

# MARITIME STRATEGIC EVALUATION FOR ISRAEL 2021/22

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## Changes and Transformations in the Red Sea Basin – and the Implications for Israel

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### Introduction

2021 has been a year of changes and transformations in the Red Sea Basin due to several developments which took place almost simultaneously. In November 2020, the Horn of Africa instantaneously transformed from an area which had enjoyed two and a half years of peace, prosperity and development into a region rife with conflicts following the outbreak of the civil war in Ethiopia, the border war between Sudan and Ethiopia and the rising tensions in the region between Egypt, Sudan and Ethiopia following the completion of the second filling of the Renaissance Dam in July 2021. In parallel, in early January 2021, a trans-Gulf reconciliation agreement was signed between Qatar and Saudi Arabia, the United Arab Emirates, Bahrain and Egypt, which brought to an end the disconnect and power struggles between these countries, which had been ongoing for three and a half years.

At the same time, 2021 has also seen the growing importance of the Red Sea to Israel. The Red Sea has become part of the arena in which Israel and Iran are playing out their conflict – an arena spanning the entire Middle East and beyond. As a result, and due to the civil war in Yemen, the threats to Israeli shipping have only intensified. The blocking of the Suez Canal in March 2021 was another incident that highlighted the fact that the threats to shipping in the Red Sea are not limited to the military-security aspect, but to economic aspects as well. Iran's activities in the Horn of Africa against its rivals has also raised the risk bar to Israel in the region.

These and other developments that have taken place in the region, which I will mention later on, and the radical reshuffling of the situation in the region impact Israel as well and the way it should adjust to the rapidly-changing conditions. In this article, I will review the developments and changes that have taken place this past year in the Red Sea basin and their implications for Israel.

### Threats to Shipping in the Red Sea

2021 was characterized by a relative relaxation of threats to the freedom of navigation in the Red Sea. Although the civil war in Yemen continues to threaten the

freedom of navigation in the Red Sea and the western Indian Ocean<sup>1</sup> and in this past year the Houthis even attacked strategic targets in Saudi Arabia from the sea, such as the Port of Jeddah and the Port of Yanbu, the levels of threat to the freedom of navigation in the Red Sea and Gulf of Aden on the part of Somali pirates has been reduced significantly. Therefore, as of September 1, the world's leading shipping organizations – BIMCO, ICS, INTERCARGO, INTERTANKO and OCIMF – agreed to scale down the boundaries of the region designated as being at an increased risk by the Somali pirates in the Indian Ocean – to the southern and eastern portions of the Yemeni and Somalian territorial waters and economic waters.

Another threat to international shipping in general and Israeli shipping in particular has arisen from the covert war between Israel and Iran, which has been playing out in the past two years in the maritime arena and which has made headlines only after the attack on the Iranian spy ship *Saviz* in the Red Sea opposite the Eritrean coast on April 6, 2021. In this battle, Israel attacked commercial ships, which were transporting Iranian oil and weapons to Lebanon and Syria, in the Red Sea and Eastern Mediterranean using naval mines and torpedo missiles. Israel however avoided sinking the vessels. This was done in an effort to thwart Iran's attempts to circumvent the American sanctions on its oil industry and to foil the transfer of armaments from Iran to Hezbollah. In response, and also as revenge for the killing of the commander of the Quds Force, Qasem Soleimani, and the head of the Iranian nuclear program Mohsen Fakhrazade, the Iranians attacked several Israeli-owned commercial vessels, including vessels which are not Israeli-owned but which are carrying cargoes intended for Israel, in the Red Sea, the western Indian Ocean and the Persian Gulf. Thus, for example, the Iranians attacked the Israeli-owned ship *Helios Ray* in the Gulf of Oman on February 25, the container ship *Lori*, which is owned by Israeli businessman Udi Angel also in the Gulf of Oman on March 25, and the Israeli-owned *Hyperion* near the Emirate of al Fujairah on April 13. These attacks were carried out mainly through the use of naval mines and torpedo missiles. However, on July 30th this battle escalated when the Iranians attacked the Israeli-owned *Mercer Street* near Oman using UAVs, which hit the ship and for the first time, cost lives – of two crew members – one British and one Romanian.

