across the Gulf. The cables beneath Hormuz are predominantly regional. Those crossing the Red Sea are not: they carry more than 90% of data capacity between Europe and Asia. Neither Tehran nor the Houthi have announced plans to attack them, and the Houthi have denied responsibility for previous disruptions. Yet sophisticated underwater capabilities would not be necessary. In 2024, the dragging anchor of a vessel disabled by a Houthi missile severed three cables. If the Houthi followed Iran's lead, Europe–Asia data traffic could be disrupted

directly, with repair vessels struggling to operate in an active war zone. What begins as a second front against Iran could become a simultaneous disruption of maritime trade, energy flows and digital connectivity.

4.2

An Ethiopia–Eritrea War

Time horizon: short to medium term

The next war on the Red Sea's African shore may depend less on the battlefield than on how Addis Ababa reads its predicament. Prime Minister Abiy Ahmed faces a choice: contain the remaining insurgencies in Tigray, Amhara and possibly elsewhere, at the risk of a prolonged rural war, or strike at what he sees as their source in Asmara and deal with the home front later. Reported drone and mortar strikes on Eritrean positions suggest Ethiopia may already be testing its neighbour's willingness to fight. If Abiy chooses the second path, a confrontation years in the making could become a war over Eritrea's future and access to its coast.

The roots lie in the collapse of the rapprochement that began in 2018. Eritrea never accepted the 2022 Pretoria Agreement between Addis Ababa and the TPLF, which ended the Tigray war but excluded Asmara from the settlement. Relations deteriorated further when Abiy made sovereign access to the sea a national cause, with Assab, reportedly discussed during the 2018 opening, at its centre. Eritrea saw a threat to its sovereignty and sought to keep Ethiopia divided, encouraging the insurgent alliance that became Tsimdo in the hope of tying down federal forces and deterring any move against its coast.

For Addis Ababa, the temptation to strike at the source of Eritrean interference may now be growing. Ethiopia could seek to overthrow the regime in Asmara and seize Assab outright, or pursue regime change followed by a negotiated arrangement for access to the sea. Outside powers would have limited leverage to prevent either course. Timing could also shape the calculation. Renewed US–Israeli strikes on Iran, in the aftermath of the American midterm elections, could divert international attention just as Ethiopia weighs its options. A regional crisis elsewhere might offer Addis Ababa a window to act.

The first danger lies in what follows. Eritrea has been governed by the same highly centralised regime since 1991, with few visible alternatives to the existing leadership. For all its isolation, that system has maintained control over a vast and strategically exposed coastline, including some 350 islands. An Ethiopian invasion could meet prolonged resistance and turn into an occupation with no clear exit. But even a swift victory would raise difficult questions of succession and stability. A contested transition could weaken central authority, fragment security structures and leave parts of

the coast vulnerable to competing armed groups. The result could be a new security vacuum on the African shore of Bab el-Mandeb, just as the Houthi consolidate their position on the opposite side.

BOX 4.1

Hard decisions in moments of distraction

In the Horn of Africa, difficult and unpopular decisions have often been taken while the world was looking elsewhere. On 18 September 2001, a week after the 9/11 attacks, Eritrean security forces arrested eleven senior figures of the ruling party, members of the so-called G-15, who had openly called on President Isaias Afwerki to reform. Within days, the independent press was shut down and its journalists detained. None of the 15 has ever been charged or tried. They have been held incommunicado ever since, and several are reported to have died in custody. Nineteen years later, on 4 November 2020, war broke out in Tigray as the United States was counting the votes of its presidential election. The question now is whether a new war between the US, Israel and Iran could open a similar window for an Ethiopian offensive against Eritrea.

