

Chart of the Week #2024-08

Tanker Traffic: Bab el-Mandab Strait vs Cape of Good Hope



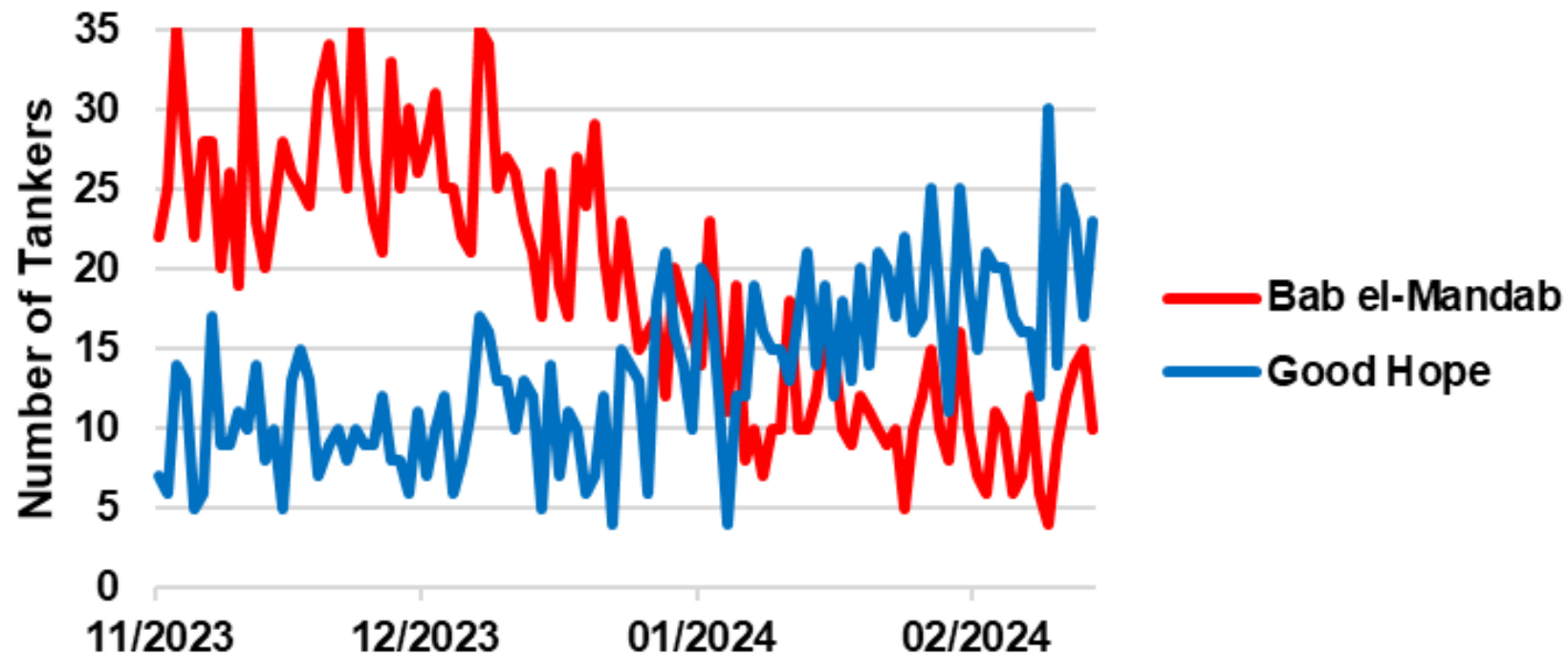
Max Pyziur
February 28, 2024
Washington, DC

Tanker Traffic: Bab el-Mandab Strait vs Cape of Good Hope

- The war that began with Hamas' attack of Israel on October 7, 2023 has quickly spilled over across the Middle East. Notably, commercial vessel traffic consisting of bulk carriers, container and other cargo vessels, and a variety of crude oil, product, and chemical tankers crossing the Bab al-Mandab strait, the southern entrance to the Red Sea, have been attacked by pirates, drones, and missiles from the Iranian-backed Houthi-controlled region of Yemen.
- While this has yet to reach the crisis-level of the 1973 Arab Oil Embargo, commercial operators have been prudent in rerouting their vessels away from the region. Until security is improved this is set to continue.
- On November 19, 2023, the Galaxy Leader, a RoRo (Roll On/Roll Off vessel used for transporting motor vehicles), was seized by Houthis and is being held in the port of Hodeida along with its crew.
- On November 26, 2023, the Central Park, a chemical tanker operated by Zodiac Maritime, was attacked by Houthi missiles. Since then, there have been a total of 32 commercial vessels targeted with Houthi weaponry of which 11 have been tankers.

