

# White House warns Red Sea turmoil could hit US economy

Ship diversions may eventually be felt by American consumers, says White House spokesman

[John Gallagher](#)

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Kirby at the White House on Wednesday responding to questions about Red Sea shipping risks. (Photo: The White House).

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3 min

WASHINGTON — The White House has warned that the potential for higher shipping costs to affect the U.S. economy amid diversion of ships from the Red Sea will depend on how long Houthi rebels sustain their attacks on commercial vessels.

“If we weren’t concerned, we wouldn’t have stood up an operation in the Red Sea, now consisting of more than 20 nations, to try to protect that

commerce," White House spokesman John Kirby said at a White House press conference on Wednesday, referring to the U.S.-led military force [Operation Prosperity Guardian](#).

"The Red Sea is a vital waterway, and a significant amount of global trade flows through it. By forcing nations to go around the Cape of Good Hope, you're adding weeks and weeks onto voyages, and untold resources and expenses have to be applied in order to do that. So obviously there's a concern about the impact on global trade."

Asked if those impacts will become a "pocketbook" issue for Americans, Kirby responded that the administration is not yet seeing that.

"It would depend on how long this threat goes and on how much more energetic the Houthis think they might become," he said. "Right now we haven't seen an uptick or a specific effect on the U.S. economy. But make no mistake. This is a key international waterway. Countries more and more are becoming aware of this increasing threat to the free flow of commerce."

Kirby, the coordinator for strategic communications for the National Security Council, was at the White House to announce a multinational ultimatum directed at rebel attackers and condemning recent attacks on commercial shipping in the Red Sea. The U.S. and 12 other countries issued the ultimatum.

"These actions directly threaten freedom of navigation and global trade, and they put innocent lives at risk," Kirby said. "This joint statement demonstrates the resolve of global partners against these unlawful attacks and underlines our commitment to holding maligned actors accountable for their actions."

[The statement](#) points out that nearly 15% of global maritime trade passes through the Red Sea, including 8% of global grain trade, 12% of seaborne-traded oil and 8% of the world's liquefied natural gas.

Rerouting vessels around Africa's Cape of Good hope imperils "the movement of critical food, fuel, and humanitarian assistance throughout the world," it read.

Maersk, the world's second-largest ocean carrier, [announced on Tuesday](#) that it would suspend Red Sea transits indefinitely and reroute ships around the Cape of Good Hope after Houthi rebels launched a missile against one of its container ships on Saturday.

Three major maritime shipping groups — the World Shipping Council, the International Chamber of Shipping and BIMCO — praised the 13-country condemnation of the attacks.

"On behalf of our members and their seafarers and customers throughout the world, the organizations thank these ... nations for their strong commitment to defending rules-based international order and to holding malign actors accountable for unlawful seizures and attacks," the groups stated.

"The shipping associations call on all nations and international organizations to protect seafarers, international trade in the Red Sea, and to support the welfare of the global commons by bringing all pressure to bear on the aggressors so that these intolerable attacks cease with immediate effect."

In addition to the U.S. the countries warning against further attacks in the joint statement are Australia, Bahrain, Belgium, Canada, Denmark, Germany, Italy, Japan, Netherlands, New Zealand, Singapore, and the United Kingdom.