STUDI INTERNAZIONALI

SUPPORTING THE PALESTINIAN PEOPLE AND DEFENDING NATIONAL INTERESTS: EGYPT'S DELICATE POSITION AMIDST THE RED SEA ATTACKS

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Week after week, the Yemenite organization Ansar Allah continues to target vessels from Western nations and those aligned with them, such as Liberia, navigating through the Red Sea to reach the Western markets and their trading partners. While their primary aim is to destabilize Israel by interfering with its trade routes, these assaults also significantly impact another extremely important country: Egypt, serving as a collateral victim. On the night between February 18th and February 19th the M/V Rosemary, a Belize-flagged UK-owned bulk carrier operated by a Lebanese crew, was struck by one of the two anti-ship ballistic missiles launched from the Houthi controlled part of Yemenite territory. This action adds to a series of over 40 attacks that the Iranian-backed group has conducted against vessels that are allegedly linked to Israel; the Group has repeatedly stated their reason: to aid the Palestinian people in the on-going conflict in the Gaza strip by destabilizing the Jewish State and its commerce. What concerns the vast majority of international companies, whose commercial routes primarily involve passage through the Bab el-Mandeb Strait to reach the western Israel-aligned part of the world, is the unpredictable nature of the target profiles. Despite their official communications, these 40 attacks have shown that Ansar Allah lacks an effective and consistent target identification method. Consequently, even vessels without any apparent link to Israel are targeted, inducing fear among major companies that they might be struck without justification.

A clear example comes from the attack involving a Panama-flagged bulk carrier in December 2023. The logical decision made by companies like Maersk and Hapag-Lloyd is to halt all passages through the Gulf of Aden and, consequently, the Red Sea. If the Yemenite group wants to keep on sabotaging Israeli naval commerce, they will need to search harder and more extensively for links to Israel. This "increased scrutiny" will likely result in a heightened risk of indiscriminate targeting, leading to even more companies withdrawing from this route. This choice on the Bab el-Mandeb Strait impacts not only Israel but, as an obvious result, the other end of the channel as well: the Suez Canal. The United Nations has noted a 42% decrease in commercial vessel passage through the canal since the start of these attacks; the income for January amounted to only 428 million US dollars, a notable decrease from the income of 804 million US dollars recorded in the same month last year (as affirmed by Osama Rabie, chairman & managing director of the Suez Canal Authority; during his interview with the journalist Khaled Abu Bakr). This reduced traffic, and the consequent decline in revenue from taxes and passage fees, impacts the already struggling economy of el-Sisi's Egypt. Since its inauguration in 1869, this 193-kilometer-long canal stood as a vital trade route connecting Europe and Asia, allowing commercial vessels to reduce their journey by up to 8'000km between the North of Europe and Asia.

