

Fears grow as Houthi rebels capitalise on rich Red Sea revenue stream

Yemen-based Houthi rebels with likely links to other terrorist organisations including Al-Qaeda, Al Shabaab and Hezbollah, are thought to be earning billions of dollars from shipowners paying huge tolls to grant their ships safe passage through the Bab el-Mandeb Strait and the southern Red Sea.

[Paul Bartlett](#), Correspondent

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The tanker Sounion on fire after attack by the Houthi Credit: EU Navfor Aspides

At a Glance

- UN report says Houthi earning \$180 million a month from ship operators for safe Red Sea transits
- Houthi threaten to attack 'Israeli-linked' ships even after sale and re-flagging
- Red Sea diversions result in \$6 billion of lost revenues for the Suez Canal

Arab press reports cite a 537-page report compiled by a United Nations (UN) expert panel on Yemen which is said to claim that the Houthis are earning up to \$180 million a month from ship operators seeking to avoid the far longer and more expensive voyage round the Cape of Good Hope.

According to the UN experts, the Iranian-backed Houthis have now transformed from a relatively small local resistance group into a powerful regional force.

On Sunday evening, the Yemeni Armed Forces issued a statement warning against selling, changing flag, or transferring maritime assets in moves to avoid punitive measures imposed by the Yemeni Republic on ships and their owners.

The Yemeni Armed Forces would continue to enforce the maritime blockade on the 'Israeli' enemy, the statement said, and target all ships affiliated with, associated with, or heading towards it.

Yemen's military spokesman, Brigadier General Yahya Sarie, declared: "Intelligence information confirms that many 'Israeli' enemy shipping companies are working to sell their assets and transfer their maritime shipping and transport properties to other companies or register them under other names as a means of circumventing the punitive measures imposed by the Republic of Yemen on those ships and companies."

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There is growing concern in global shipping circles that the escalating crisis in the Red Sea that has become a wider regional conflict will now be far more difficult to resolve. And, if the reports of shipowners resorting to bungs in exchange for safe passage have any basis in truth, the Houthis are unlikely to forego this rich new revenue stream any time soon.

Conflict in the Red Sea has already blown a \$6 billion hole in Egyptian revenue from the [Suez Canal](#), the country's Foreign Minister Badr Abdelatty told [IMO](#) Secretary General, Arsenio Dominguez in a meeting last Friday. But if the passage between the Indian Ocean and the Mediterranean Sea were blocked for a longer period, the cost to the global economy could make this look like small change.