The second danger is regional escalation. Egypt and Sudan have aligned themselves with Asmara, although their willingness to intervene militarily may be confined to indirect support. Ethiopia holds leverage over both: its control of the Nile gives it an instrument of pressure against Egypt, while its restraint from intervening directly in Sudan's war could end if Sudanese or Egyptian forces entered Eritrea. The Gulf powers are divided too. A bilateral war could thus draw in competing regional interests and deepen instability along the Red Sea.

According to Western diplomats, a negotiated settlement remains the preferable alternative. But the devil is in the details: how can Ethiopia secure access to the Red Sea port of Assab without challenging Eritrean sovereignty? The rapprochement between Asmara and Addis Ababa of 2018 briefly reopened that possibility, at least according to Ethiopia, but the Eritrean President, Isaias Afwerki, is unlikely to revisit it now. He appears more inclined to sustain pressure through Tigray and Amhara than to make concessions, even at the risk of providing Addis Ababa with further justification for military action. The paradox is that Eritrea's strategy for preventing an Ethiopian invasion may now be making one more likely.

94. Amnesty International, "Eritrea: Release journalists and politicians arrested 20 years ago," Sept 2021; Human Rights Watch, "Never to Be Seen Again – Eritrea," Sept 2018.

4.3

A Fractured Somalia

Time horizon: medium term

The third risk is slower to unfold, but could prove the hardest to reverse. Somalia is heading towards a contested electoral process just as the international security presence underpinning the federal government faces an uncertain future. Regional authorities, such as Puntland, Jubaland and Somaliland, are asserting greater autonomy, and al-Shabaab continues to threaten government-held territory. The critical window runs from the end of 2026, when US support for the UN office that supplies AUSSOM is due to end, to the presidential election scheduled for May 2027.

A Kabul-like scenario can no longer be ruled out, although Somalia's collapse would probably take a different form. A contested election, combined with the withdrawal of AUSSOM, could leave the federal government far more vulnerable to an al-Shabaab takeover, making the group's control of Mogadishu and its surroundings a real possibility, or force it to find a negotiated arrangement with the group. Somalia would then be reduced to the areas held together by external patrons, each seeking to defend its own territory. The comparatively stable north, Somaliland and Puntland, backed by the UAE and Israel, covers roughly half of Somalia's territory and almost all of its Gulf of Aden coastline. Jubaland, Kenya's traditional buffer and increasingly within Abu Dhabi's orbit, covers about an eighth, though parts of it remain under al-Shabaab, and South West State could follow the same path. Much of the rest of south-central Somalia, where Turkey has concentrated its investments and security commitments, is already contested with al-Shabaab. Rather than a single takeover, the result could be partition by default: a patchwork of territories and coastlines under different authorities, with no effective national centre.

For the Red Sea, the consequences would be lasting. The security of the Bab el-Mandeb and the Gulf of Aden would rest on two fragmented states facing each other across the water: a divided Yemen on one side, a fractured Somalia on the other. Existing smuggling networks and the growing links between al-Shabaab and the Houthi could exploit the gaps. Piracy, which has already returned with six commercial vessels seized since April against three in the previous fourteen years, would become harder to contain.

Unlike a confrontation with Iran or a war between Ethiopia and Eritrea, this crisis would have no obvious diplomatic off-ramp. Even if Hormuz reopened, the Houthi stood down and war on the African shore was avoided, a vital international shipping corridor could remain exposed to threats that no single government could control.

Chapter 05
Conclusions

The crisis of 2026 has revealed a fundamental contradiction in the emerging political economy of the Red Sea: trade is becoming more interconnected, while the security of the routes on which it depends is increasingly fragmented. The simultaneous disruption of Hormuz and Bab el-Mandeb has exposed vulnerabilities that no country, however wealthy or well prepared, can overcome alone. It has also accelerated a reorganisation of trade, energy and infrastructure whose consequences may outlast the conflicts themselves.

5.1

The Limits of Resilience

The Gulf monarchies entered 2026 with considerable financial strength, ambitious diversification programmes and decades of investment in strategic infrastructure. The war with Iran and the subsequent disruption of the region's maritime gateways have subjected that model to an extraordinary test.

