

The conflict in Yemen: Marine Risks

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KEY JUDGEMENT

The Saudi-led intervention in Yemen against the alliance of Houthis and defected military forces loyal to former president Ali Abdullah Saleh carries a range of current and potential risks to international shipping transiting the Red Sea, a strategic route for oil and other cargoes. IHS assesses the risk, principally of collateral damage from stray rounds, in Yemeni territorial waters (12 nautical miles) to be high, particularly off the coast of Aden, where there is ongoing fighting for control of the city; off the port of Mocha, serving Taiz province, overlooking Bab al-Mandab Strait; and off Hodeidah port.

Although defected elements of the Yemeni army have significantly enhanced Houthi military capabilities onshore, the Yemeni navy is non-operational and the Houthis lack a marine capability, other than the potential use of small craft to target Arab League warships with boat-borne suicide improvised explosive devices (IEDs).

In the event of protracted fighting onshore, there will be an increasing risk of disruption to shipping by Arab League warships blocking supplies to the Houthis and of incidents between Arab League and Iranian warships.

EXECUTIVE SUMMARY

- **Military intervention by Sunni Arab states in Yemen signifies an escalation in the Sunni-Shia regional conflict, from a proxy war to one directly involving its rival sponsors. Saudi Arabia is unlikely to be able to restore President Hadi to power in Sanaa by use of Yemeni proxy forces, backed by Arab League offensive air support, making high-risk protracted ground intervention more likely.**
- **The principle current violent risk is of collateral damage to shipping from factional fighting onshore for control of Yemen's ports, involving the use of heavy weapons.**
- **There is an increased risk of disruption to shipping caused by Arab League warships policing the approaches to Yemeni ports, and of increased war risk from incidents between Arab coalition and Iranian warships.**
- **Sunni Jihadists in Yemen will seek to exploit the civil war to their advantage. Given a presence on the coast, they would have the intent, and limited capability, to attack Western warships and commercial shipping using the Bab al-Mandab.**
- **A Houthi victory in the civil war would give Iran indirect control over the Bab al-Mandab, equivalent to its current capability to close the Strait of Hormuz, increasing the risk of war with the US and its allies through miscalculation.**
- **A protracted civil war in Yemen may well cause a reduction in naval forces currently deployed on anti-piracy operations in the Indian Ocean; however, of itself, this is unlikely to result in an increase in piracy risk from Somalia-based pirates.**

