

Explained: Escalation at Bab-el-Mandeb Strait and Its Impact on Indian Trade

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WHAT HAPPENED?

The Bab-el-Mandeb Strait has re-emerged as a major maritime security concern amid a renewed Houthi offensive along Yemen's Red Sea coast. Houthi forces have advanced significantly, capturing the strategic port of Mokha and taking control of key positions near the narrowest points of the strait (McHugh, 2026). These military gains have raised international anxieties over potential freedom-of-navigation disruptions along a major global trade artery. However, a complete closure or total blockade of the strait has not been independently confirmed by key maritime security bodies, including Combined Task Force 153, the International Maritime Organization (IMO, 2024), or Western coalition naval forces operating under Operation Prosperity Guardian (Georgy et al., 2026).

WHY DOES IT MATTER?

The Bab-el-Mandeb Strait connects the Red Sea with the Gulf of Aden, serving as the essential gateway to the Suez Canal and forming a critical maritime link between Asian and European markets. According to the United Nations Conference on Trade and Development (UNCTAD, 2024), total trade volume transiting through the Suez Canal dropped by over 50% following major Red Sea disruptions. Any sustained disruption forces container ships and bulk carriers to reroute around the Cape of Good Hope. This detour adds approximately 3,000 to 4,000 nautical miles, extends transit times by 10 to 14 days, and drives spot container shipping rates up by 150 percent to 300 percent on Asia-Europe routes. For India, this supply-chain vulnerability directly threatens trade corridors with Europe and North Africa while compounding broader regional logistics pressure.

BACKGROUND

Translating to the "Gate of Tears," Bab-el-Mandeb lies between Yemen and the Horn of Africa. Its geopolitical significance stems directly from its position along one of the world's most congested maritime trade arteries. Under normal operating conditions, the strait handles approximately 12 percent to 15 percent of global maritime trade and 30 percent of global container traffic. Furthermore, the U.S. Energy Information Administration (EIA, 2024) estimates that over 8.8 million barrels per day of crude oil and refined petroleum products pass through this choke point. Since late 2023, repeated Houthi missile and drone strikes against commercial vessels have prompted major international shipping lines to bypass the Red Sea altogether, causing container vessel transit through the strait to fall by over 50% (IMO, 2024). India's Directorate General of Shipping documented a sharp decline in vessel traffic through the strait, issuing targeted security advisories to safeguard Indian-flagged merchant ships navigating high-risk maritime zones (Directorate General of Shipping [DGS], 2024).

WHAT ARE THE IMPLICATIONS FOR INDIA?

- **Trade and Freight Costs:** Rerouting commercial vessels around Africa significantly increases journey times and fuel consumption. Higher freight charges and extended container turnaround times place acute pressure on Indian exporters, particularly small and medium-sized enterprises operating on tight profit margins (Ministry of Ports, Shipping and Waterways [MoPSW], 2024).
- **Export Competitiveness:** Transit delays risk disrupting just-in-time shipments of textiles, agricultural produce, and engineering goods bound for European destinations. Compounded by rising maritime insurance premiums, these logistics bottlenecks threaten the price competitiveness of Indian exports (UNCTAD, 2024).
- **Energy Security:** Maritime route diversions elevate transit times and transport costs for crude oil and petroleum products (EIA, 2024). Any sustained disruption along key choke points risks expanding India's import bill and placing upward pressure on domestic energy prices (EIA, 2024).

- **Maritime Security:** Heightened threats to merchant shipping underscore the urgent operational need to protect Indian seafarers and commercial assets. These vulnerabilities reinforce the strategic importance of the western Indian Ocean within India's broader maritime security architecture (Ministry of Defence [MoD], 2024).

WHAT NEXT?

India's strategic response will require sustained maritime surveillance, naval presence, and proactive diplomatic engagement across the region. Enhanced naval deployments under Operation Sankalp have clearly demonstrated New Delhi's growing role as a net security provider in safeguarding commercial shipping across the Western Indian Ocean. Over the long term, accelerating alternative multimodal connectivity initiatives, such as the India-Middle East-Europe Economic Corridor, remains pivotal to building trade resilience and hedging against chronic choke-point vulnerabilities (Ministry of External Affairs [MEA], 2023; UNCTAD, 2024).

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