Saudi Arabia and the UAE have demonstrated an impressive capacity to adapt. Alternative pipelines, ports and shipping arrangements have helped restore energy exports. China's accumulated reserves and diversified energy supplies offer a parallel example. Resilience is built before a crisis, through investment, spare capacity and the ability to act quickly.

> **Resilience is built before a crisis, through investment, spare capacity and the ability to act quickly.**

But infrastructure cannot substitute for political stability. Gulf states have responded effectively as individual economies, while their strategic divisions persist. The different approaches of Saudi Arabia and the UAE, particularly in Yemen, have weakened efforts to confront the Houthi threat. A renewed understanding between Riyadh and Abu Dhabi would not settle Yemen's conflict, but could strengthen cooperation

against the most immediate threat to Red Sea routes. Such an understanding must originate with the Gulf leaders themselves; Europe has every reason to encourage it.

5.2

The Horn of Africa: Preventing the Next Crisis

On the African shore, the central danger is the progressive displacement of politics by armed force. Sudan remains trapped in a devastating war, Somalia faces persistent fragmentation, and renewed confrontation between Ethiopia and Eritrea threatens to widen instability along the Red Sea coast.

Preventing an Ethiopia–Eritrea war requires a balanced but immediate diplomatic approach. The international community has made clear to Ethiopia that its territorial ambitions on the Red Sea cannot justify violating Eritrea's sovereignty. Equally, Eritrea cannot invoke its own sovereignty while repeatedly interfering in Ethiopia's internal affairs and supporting armed groups across the border. International pressure directed at Addis Ababa alone risks overlooking Asmara's contribution to the confrontation. Ethiopia's recent deconfliction steps along the border are a test of this approach. Lasting calm will depend on Asmara taking comparable steps, above all by cutting its links with Ethiopian rebel movements and keeping its forces out of the country's internal conflicts.

The challenge is to address Ethiopia's legitimate security concerns without reopening established borders. This will be difficult while Eritrea regards the collapse of Ethiopia as a guarantee of its own security. But a strategy built on destabilising a neighbour while invoking the inviolability of one's own sovereignty is ultimately self-defeating. It risks provoking precisely the confrontation with Ethiopia that Eritrea seeks to avoid.

Mediation should be coordinated rather than competitive. Sudan offers the warning: parallel initiatives led by Saudi Arabia and the United States in Jeddah, the African Union, IGAD and Sudan's neighbours allowed the warring parties to shop between forums, and helped prolong the war.

Djibouti occupies a particularly exposed position between the conflict in Yemen and the growing confrontation between Ethiopia and Eritrea. Its ports have suffered from the disruption of Red Sea shipping, even as the country hosts a substantial international military presence. For its partners, supporting Djibouti's resilience should mean more than maintaining military facilities. Economic diversification, stronger logistics and digital infrastructure, and the development of its role as a data hub connecting Africa, the Middle East and Asia could help turn a position of vulnerabil-

ity into one of strategic opportunity. Djibouti could also serve as a constructive economic bridge between the two shores of the Red Sea, provided regional cooperation can be sustained despite the surrounding conflicts.

5.3

Freedom of Navigation

The crisis has demonstrated that maritime chokepoints cannot be protected in isolation. Securing Hormuz while leaving Bab el-Mandeb vulnerable, or the reverse, merely transfers exposure from one route to another. New pipelines, ports and corridors may reduce dependence on individual passages, but they cannot eliminate insecurity across the wider trading system.

The long-term objective must therefore be a collective approach to maritime security, grounded in international law and the protection of freedom of navigation across interconnected chokepoints.