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10/07/2023 - 02/20/2024



Analysis Based on Daily IMF Portwatch Data

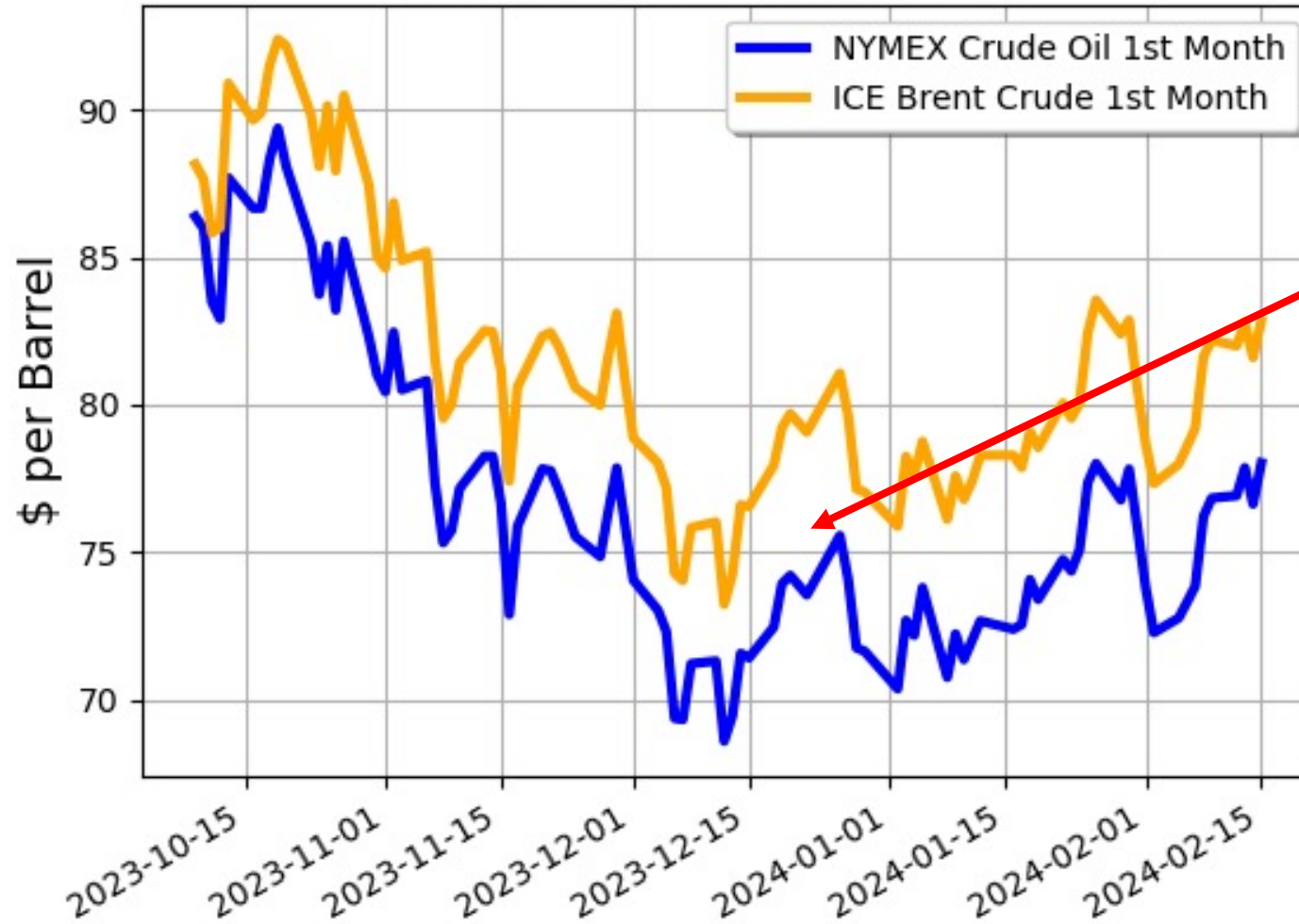
Energy Policy Research

In reaction, commercial operators have been detouring many of their vessels around South Africa's Cape of Good Hope rather than passing through Bab el-Mandab.

This rerouting adds 14 days of transit time, increased insurance premiums, and additional fuel cost. Red Sea traffic has dropped by more than half.

Beginning January 4, Cape of Good Hope tanker traffic exceeded that of Bab el-Mandab.

NYMEX Crude Oil 1st Month and ICE Brent Crude 1st Month: 10/07/2023 to 02/20/2024



Despite soft demand, crude oil prices started rising from their lows after a series of tanker attacks in mid-December.

Analysis based on Daily CME Data

EPRINC

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In conjunction with coalitions of other countries, the U.S. has initiated two military responses:

- **Operation Prosperity Guardian (December 18, 2024):** a coalition of more than 20 countries with a mandate to protect international shipping in the Red Sea; and,
- **Operation Poseidon Archer (January 11, 2024):** a separate coalition working to conduct offensive operations to degrade Houthi military capabilities.

This slide deck is available at: <https://eprinc.org/chart-of-the-week/>

For more information on these charts, please contact Max Pyziur (maxp@eprinc.org).