DETAILED ANALYSIS

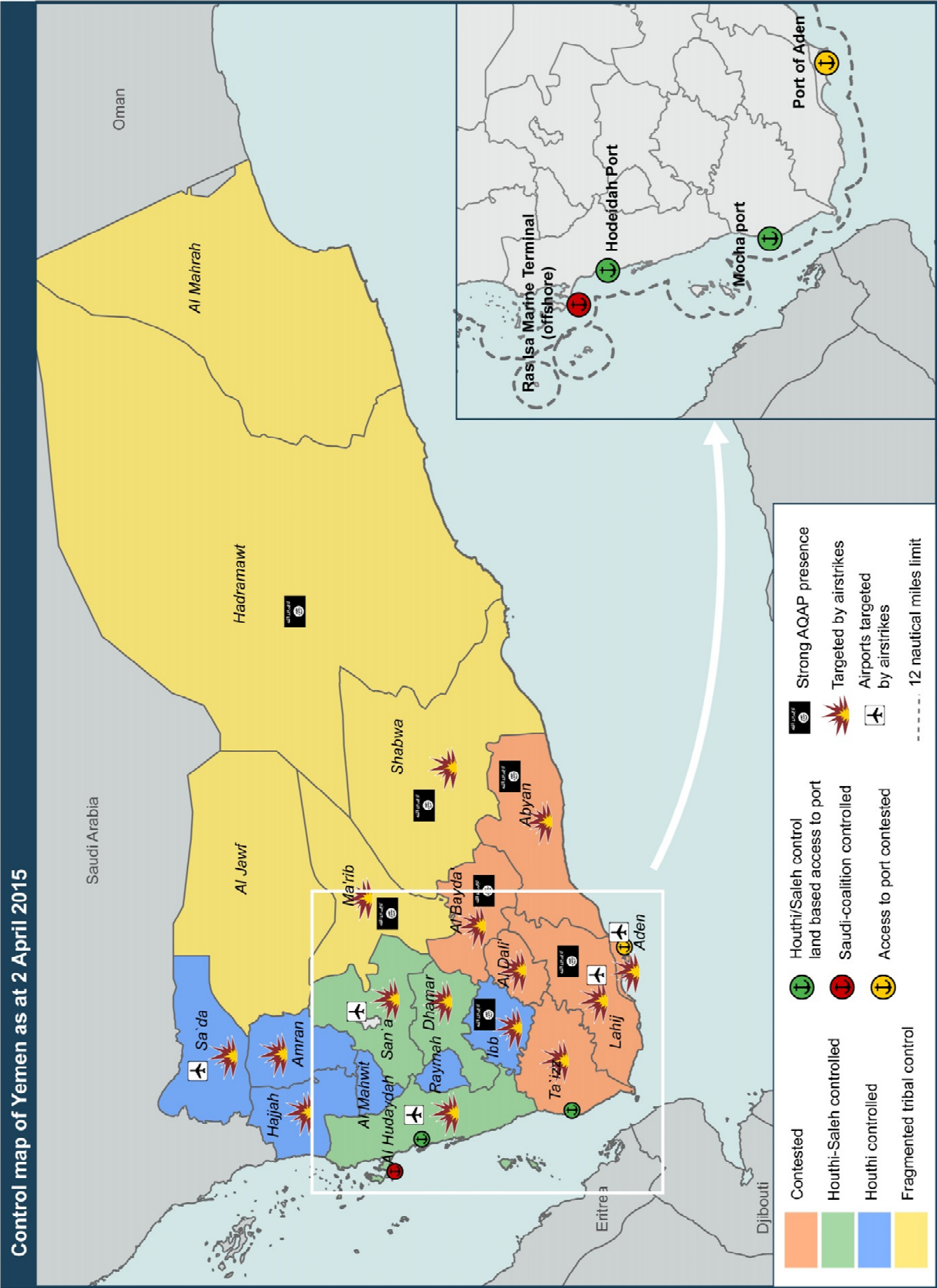
Military intervention by Sunni Arab states in Yemen signifies an escalation in the Sunni-Shia regional conflict, from a proxy war to one directly involving its rival sponsors. Saudi Arabia is unlikely to be able to restore President Hadi to power in Sanaa by use of Yemeni proxy forces, backed by Arab League offensive air support, making high-risk protracted ground intervention more likely.

The Gulf Arab sponsors of the Sunni-Shia conflict evidently assess that their core interests, including the security of the Bab al-Mandeb Strait at the southern end of the Red Sea, are sufficiently under threat to warrant direct involvement in an air campaign and potentially the commitment of ground combat forces. Operation Determination Storm, which began on 26 March, is being led by Saudi Arabia and aims to re-instate Yemeni president Abdurabu Mansour Hadi in the capital Sanaa. Hadi was forced to leave his temporary base in Aden for Riyadh; Aden is still heavily contested.

To date, the Saudi-led military intervention has been mainly limited to airstrikes across contested or Houthi-controlled territory, and naval shelling of Houthi military convoys near Aden. Four Egyptian warships have already deployed to the southern Red Sea to police shipping lanes through the Bab al-Mandab Strait, a strategic cargo route, particularly for oil. However, there are clearly contingency plans for ground intervention, should, as is likely, ground operations by Saudi Arabia's Yemeni tribal proxies, supported by the airstrikes, fail to re-establish Hadi's government in Sanaa. Arab coalition troops have reportedly already landed in Aden, although IHS could not independently corroborate this.