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<sup>1</sup> For more information on the threat posed by the Houthis to the freedom of navigation in the Red Sea, see Benni Ben Ari and Moshe Terdiman, "Geography and Strategy in the Red Sea – The Current Situation", in Shaul Chorev and Ehud Gonen (eds.), *Maritime Strategic Assessment for Israel 2020/21* (Haifa: Maritime Policy and Strategy Research Center, University of Haifa, 2021) pp. 99–124.

In this context, one should note that there is also a potential future strategic threat, which was expressed in the blocking of the Suez Canal to shipping for six days by the *Ever Given*, which is one of the world's largest container ships at 400 meters in length and carrying some 18,300 containers. It got wedged diagonally across the Suez Canal on March 23 and blocked the waterway completely. This blockage emphasized the vital role the Red Sea plays as a main shipping lane through which approximately 12% of all global trade passes on a daily basis. This also emphasized the severe economic harm this causes. Therefore, already during the incident itself and for fear that it would be days or weeks until the container ship would be freed, container ships and oil and natural gas tankers abruptly decided to change course and sail around the African continent via the Cape of Good Hope, as they had done before the Suez Canal was opened. Data from the Lloyds Insurance Company showed that the stricken ship delayed approximately 9.6 billion dollars of trade each and every day, which is equivalent to 3.3 million tons of cargo per hour or 6.7 million dollars per minute. This only emphasized the severe economic harm caused by the canal blockage.<sup>2</sup> The canal blockage also disrupted the supply chains, which lasted for several months and brought down oil prices.

The canal blocking and the heavy economic damage wrought as a result exposed the various alternatives to the Suez Canal and the Red Sea. Iran is advancing an overland transport corridor from the Pakistani ports or directly from China via Syria or Turkey, which will pass through its territory. Russia is advancing the northeastern route from China to Europe via the Arctic Ocean. China is advancing an overland and overseas silk road from its territory to Europe. Israel, too, is advancing a plan to connect the Persian Gulf countries to the Mediterranean via a network of railways which will fan out from Haifa to the Gulf States and pass via Jordan, and the train line between Ashdod and the Port of Eilat. Both these projects require tremendous investments and have not yet been carried out. The fear of a future recurrence of such an incident in the Suez Canal might lead to investments in implementation of alternative plans to the Suez Canal.

## Regional conflicts in the Horn of Africa

At the same time, the past year also saw a destabilization of the Horn of Africa, which virtually overnight was transformed from a peaceful, developing, prosperous region into a land rife with conflict, particularly as a result of the civil war in Ethiopia and its regional consequences. The Ethiopian civil war broke out on November 4, 2020

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<sup>2</sup> Mary-Ann Russon, *The Cost of the Suez Canal Blockage*, *BBC*, March 29, 2021.

following a rise in tensions between Abiy Ahmed, the Ethiopian Prime Minister, and the Tigray People's Liberation Front, which had ruled Ethiopia between 1991 and 2018, his non-recognition of the regional elections which were held in the Tigray National Regional State in September 2020 and his intention to enforce the Ethiopian government's centralized rule on Tigray as well. Initially, this war was limited to the Tigray region alone, but beginning in July 2021, it morphed into a total civil war involving all of the Ethiopian regions. This civil war is also a regional conflict in which the Ethiopian government is supported by its neighbors, Eritrea, Somalia and Djibouti. Sudan, on the other hand, took advantage of the civil war to take over the region of Fashaga in November 2020, control over which has been in dispute between it and Ethiopia. As a result, sporadic border skirmishes have been ongoing in 2021 between the Sudanese army and militias from Amhara State in Ethiopia, which claims sovereignty over this region.

The civil war in Ethiopia highlighted the extent to which Ethiopia is dependent on Djibouti and how desperately Ethiopia needs alternatives to the Port in Djibouti. Following the fighting which broke out between the Somalis and the Afars in the east of the country and following the protests against the inaction on the part of the Ethiopian government and the government of the Somali province, the Somalis blocked the railway line and main road linking Djibouti and Addis Ababa, a vital link through which some 80% of all Ethiopian exports and imports pass.

