

# Red Sea crisis: What it takes to reroute the world's biggest cargo ships

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Cargo ships are being rerouted from shipping lanes through the Suez Canal and the Red Sea (Credit: Alamy)

**Hundreds of cargo ships are being rerouted around the southern tip of Africa to avoid Houthi attacks in the Red Sea. But just how easy is it to divert the world's biggest ships?**

You can see exactly where the drone attack hit. Just look for [the grisly black scorch marks](#) staining the ship's white paint. On 17 January, the MV Genco Picardy, a US-owned bulk carrier, became [the latest victim of Houthi rebel assaults](#) on commercial

ships sailing through the Red Sea. One of the world's busiest shipping lanes is now, surely, the most dangerous.

Since November, Yemen's Houthi rebel group has targeted vessels passing through the strait of Bab al-Mandab, a 20 mile (32km) wide channel that splits north-east Africa from Yemen on the Arabian Peninsula. They claim to be targeting vessels with connections to Israel following the start of the war in the Gaza Strip.

They've used everything from heavily armed hijackers to missiles and drones. For seafarers caught up in the chaos, it must be terrifying. A tanker, for example, could carry around one million barrels of highly flammable oil. The crew of the MV Genco Picardy – which was carrying phosphate rock – were unharmed and were able to extinguish the fire caused by the incendiary drone.

It's not a situation anyone would envy, says Michelle Wiese Bockmann as she describes counting no fewer than 300 ships entering the most dangerous stretch of the Red Sea one day earlier this week.

"Every one of those 300 vessels has between 15 and 25 people on board," says the principal analyst at global maritime experts Lloyd's List Intelligence. "It's like a bus carrying passengers sailing straight into what, for them, is a warzone. They have no say in whether they do that."



The MV Genco Picardy was attacked by a drone in January as it sailed from the Red Sea into the Gulf of Aden (Credit: UPI/Alamy Live News)

An estimated **12% of global trade** passes through the Red Sea every year, worth more than \$1tn (£790bn). But many shipping firms have begun avoiding the area altogether. Hundreds of giant container ships, some of them more than 300m (984ft) long, are now choosing a lengthy detour around the continent of Africa instead of heading up the Red Sea and through the Suez Canal on voyages from Asia to Europe. But rerouting such large vessels is no easy task – the logistics involved can be enormous and time consuming.

Elsewhere, the severe drought **afflicting the Panama Canal** and the war in Ukraine – which has curtailed grain shipments via the Black Sea – are also strangling global supply chains. There is an urgency to adapt and reroute, though it comes with serious financial and environmental consequences.

In November last year, the Houthis **hijacked a car carrier** and released a video of the incident to the world. Their explosive weapons have also struck container ships, bulk

carriers and narrowly missed a Russian oil tanker – the latter targeted, apparently, **by mistake**. US and UK military operations intended to protect ships and deter the Houthis **have also entered the fray**. (*Read more about [why the Houthis are attacking Red Sea shipping](#)*.)

Besides the threat to life and limb, sailing into such a maelstrom means higher insurance premiums, possible legal problems and unpredictable delays. The cargo carried by these vessels can be worth millions to hundreds of millions of dollars. So, it's no surprise that shipping companies have decided, in many cases, to send their vessels elsewhere. (*Find out [why it is so hard to protect the world's biggest ships](#)*.) Steering clear of the Red Sea and taking the lengthy detour around the Cape of Good Hope, however, **adds around 3,500 nautical miles (6,500km)** and 10-12 days sailing time to each trip. This requires extra fuel (an **additional \$1m/£790,000's worth** according to some estimates), possibly finding alternative ports of call, adjustments to delivery timetables, and rising costs. But many companies are making that choice rather than risk attack by missiles and hijackers.

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Container lines have been left **scrambling to rent enough ships** for the lengthened journeys their vessels must now take to avoid the Red Sea, and there are fears that the crisis could have **widespread economic impacts**, pushing up prices of goods and delaying deliveries of high-value products by weeks or perhaps even longer. Lloyd's List Intelligence's Wiese Bockmann says the Houthis have become increasingly indiscriminate, **echoing comments by officials at the US National Security Council**.

Someone else who has been watching the crisis unfold is Anna Nagurney, an economist at the University of Massachusetts, Amherst. There were already significant choke points in global trade, including reduced flows through the drought-stricken Panama Canal, which connects the Pacific Ocean to the Atlantic. "A lot of [China's] ships were rerouting and not using the Panama Canal but starting to use the Suez Canal," she says. "So now that's going topsy turvy."