While the Houthis have no means of countering Saudi Arabia's air power, their objective is now likely to be to hold on to Hodeidah and Sanaa provinces long enough to encourage a Saudi compromise, or provoke a Saudi and/or Egyptian ground offensive in Yemen. In the latter scenario, the Houthis would expect to wear down Arab League forces by guerrilla warfare, conducted over mountainous terrain in part of Hodeidah province and across Sanaa province.

The Yemeni navy is non-operational and the Houthis do not have a marine capability, other than potentially the use of small craft to target Arab League warships with IEDs. If the Houthis were to acquire Yemeni navy Chinese C-801 anti-shipping missiles, they would be unlikely to be able to use them to target shipping.



The principal current violent risk is of collateral damage to shipping from factional fighting onshore for control of Yemen's ports, involving the use of heavy weapons. None of the factions currently engaged in the onshore fighting is likely to deliberately target merchant shipping, and their capability to target ships at sea will be very limited.

The most immediate risk is of collateral damage to shipping using the port of Aden, due to ongoing onshore factional fighting in the city. The port, along with other strategic assets such as Aden airport, is a likely priority target for Houthi/Saleh forces. Although the Houthis do not have local support bases they can draw on near Aden, their objective in continued fighting in the city is probably to ensure the front line stays as far south as possible, to help defend their core territories between Hodeidah and Sanaa provinces and the Yemeni-Saudi border.

Inter-factional fighting in Aden currently involves artillery, tanks, Grad-type rocket and mortar fire, rocket-propelled grenades, and heavy machine gun and small-arms fire. Advances by Houthi/Saleh-allied forces in Aden reportedly prompted a sea landing by coalition forces at the port of Aden today (2 April), probably to prevent what would have been an imminent takeover of the city. Those reports are yet to be confirmed. Saudi-led airstrikes are likely in the vicinity of the port to prevent its capture, as well as to target suspected weapons depots; more extensive ground force deployment would be likely to help defend the city.

There is a severe risk of similar collateral damage to shipping in the event of ground fighting, and of naval shelling and airstrikes, spreading to Mocha port (which serves the city of Taiz) and Hodeidah port. There is also a growing risk of sea landings at Hodeidah port to prevent its capture by Houthi or allied Saleh forces. In this scenario, there would also be an added risk of the Houthis using boat-borne suicide IEDs to retaliate against Arab League warships at anchor or moving at slow speed through coastal waters. Houthi/Saleh forces could acquire Chinese-made C-801 anti-shipping missiles, currently fitted to non-operational Yemeni navy warships; however, their priority use would likely be to support ground operations, and their capability to use them in an anti-shipping role is doubtful, given difficulties in target acquisition.

There is an increased risk of disruption to shipping caused by Arab League warships policing the approaches to Yemeni ports, and of increased war risks from incidents between Arab coalition and Iranian warships.

Concern over the potential risks to shipping transiting the Gulf of Aden and Bab al-Mandab has already resulted in restrictions being imposed on navigation through the risk area. This has caused delays to shipments due to use Yemeni ports, for instance of a Norwegian liquefied petroleum gas (LPG) carrier en route to Egypt from Singapore, which was due to call at the Egyptian port of Ain Sokhna.

If, as seems likely, fighting is not suspended by negotiation of a ceasefire in the coming days, ground intervention would become more likely, bringing with it larger deployment of Arab coalition warships to the southern Red Sea, potentially in support of a sea landing of ground forces (most probably by Egypt and Saudi Arabia) through Aden and/or Hodeidah ports.

Ground force intervention also risks bringing about an increased Iranian naval presence off Yemen. In this case, disruption to shipping is much more likely to increase due to more aggressive attempts by the Arab coalition to intercept vessels suspected of attempting to supply Houthi forces. Iran currently only has the Bayandor-class corvette *Naghd* patrolling the northern Indian Ocean, supported by the supply ship *Bandar Abbas*. This scenario would increase war risks arising from any incidents between Arab coalition and Iranian warships.