Besides these conflicts, the negotiations between Egypt, Sudan and Ethiopia regarding the Renaissance Dam is still in a stalemate and 2021 even saw a sharp rise in the tensions between the countries following the declaration of the Ethiopian Minister of Water, Irrigation and Energy, Seleshi Bekele, on July 19, that the second filling of the Renaissance Dam had been completed and following his announcement on September 10 that electricity generation from the dam would begin one month later. While calling on Ethiopia to return to the negotiating table and settle the dispute over the dam through diplomatic means, Egypt created a network of alliances with Nile Basin, Horn of Africa and East African states, in an effort to consolidate its influence in these regions and to exert diplomatic pressure on Ethiopia to come back to the negotiating table. As part of this effort, Egypt's President held a first official visit since 1977 to Djibouti on May 27, where he met his counterpart, Omar Gouelleh, and during which the two Presidents agreed to set up an Egyptian logistic zone in Djibouti and to increase Egyptian investments in the country. In addition, Egypt attempted to enlist mutual allies of its own and of Ethiopia to mediate on the Renaissance Dam and to apply pressure on the Ethiopian government to sign an agreement. As part of these efforts, Egypt tried to draw Israel into the fray despite its refusal to mediate between Ethiopia and Egypt on this matter. In the first public

visit of an Israeli Prime Minister in Egypt in 11 years, a-Sisi and Israeli Prime Minister Naftali Bennett met in Sharm el Sheikh on September 13 and a-Sisi said that “there is a common understanding between ourselves and Israel regarding the Renaissance Dam. We agreed that this issue should be resolved as part of a lively negotiation and dialog. This is an issue we consider to be a matter of life and death”.<sup>3</sup>

Moreover, tensions between Somalia and Kenya have also escalated to a boiling point in 2021 due to a claim Somalia lodged in 2014 with the International Tribunal in The Hague regarding an area of 30,000 square nautical miles in the Indian Ocean where there is potential for large oil and gas deposits, and which is a source of livelihood for the Kenyan fishermen. This is due to the issuing of a ruling at the International Court on October 12, which redrew the maritime border between the two countries assigning most of the territory Kenya claimed as its own to Somalia. Kenya rejected this ruling even before it was issued as well as afterwards.

### The Gulf Reconciliation Agreement

In contrast, a reverse process unfolded in the Arabian Peninsula and northern Red Sea in 2021 – a process of reconciliation and forging of cooperation. The process began on January 5 when the leaders of the Gulf States met for a summit in Al-Ula in Saudi Arabia and signed a reconciliation agreement to end the crisis and disconnection between Qatar and Saudi Arabia, the United Arab Emirates, Bahrain and Egypt, which had lasted three and a half years from June 5, 2017. Turkey, Qatar's ally, also maintained contacts with Egypt, the United Arab Emirates and Saudi Arabia.

At the same time, during the past year there has been rapid progress in the political, security and economic relations between Greece and Cyprus and the United Arab Emirates, Saudi Arabia, Israel, Egypt, France, and India following the discovery of the natural gas deposits in the eastern Mediterranean and their desire to check Turkey's assertive policies in the Mediterranean Sea and the Red Sea. It is possible that this progress is a harbinger of the creation of a new space ranging from India through the Persian Gulf and the northern Red Sea to the Eastern Mediterranean and France.