Europe has already established a credible operational presence around Bab el-Mandeb and the Gulf of Aden through EUNAVFOR ASPIDES and ATALANTA. Their experience provides a foundation for sustained maritime engagement, including against evolving threats to shipping and critical infrastructure. Nevertheless, the latest Houthi attacks have increased demand for protection by international shipping and require an immediate increase in the size of its missions, especially ASPIDES. The European Union has urged new contributions in this regard.

Protecting shipping also means curbing the capabilities used to attack it. Maritime-security policy must address targeting data, commercial imagery and dual-use supply chains as well as arms smuggling, and cooperation with Beijing and other partners should include stronger export controls, end-user monitoring and scrutiny of dual-use services.

Hormuz presents a more difficult challenge. Gulf partners regard it as a central security priority, while European political commitments have yet to be matched by comparable operational capabilities. The Franco-British initiative and discussions over a broader European role are important steps, but the gap between ambition and implementation remains significant.[95]

For Europe, the question is no longer simply how to protect commercial vessels in the Red Sea. It is whether it can contribute credibly to a wider system of maritime security, alongside Gulf and other international partners. This is essential not only for

95. Interview with Cinzia Bianco, Research Fellow, European Council on Foreign Relations, on 3 November 2026.

regional stability, but also for the rule of law on which global trade depends. Gulf countries claim that such rules have been forcibly broken by Iran in Hormuz, and that restoring the old order of freedom of navigation therefore requires an international commitment starting from Hormuz.

5.4

New Corridors: Defending Europe's Position by Diversifying beyond It

The disruption of the two straits is accelerating a reorganisation of shipping networks, ports and associated infrastructure, and overland connections. Some locations are gaining traffic while others risk losing their place in established supply chains. For Mediterranean economies, particularly Italy, the danger is not merely higher transport costs but a lasting loss of centrality in Europe–Asia trade.

Port competitiveness increasingly depends on the ability to generate value beyond transhipment. Industrial processing, manufacturing and logistics connections are essential if Italian and other southern European ports are to remain gateways to productive economies rather than peripheral distribution points.

At the same time, new corridors linking the Gulf, East Africa and inland markets present opportunities as well as competition. European companies can help finance, build and operate the ports, railways, energy facilities and industrial hubs emerging along these routes, including those that bypass the Mediterranean. Such port agreements should be assessed not only for financing and throughput but also for their effects on sovereignty, local authority and maritime security.

Europe's resilience cannot depend exclusively on preserving the geography of yesterday's trade. It must also participate in building tomorrow's corridors. Their economic viability will depend on competitive costs, reliable infrastructure and connections to real markets, not simply on their ability to avoid today's conflicts.

5.5

Energy Security: Redundancy on Both Shores

Energy has exposed the limits of relying on alternative routes that remain vulnerable to the same conflicts. Saudi Arabia's westward pipelines and Red Sea terminals have provided vital flexibility, but attacks on refineries and infrastructure demonstrate that a bypass can itself require a bypass.

For Europe, resilience therefore means protecting existing energy corridors while developing reserves, alternative suppliers, supply lines and infrastructure that do not fail simultaneously. Strategic storage in Egypt and southern Europe could cushion temporary disruptions, provided the facilities and routes needed to release those reserves remain accessible.

For East Africa, the crisis has revealed a different vulnerability: the region possesses energy resources but lacks sufficient refining capacity, leaving many countries dependent on petroleum products processed in the Gulf. This strengthens the rationale for local refining and diversified supply infrastructure. Proposed investments around Lamu, the Djibouti–Ethiopia fuel pipeline and the wider LAPSSET corridor illustrate the opportunities. Yet a new pipeline serving the same port does not eliminate dependence on a single route.

The Eastern Mediterranean is becoming an increasingly important energy bridge. Egypt's gas infrastructure, Cypriot resources and planned electricity links offer opportunities for diversification, although financing, physical security and unresolved political disputes remain obstacles. Turkey's role cannot be overlooked: the long-term viability of regional energy corridors will also depend on reducing tensions with Ankara, while respecting the sovereignty and sovereign rights of the countries concerned.