Sunni jihadists in Yemen will seek to exploit the civil war to their advantage. Given a presence on the coast, they would have the intent, and limited capability, to attack Western warships and commercial shipping using the Bab al-Mandab Strait.

The factional fighting in Yemen is likely to be exploited by Sunni jihadists belonging to Al-Qaeda in the Arab Peninsula (AQAP) or the newly formed Yemeni wilayat Sanaa (Sanaa province) of the Islamic State. These groups are opposed to the Shia Houthis, President Hadi's government, Saudi Arabia, Egypt, and other Arab states involved in the coalition.

Earlier today, militants suspected of belonging to AQAP launched a major raid in Al-Mukalla, in the southern province of Hadramawt, taking control of the city for a few hours before withdrawing. This is the first significant operation mounted by the group since the beginning of the Saudi-led military intervention in Yemen on 26 March. With coalition forces concentrating on defending Aden from advances by Houthi-allied forces, AQAP is likely to continue to enjoy unrestricted freedom of manoeuvre, even extending its territorial control to potentially include the Al-Mukalla oil terminal and its port, although its capacity to hold such a facility would be questionable.

If AQAP, or even the Islamic State, establish a foothold on the coast – even if limited to securing limited support in small fishing communities – they are likely to have the intent, albeit limited capability, to attack "crusader" warships and shipping transiting the Bab al-Mandab Strait and Gulf of Aden. This would most likely take the form of a USS *Cole*-type attack (the Al-Qaeda attack on a US Navy destroyer moored in the port of Aden in 2000), using a small craft to deliver a suicide IED, detonated against the hull of a ship at anchor or moving at slow speed through coastal waters. Apart from damage to the targeted ship, which could well be significant, the main impact would be disruption to normal shipping, involving increased security measures, such as escort by warships, and loss of confidence in the security of these strategic waterways, which regionally would be particularly damaging to Egypt.

A Houthi victory in the civil war would give Iran indirect control over the Bab al-Mandab Strait, equivalent to its current capability to close the Strait of Hormuz, increasing the risk of war with the US and its allies through miscalculation.

An outcome to the civil war in which the Houthis take control of Yemen, either on their own or, more likely, in alliance with Saleh's faction, would raise concerns in the West and among Arab League countries of Iran using a compliant government in Sanaa to disrupt shipping, or even close the Bab al-Mandab Strait at will, in order to apply pressure for political advantage. Given Iran's existing capacity to disrupt shipping using the Strait of Hormuz in the Gulf, its ability to apply similar pressure on Red Sea traffic would be of particular concern to Saudi Arabia, which would effectively be isolated. Such interference in international sea lanes by Iran would be extremely high risk, as the US would be likely to regard it as an act of war. Iran would be unlikely deliberately to take such drastic action unless the Islamic Republic felt under existential threat; however, the risk of war through miscalculation would increase if Iran secured indirect control of the Bab al-Mandab.

A protracted civil war in Yemen may well cause a reduction in naval forces currently deployed on anti-piracy operations in the Indian Ocean; however, of itself, this is unlikely to result in an increase in piracy risk from Somalia-based pirates.

Although a protracted conflict in Yemen may well cause a redeployment of NATO and other naval forces from counter-piracy operations in the Gulf of Aden/Indian Ocean to the Red Sea, taking some pressure off Somalia-based pirates, the few gangs involved will still be critically handicapped by the changed security environment onshore and the denial to them of sanctuaries where they were previously able to hold hijacked

hulls and their crews while negotiating ransom terms. In addition, the widespread adoption of armed on-board security guards while ships are transiting the highest risk areas will act as an effective deterrent, causing pirates to break off any hijack attempts, as long as the shipping industry is prepared to pay the high costs involved.