### Behavior patterns of the regional powers in the Red Sea Basin

2021 also saw some substantial changes in the way the regional powers operated in the Horn of Africa. First, following the Gulf reconciliation agreement and the

<sup>3</sup> Asaf Gabor, A-Sisi Met with Bennett to Enlist Israel in the Water War, *Makor Rishon*, 14 September 2021 [Hebrew]; Jacky Hugi, Consoling itself from afar with the troubles of others? The reason why Israel does not intervene in regional disputes, *Maariv*, 16 July, 2021 [Hebrew].

warming of relations between Qatar and Turkey on the one hand, and Saudi Arabia, the United Arab Emirates and Egypt on the other, the regional powers are once again working in concert in the Horn of Africa countries, the way it was pre-Gulf crisis, during which each country was operating to advance its own interests. For example, Turkey and Qatar have resumed working in Sudan alongside Saudi Arabia, the United Arab Emirates and Egypt. Qatar began operating in Somaliland alongside the United Arab Emirates and Saudi Arabia renewed its relations with Somalia, a Qatari and Turkish stronghold.

Second, the regional powers have toned down their involvement in regional conflicts. One reason for this was their attempt to avoid criticism and punitive measures from the Biden administration, to improve their image in his eyes and to show him that they are also capable of playing a constructive role in advancing the American interests in the region. Thus, for example, Saudi Arabia suggested a new peace plan in March 2021 to end the war in Yemen, which has yet to come to pass and the United Arab Emirates withdrew its forces from the Assab Base in Eritrea, after the Biden administration in January suspended a weapons deal that had been signed between the UAE and the Trump administration due to its involvement in the war in Yemen. The second reason was their unwillingness to harm their bilateral relationship with Egypt, Sudan and Ethiopia. As a result, Saudi Arabia and the United Arab Emirates did not mediate in the Renaissance Dam dispute and they are avoiding any involvement in the civil war in Ethiopia. Turkey, too, is avoiding getting involved in the Ethiopian civil war since it is concerned that this might be perceived as support for the Ethiopian government regarding the Renaissance Dam, and might therefore put an end to contacts underway between Turkey and Egypt.

Third, even though the two security-economic frameworks that were set up in the Red Sea basin in 2020 continued to exist this past year as well, they have remained inactive. These are: the Council of Arab and African Countries Bordering the Red Sea and Gulf of Aden, headed by Saudi Arabia, and the Intergovernmental Development Authority, which includes eight countries from east Africa and the Horn of Africa.

The Saudi Arabian behavior pattern in the region has also changed in 2021. Saudi Arabia has done everything possible to retain its leading position among the Gulf states in the context of the Red Sea security, particularly due to the fact that it had played a minimal role in preventing the struggle over the dam, which might destabilize the entire region. Therefore, on July 6 it announced its support for Egypt's and Sudan's water rights and for a solution to the Renaissance Dam issue which would involve the Arab League and the African Union. This announcement, along with the repatriation of 40,000 Ethiopian foreign workers a month earlier exacerbated



tensions between Saudi Arabia and Ethiopia. Saudi Arabia also consolidated its presence and influence in Sudan through investments in the country in various sectors which, according to the Chairman of the Saudi-Sudanese Business Council Hussein Saeed Bahri, totaled \$4 billion,<sup>4</sup> and through development of the Sudanese Red Sea Province, which is located along the Red Sea shores, including construction of a new port or development of the existing port at Port Sudan. Interestingly, the United Arab Emirates also expressed interest in investing in the development of Port Sudan, however, the Sudanese government rejected this suggestion.

The United Arab Emirates, in contrast to Saudi Arabia, followed a strategy of enlarging its military bases in southern Yemen and strengthening its ties with Somaliland. In May 2021 it completed the construction of a new air force base on the island of Mayyun in the Straits of Bab el-Mandeb, an island belonging to the Yemeni government with a 1.85 km long airstrip suited for attack, spy and carrier aircraft, and transferred weapons, equipment and soldiers to the base. This base allows the United Arab Emirates to monitor all of the shipping passing through the Straits of Bab el-Mandeb and consolidate its sphere of influence around the Straits of Bab el-Mandeb through its presence in Socotra, Aden and Mayyun Island. At the same time, it has consolidated its presence in Somaliland. On March 17, Abdullah Muhammad Al Naqbi presented his credentials as Director of the UAE Trade office in Somaliland and he vowed to strengthen the ties between the two countries. The Emirati company DP World invested \$442 million in enlarging the Port of Berbera in order to transform it into a first-class world port and center. As part of that, in June, it inaugurated the tanker terminal in the Port of Berbera and the new Berbera economic zone. In May, the company signed an MOU with the Ethiopian Ministry of Transport according to which it will invest \$1 billion over ten years to build a logistic and commercial corridor connecting the Port of Berbera with Ethiopia.

