

# The Maritime Executive

INTELLECTUAL CAPITAL FOR LEADERS

## Gaza Ceasefire Raises Hopes of Renewed Security in the Red Sea



Houthi missiles on display at a parade, 2024 (Houthi Military Media)

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On Thursday, Israeli Prime Minister Benjamin Netanyahu announced that an agreement for a ceasefire and hostage exchange had been reached with terrorist group Hamas, setting conditions for the end of hostilities in Gaza - though an unspecified last-minute issue has delayed an Israeli cabinet vote to finalize the deal. If approved, it appears to satisfy most of the demands of Yemen's Houthi rebels, who have attacked shipping in the Red Sea for more than a year in protest of Israeli operations in Gaza.

In a response to Netanyahu's announcement early Friday, Houthi leader Malik Al-Houthi cast the ceasefire as a loss for Israel and America. He suggested that the group's "naval operations have reached a decisive result and a real victory," and contributed to a "failure" for Israel in the Gaza Strip. He cautioned that the group would monitor the situation for the next three days as the deal takes effect; notably, Al-Houthi did not pledge a halt to attacks on shipping, and he left open the possibility of renewed strikes. "At any stage in which the Israeli enemy returns to aggression and escalation, we will be ready to support [Hezbollah]," said Al-Houthi.

Shipping and security analysts have given mixed predictions about the group's intentions going forward. Dimitris Maniatis, CEO of Marisks, told Reuters that the Houthis' capabilities have been significantly reduced by Israeli and American airstrikes over the past month, leaving the group eager for "a pretext to announce a ceasefire" and end their campaign. Multiple other sources told Reuters that shipping interests are already eyeing a return to the Red Sea route after a year of disruption, so long as sky-high war risk insurance rates come down.

Others are less sure, especially since Houthi fighters have reportedly developed a revenue stream from their campaign. A UN panel on Yemen investigated their operations and spoke with regional shipbrokers and service providers; the panel heard multiple accounts that the group was extorting shipowners out of hundreds of thousands of dollars for each safe transit past Yemen, and estimated that the Houthis are earning about \$2 billion per year from "security" fees. While the exact amount of the fee is debated, "there's clearly some deal-cutting," U.S. special envoy for Yemen Tim Lenderking told *The Economist* - and those deals may create a business incentive for Houthi fighters to continue launching attacks.

Blue-chip carriers have signaled that they do not plan a quick return to the route. Maersk has predicted that the Red Sea will stay shut down for global container liners "well into 2025," and a spokesperson told Reuters on Thursday that it is "still too early to speculate about timing." Hapag-Lloyd concurred, saying that the "agreement has only just been reached."

Others will be unaffected. The Russia-linked "shadow fleet" tankers that ferry Russian oil to buyers in India and China have consistently used the Suez-Red Sea route, without interruption, and will likely continue to do so after an eventual cessation of Houthi hostilities. Chinese shipping interests have also benefitted from a public nonaggression [pact](#), and many continue to use the route.