Electricity interconnections and distributed renewable generation offer further possibilities, particularly for African economies dependent on imported diesel. But power cables and transmission networks are vulnerable too. True redundancy requires independent sources, routes and technologies—not merely more infrastructure concentrated along the same exposed corridors.

5.6

Digital Infrastructure: Securing Connectivity and the Future of AI

The Red Sea is a critical chokepoint for global digital connectivity. As submarine cables become increasingly exposed to hybrid threats, resilience will depend on three complementary capabilities: stronger protection, diversified routes and rapid repair. Europe has begun investing in these areas, but cooperation with African and Middle Eastern partners remains essential, particularly to develop local monitoring and repair capacity.

The stakes now extend beyond cables. Iran's threats against Gulf data centres and AI facilities raise questions about the future geography of digital investment. If security

risks push new data-centre capacity towards Southeast Asia, Africa could find itself even further left out of the computing infrastructure underpinning the AI economy, reinforcing an already significant digital divide.

Developing data-centre capacity in Africa therefore becomes a strategic opportunity, but one that depends on competitive electricity costs, reliable power and water supplies, robust cable connections and sufficient network redundancy. A country such as Djibouti, already an important gateway for international data traffic, should be supported in playing a greater role in connecting African markets to global digital networks. Connectivity alone will not be enough: the challenge is to attract investment that creates local computing capacity and economic value, rather than merely carrying data between other regions.

For Europe, the Gulf and Africa, the objective should be to build a more coordinated and geographically diversified digital infrastructure, in which protection, connectivity, affordable energy and computing capacity reinforce one another. Digital resilience is no longer simply about keeping information moving; it is also about ensuring that emerging economies can participate in the economic value created by AI.

List of Acronyms

AAE-1	Asia–Africa–Europe 1 (submarine cable)
AI	Artificial intelligence
AMISOM	African Union Mission in Somalia
ATMIS	African Union Transition Mission in Somalia
AU	African Union
AUSSOM	African Union Support and Stabilization Mission in Somalia
b/d	Barrels per day
CSIS	Center for Strategic and International Studies
DARE1	Djibouti Africa Regional Express 1 (submarine cable)
EIG	Europe India Gateway (submarine cable)
ENDF	Ethiopian National Defence Force
EPLF	Eritrean People's Liberation Front
EPRDF	Ethiopian Peoples' Revolutionary Democratic Front
EU	European Union
EUNAVFOR	European Union Naval Force
GUGI	Main Directorate of Deep-Sea Research (Russia)
GW	Gigawatt
HVDC	High-voltage direct current
IGAD	Intergovernmental Authority on Development
IMEC	India–Middle East–Europe Corridor
IMEWE	India–Middle East–Western Europe (submarine cable)
IRGC	Islamic Revolutionary Guard Corps (Iran)
LAPSSET	Lamu Port–South Sudan–Ethiopia Transport Corridor
LNG	Liquefied natural gas
MSC	Mediterranean Shipping Company
MW	Megawatt
PCT	Piraeus Container Terminal
PLC	Presidential Leadership Council (Yemen)
ROV	Remotely operated vehicle
RSF	Rapid Support Forces (Sudan)
RSGA	Red Sea and Gulf of Aden Council
SAF	Sudanese Armed Forces
SMW4	South East Asia–Middle East–Western Europe 4 (submarine cable)
SPLM-N	Sudan People's Liberation Movement–North
STC	Southern Transitional Council (Yemen)
SUMED	Suez–Mediterranean pipeline (Egypt)
TEU	Twenty-foot equivalent unit
TMT	Trieste Marine Terminal
TPLF	Tigray People's Liberation Front
UAE	United Arab Emirates
UN	United Nations
UNSOS	United Nations Support Office in Somalia
US	United States
USD	United States dollar
VLSFO	Very-low-sulphur fuel oil

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