Turkey, for its part, has continued to cement its naval presence and commercial ties with the countries in the region. It has extended the Turkish Navy's mission to the Gulf of Aden, to the Arabian Sea and to Somalia's territorial waters by an extra year beginning in February 10, 2021. At the same time, in order to tighten and increase its maritime trading ties and volume with the Horn of Africa countries, the Djibouti shipping company opened a new trading route in October 2020, operating exclusively between Turkey and Djibouti and Somalia, shortening the sailing time from the former 35 to 50 days down to only nine or ten days. Container ships will be operating along this route with a capacity of 11,000 and 20,000 tons.

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<sup>4</sup> Saudi Arabia talking to Khartoum about boosting infrastructure and more, *Global Times*, September 13, 2021.



## The superpower rivalry over consolidating influence and presence in the Red Sea

2021 saw the shift of the balance of power throughout the Red Sea basin to local leaders who have played an important role in the power struggles between the superpowers, maneuvering them in order to achieve their aims. Therefore, countries on both sides of the Red Sea have strengthened their ties with Russia in order to apply pressure on the Biden administration to change its policy toward them or in order to counterbalance him. On the other hand, Russia has taken advantage of the situation in order to cement its status and influence in the Red Sea basin. For example, Abiy Ahmed strengthened his ties with Russia due to the European Union and United States applying pressure on his government and that of Eritrea to put an end to the fighting, to negotiate an end to the conflict and to enable the passage of humanitarian aid to the province of Tigray. In order to do so, they suspended aid budgets, suspended the military cooperation between France and Ethiopia, which should have established an Ethiopian navy, and imposed sanctions. In June, the Russian Foreign Minister Sergey Lavrov, met with his Ethiopian counterpart Demeka Mekonnen, who announced Ethiopia's readiness to host the Africa-Russia forum in Addis Ababa in 2022. In July, Ethiopia and Russia signed a military cooperation agreement focusing on the transfer of knowledge and technology. Russia even deployed observers for the Ethiopian general elections, while the European Union withdrew its observers. Russia provided strategic weapons to protect the Renaissance Dam and to help the Ethiopian army in its war in Tigray. Saudi Arabia, which normally relies on the West for military support, and Egypt, also signed bilateral military cooperation agreements with Russia in August 2021.

However, Russia's buildup of its presence in Sudan has been halted for the time being. In November 2020 Russia announced it had reached a 25-year agreement with Sudan to lease land for the construction of a logistics facility in Port Sudan to host up to four Russian Navy ships and 300 soldiers in exchange for weapons and military equipment it would have been sending to Sudan. Yet, Sudan asked to renegotiate the agreement before its ratification in parliament. According to the terms of the new agreement, it would enable Russia to build a naval base which will function only for five years with an extension option on the lease for a period of up to 25 years only on condition that Russia would provide it with economic assistance. Russia has not yet responded to this officially. There are reports that the United States was involved in this through offering Sudan an aid package worth millions of dollars in exchange for cancelling the agreement it had signed with Russia.<sup>5</sup>

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<sup>5</sup> Nikola Mikovoc, [Sudan Tries to Strongarm Russia. It May Backfire](#), *The Arab Weekly*, September 16, 2021.

In addition to these events, Pakistan and India penetrated the Red Sea Basin in 2021. In February, a Pakistani Navy boat visited Djibouti and Sudan as part of a deployment in Africa. Another Pakistani Navy boat visited Djibouti in June. Additionally, representatives from the land, sea and air forces of Pakistan participated for the first time since 2009 in the multinational exercise codenamed Shining Star, which took place in the Mohamed Najib Army Base in Egypt. India too has recently begun penetrating the Red Sea Basin. In April 2021, India and Eritrea agreed to increase the cooperation between them in civilian areas. On September 10, a frigate from the Indian Navy took part in a joint training exercise together with two Sudanese warships near Port Sudan. In September, Indian and Egyptian Navy forces held joint maneuvers in the Mediterranean.