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That's the reason behind the fact that this waterway quickly became one of the world's most crucial trade arteries. Roughly 12% of global trade and 30% of global container traffic pass through the Suez Canal annually, with goods valued at over $1 trillion US dollars (in 2019, over one billion tonnes of cargo were shipped through the canal, more than four times the tonnage passing through the Panama Canal during the same period). Toll fees for passage through the Suez Canal are determined by the vessel's 'Suez Canal Net Tonnage', with rates decreasing according to tonnage ranges. These fees must be paid in advance directly to the Canal Authorities before each transit and vary based on the capacity of container ships. Payments to the Egyptian authority can range from 222'000 US dollars for vessels with a capacity of 2'900 TEU to 530'000 US dollars for those with a capacity of 9'400 TEU (data averaged and rounded). Considering that on an average day around 50 ships traverse the canal, the significant role of the Suez Canal in the Egyptian economy is evident. In the fiscal year of 2022/2023, this waterway generated a record-breaking profit of 9.4 billion US dollars, this substantial amount of hard currency underscores its critical importance and clearly shows why Cairo's strategic calculations on the international stage cannot ignore the vast commerce that navigates on the Nile's extremely important waters. Egypt is aware of this fact and consistently keeps on investing in the Suez Canal and, by extension, the Red Sea. Cairo perfectly comprehends the significant role played by this canal, a perspective that can be viewed from two distinct angles: economic and military. From an economic point of view: on August 5th, 2014, Egypt declared its plans to create a second canal next to the Suez Canal's eastern section, aiming to eliminate alternating convoys' traffic in that area. This new 72-kilometer-long canal was inaugurated on August 6, 2015. This $8.2 billion project underscores Egypt's commitment to maintaining the vitality of this waterway and its central role in commercial traffic. Moreover, the areas adjacent to the Canal have been regrouped under the "Suez Canal Economic Zone", featuring nearly zero customs rates to attract foreign investment. From a military point of view: the Egyptian navy is divided into two fleets, one stationed in the Mediterranean Sea and the other in the Red Sea. Notably, the Southern fleet, situated in the Red Sea, has undergone significant upgrades: the Safaga naval base, the headquarters for the Southern fleet, has witnessed substantial enhancements; additionally, the Red Sea fleet is set to acquire two naval bases (the Eastern Port Said Base and the Bernice Naval Base); furthermore, this fleet now has its own brigade of special forces. Egypt's military power in the region is expanding steadily (Global Firepower 2024), demonstrating its growing strength with each passing day. These two moves once again emphasize the critical role of the Suez Canal in Cairo's economy and future, they underscore Egypt's determination to maintain its importance. Everything suggests that Egypt has the capability and the desire to defend its national interests associated with the Suez Canal and, consequently, Cairo should take action to prevent further attacks in the Red Sea. The more frequent these kinds of attacks become, the less revenue Egypt gets, exacerbating even further their fragile economy. Despite this, why isn't Egypt taking any action? The answer lies at the eastern border of the Sinai Peninsula, specifically in the conflict between Harakat el-Muqawama el-Islamiya and the State of Israel. Any action taken by Egypt (or any other Arab countries) to counter the actions of the Yemenite group in the Red Sea may be perceived, particularly by the Egyptian population, as an indirect form of support to the Jewish State and of opposition to Iran (whom Egypt has just recently started re-building relations with). Faced with these highly challenging circumstances, Cairo has decided to refrain from taking action and, as a consequence, simply to wait. Egypt's attempts to recover positive relations with Teheran opens the opportunity for further discussion on the potential role of the Shia Country in the region. Considering the deep-rooted connections underlying the relationship between the Ayatollah government and Ansar Allah, Iran may be best positioned to exert influence and persuade the Yemenite group to halt their attacks. However, is it a real possibility? Since the early 2010s, Tehran has provided extensive support to this group, considering them a crucial asset within Iran's network of backed militias. Iran stands as the sole nation to have recognized the Houthi's government in Yemen. Furthermore, Ansar Allah has been engaged in conflict with Iran's regional rival, Saudi Arabia, as well as its classic rivals, Israel and the United States. Given these factors, it is highly unlikely that Tehran would abandon such a strategic and significant ally solely due to the impact of their operations on Egypt's economy. Furthermore, the impact of their operations on the group's reputation has to be considered. Since the start of these bombardments, Ansar Allah has obtained significant attention, not only within the region but also on a global scale. The Houthis are steadily increasing their influence. Under the guise of Palestinian support, the Yemenite group is gathering extensive support in the region and pushing its cause globally. In this context, it appears highly improbable that the group would cease its attacks simply due to the effects they're causing in Cairo. While Egypt's current strategy of cautiousness is understandable given the complex geopolitical landscape, it is unlikely to be sustainable in the long term. The persistent attacks in the Red Sea pose a significant threat to Egypt's economic stability and national security. As such, President el-Sisi will eventually have to take decisive action to safeguard Cairo's interests. This evolving situation, which just recently caused three victims on a Greek-owned Barbados-flagged ship, will probably force Egypt to reassess its delicate balance between maintaining strategic alliances, safeguarding the Suez Canal's integrity, and addressing domestic concerns. Whether this involves diplomatic negotiations, enhanced security measures, or collaboration with international partners remains to be seen. However, one thing is clear: Egypt cannot afford to remain passive for a long time in the face of this escalating crisis. Whether Cairo chooses to defend its interests actively or to maintain a cautious position, the outcome will have far-reaching implications for both Egypt and the Middle East.

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