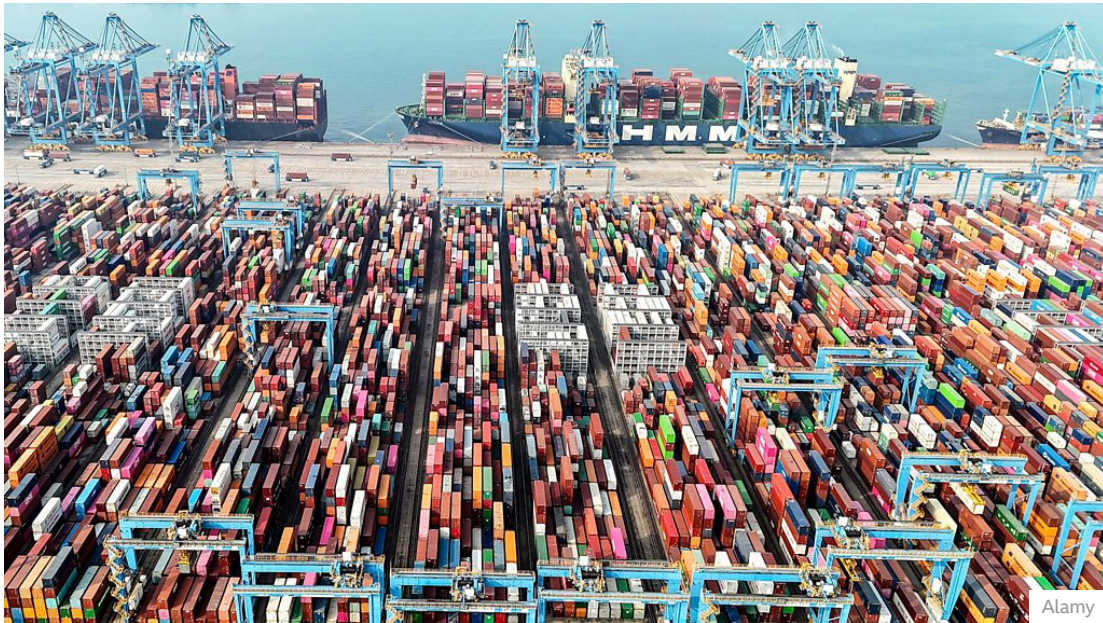
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Taking a detour around the Cape of Good Hope seems extreme but shipping firms **have done it before, for different reasons**. In this case, there aren't really any alternatives given the huge volumes of cargo involved, says Nagurney. A spokesman for Maersk, one of the world's largest shipping companies, insists that there are limits to how much cargo can be moved from shipping to rail and air transport, because of the sheer amount that cargo ships can carry.

However, the harsh weather conditions sometimes encountered by vessels navigating Africa's southern tip mean that this option is not without risk itself, adds Nagurney.





Trillions of dollars of trade are transported around the world on cargo ships every year (Credit: Alamy)

Companies involved in shipping and logistics are highly experienced in getting cargo to where it needs to go, one way or another, and global supply chains are actually highly resilient, says Wiese Bockmann. She says the current Red Sea crisis should not be viewed as "Armageddon" for the shipping industry.

A case in point is how the Ukrainians have adapted to the threat posed to their grain ships by the Russian navy in the Black Sea. Nagurny and her colleagues have studied the extraordinary response to this problem, which has resulted in Ukraine moving millions of tonnes of grain along alternate corridors – such as up the Danube River or over land to sea ports in Romania, which are currently safer for departing vessels than ports in Ukraine.

That's not to say that all this rerouting of huge cargo ships does not have serious consequences. There are already reports of increased costs that will likely get passed on to consumers. Eddie Anderson, a professor in supply chain management at Imperial College London, suggests that the cost of shipping containers around, for one thing, is not likely to reach the extraordinary levels that it did during the worst of the Covid-19 pandemic. High fees certainly aren't a barrier to the manufacturers reportedly choosing to send their products and components by air freight at the moment, rather than risk delays to their supply lines.

A key question is how long the Red Sea crisis will go on for. Shipping firms and experts have already suggested it could last for months. Anderson agrees: "You're certainly talking about months. I don't imagine it's going to be years – but who can say."

There's also the environmental impact to think about. Sudden increases in shipping traffic can lead to dramatic changes in underwater noise that can affect local fish stocks and marine mammals.

Plus, ships sailing thousands of miles more than they otherwise would use up far more fuel and emit more carbon into the atmosphere to deliver the same cargo. In 2023, the International Maritime Organization set goals of reaching net zero greenhouse gas emissions by 2050 and reducing emissions by at least 20% by 2030.

"If this continues, shipping won't be able to reach reduction of emissions this year," says Rico Luman, a transport economist at banking and financial services firm ING. He points out that oil tankers are covering significantly more miles than they were

prior to the war in Ukraine because sanctions targeting Russia have led to the reshaping of many shipping routes. So ships of certain kinds are already emitting more, per unit of cargo, than they were previously.

What is clear, though, is that the Houthi assault on global trade will not scupper supply chains. It is a severe threat nonetheless – and all the more so for the seafarers whose lives remain at risk.

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