### Renewed Iranian activity in the Horn of Africa

And finally, it appears that Iran, too, has returned to the Horn of Africa and has opened there a new front in its battle against its adversaries. In February, the Ethiopian Intelligence Agency uncovered an active terrorist cell consisting of 15 personnel along with a large cache of explosives, and claimed that it had foiled a potentially large-scale terrorist attack in Addis Ababa against the United Arab Emirates embassy. The Ethiopian National Security and Intelligence Service claimed that another group of terrorists had planned to attack the United Arab Emirates embassy in Sudan. American and Israeli sources claimed that this operation had been orchestrated by Iran, whose intelligence services had in the autumn of 2020 activated a sleeper cell in Addis Ababa in order to collect intelligence about the embassies of the United States, Israel and the United Arab Emirates in the city, as part of an effort to locate targets for attacks in African countries, through which Iran would be able to avenge the deaths of Mohsen Fakhrazade, the Iranian nuclear scientist, and of Qasem Soleimani, commander of the Quds Force. A spokeswoman of the Iranian Embassy in Addis Ababa denied the allegations.<sup>6</sup> Apparently, Iran had also been involved in the civil war in Ethiopia. According to unsubstantiated reports from August, Iran had signed an agreement to send several UAVs model Mohajer 6, which had been observed in the Samara Airport in Afar Province.<sup>7</sup>

### Conclusion – Implications for Israel

Israel's strategic goals in the Red Sea are directly and closely related to economic and security goals, primarily preventing the blocking of the Straits of Bab el-Mandeb,

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<sup>6</sup> Ethiopia Foils Iranian Plot to Target UAE Embassy in Addis Ababa – Report, *The Times of Israel*, February 15, 2021.

<sup>7</sup> Wim Zwijnenburg, *Is Ethiopia Flying Iranian-Made Armed Drones?*, *Bellingcat*, August 17, 2021.

preventing the transfer of Iranian oil and weapons to the Houthis in Yemen, to Hezbollah and to Syria. The maritime fight against Iran in the Red Sea, in the western Indian Ocean, in the Persian Gulf and in the Mediterranean presents a threat to these Israeli interests.

The changes and transformations in the Red Sea in the past year show just how dynamic and highly explosive this region is, on the one hand, and how much the area is in the midst of a period of uncertainty, on the other hand. As a consequence, most of the regional powers are reassessing their activities in the Red Sea basin. Israel, too, needs to recognize the increasing importance of the Red Sea basin for its interests, due to the increase in the volume of Israeli shipping passing through this maritime lane and due to its being re-cast into the regional battlefield between itself and Iran. Based on this realization, Israel needs to shape its policy toward this region through paying close attention to all of the changes taking place within it and by monitoring the web of interests of the superpowers, the regional powers and the region's countries, while taking extra care to avoid being embroiled in regional conflicts or in the interests of the various players in the region.

As part of its policy making, Israel needs to realize that it cannot find its place within the Red Sea Basin via the existing frameworks of the two regional alliances, and that its status in the Horn of Africa is declining. This is evidenced in Eritrea's objection to Israel's joining the African Union as an observer, and the lack of progress in the normalization process with Sudan. Therefore, as the rest of the regional powers have been doing at this point in time, so should Israel reevaluate its policy and for the time being it should focus its efforts on strengthening its bilateral relations with the countries in the Horn of Africa while making a special effort in the coastal countries, Sudan and Eritrea. The admittance of Israel to the African Union as an observer could be very helpful in achieving this goal. Besides that, Israel can also make use of the Emirati military deployment in the southern Red Sea and in the Gulf of Aden in order to monitor the maritime traffic in the region. In this context, it should be noted that the Houthis have claimed that Israel has a presence in the Hanish Islands in the southern Red Sea, on Mayyun Island in the Straits of Bab el-Mandeb and on the Island of Socotra.