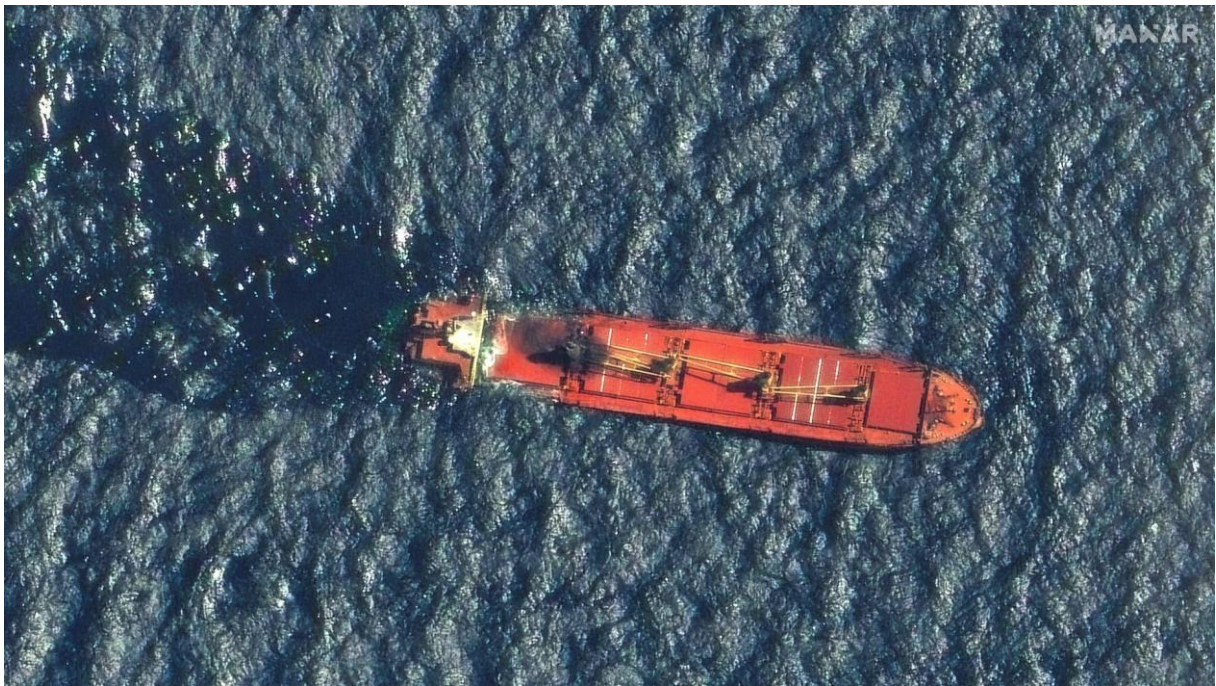


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SHIPPINGWATCH

Trump's Gaza proposal takes wind out of shipping's Red Sea hopes

The US President's threat to take Gaza could prompt Yemen's Houthis to wage war on the international merchant fleet again, according to the Financial Times.



File photo. | Photo: Maxar Technologies/Reuters/Ritzau Scanpix

by **MARKETWIRE**

10 February 2025 at 12:37

US President Donald Trump's recently aired idea to take over Gaza has shaken shipping bosses' hopes of a return to Red Sea routes after more than a year of crisis. Trump's overture adds to fears that Yemen's Houthi militant group will renew its threat to commercial ships crossing the Red Sea, reports the Financial Times.

Trump's Gaza proposal has further exacerbated the uncertainty his unpredictable approach has created for the trade and shipping industry. In his first days in the White House, the president's threats of tariffs on several trading partners have revived fears of a trade war and global economic downturn that could hit shipping companies' earnings.

Jan Rindbo, CEO of Danish shipping company Norden, says that Trump's announcement contributed "to the image of unrest and tension in the Middle East, and this may prolong the Red Sea issue". According to the CEO, the announcement increases the risk that the Houthis will not just sit still.

Lars Jensen, shipping analyst and founder of the consultancy firm Vespucci Maritime, also says that hopes of a return to passage through the Red Sea have been slashed.

Since the Houthis announced on Jan. 19 that they would lift sanctions on all vessels not registered in Israel or fully owned by Israeli companies, there has been a slight increase in the number of ships passing through Yemen. According to Lloyd's List Intelligence, the number of transits through the Bab-el-Mandeb Strait, which leads into the Red Sea past Yemen, increased by 4% to 223 in the week following the Houthis' announcement.

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