

New Houthi attacks likely kill hopes of shipping returning to Red Sea this year



The original spark for Houthi attacks on shipping — Israeli operations in Gaza — remains a core rationale for their ongoing strikes on commercial shipping. Photo credit: Mohammed Huwais / AFP via Getty Images.

Peter Tirschwell, Vice President | Jul 9, 2025, 4:43 PM EDT

With no attacks on shipping off the Yemeni coast since December — that is, until two strikes over the past three days — a feeling was taking hold among some ocean carriers that the threat posed by Houthi militants was greatly diminished.

And as the threat diminished it would become more difficult for carriers to justify the diversions around southern Africa, which for the past 18 months have absorbed an estimated 10% of global capacity, extending transit times and putting carriers in a stronger position to absorb an influx of new capacity.

Now with two attacks in recent days, including one that killed three mariners, any thought that the risk was easing to the point the Suez route might be reopened in the

near future has vanished.

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“The dynamic in the Red Sea has changed materially as compared to expectations roughly a month ago in which there had been a growing view that Red Sea transits would start to pick up following the US-Houthi agreement and the long period in which merchant ships had not been attacked,” Jefferies wrote on July 8.

While the Houthi militia may have held fire for several months, the restraint should not be taken as a sign the group’s ability to strike is diminished. Although such a conclusion could be inferred from military setbacks experienced across the network of Iran-backed militia and states such as Syria, in reality, the Houthis remain a lethal force, as they showed this week, analysts say.

“The most recent Houthi attacks ... allow them to demonstrate that, unlike Iran and its other proxy groups in the region, they remain undeterred by the threat of US or Israeli military confrontation,” Jack Kennedy, head of Middle East and North Africa country risk at S&P Global Market Intelligence, told the *Journal of Commerce* Wednesday.

Israel and the US have upped their strikes on rebels in Yemen in recent months. But without troops on the ground to uproot the rebels, Kennedy has been saying for more than a year that it would be extremely difficult to eliminate the group as a danger to shipping through aerial military action alone.

“Houthi missile attack capabilities are highly decentralized across the territory they control,” Kennedy said. “These are unlikely to be fully replenished to levels in place prior to US-led and Israeli airstrikes, but seizures of weapons shipments in the Red Sea and the Houthis’ own industrial manufacturing capacity suggest that they will have been able to partially rebuild weapons stockpiles.”

Kennedy added that the original spark for Houthi attacks on shipping — Israeli operations in Gaza — remains a core rationale for their strikes. “It is highly likely that attack attempts on vessels will continue while Israeli military operations in Gaza are ongoing,” he said.

The result is an extended timeline, quite possibly into 2026, for any large-scale return to Suez routings.

“With the developments over the past few days there is not much chance of a reversal back to a Suez routing for the major container lines in the short to medium term,” shipping analyst and *Journal of Commerce* contributor Lars Jensen wrote on LinkedIn this week.

Added Kennedy: “We expect that Houthi attack activity will continue through 2025 at least.”

Ongoing disruption post-COVID

For ocean carriers who didn’t create the crisis and yet are largely immune from criticism for continuing the longer routings around Africa to protect their crews, ships and cargo, the crisis is part of a larger narrative of ongoing post-COVID-19 disruption, alongside basic supply and demand, underpinning market dynamics.

Carriers face intense profit pressures over the next few years, with Drewry last month saying it expects industry operating profit to fall to \$20 billion this year, down from over \$50 billion in 2024. But the pressure would be much greater without the absorption of capacity due to the Red Sea attacks and resultant diversions.

Maersk in May ruled out a return to normal Suez routings this year despite US President Donald Trump on May 6 saying the Houthis “have capitulated” and agreed to stop attacks on commercial shipping in the region.

But as the new attacks clearly showed, the Houthis were just lying low, meaning the status quo of limited container ship transits through the Suez remains as entrenched as ever.

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