

Maersk to continue avoiding Red Sea for the foreseeable future



Container line Maersk says the risk area from Houthi attacks has expanded further offshore lengthening the rerouted voyages and increasing costs.

Marcus Hand | May 07, 2024

In an update to customers [Maersk](#) said the complexity of the situation in the Red Sea had increased in recent months.

“To safeguard our crew, vessels, and your cargo, we are rerouting around the Cape of Good Hope for the foreseeable future. However, the risk zone has expanded, and attacks are reaching further offshore,” Maersk said.

Related: [Houthi weapons have range for East Med Sea attack threat](#)

The Houthi have been targeting ships in a wide swathe of the Gulf of Aden and Indian Ocean and last week fired on the 15,000 teu containership [MSC Orion](#) some for 400 nm south of Yemen.

As a result of the widening of the risk zone the Danish line says it has had to lengthen diversions increasing both transit times and costs. Fuel costs are up some 40% per voyage and the company said charter rates were three times higher with vessels being fixed for five years as owners lock in high rates during a tight market.

Related: [Houthi increased range of attack raises coalition protection concerns](#)

“The knock-on effects of the situation have included bottlenecks and vessel bunching, as well as delays and equipment and capacity shortages. We estimate an industry wide capacity loss of 15-20% on the Far East to North Europe and Mediterranean market during Q2,” Maersk said.

Given the shortage of equipment the company has so far leased an additional 125,000 containers.

The situation could well get worse with the Houthi in Yemen now threatening vessels in the East Mediterranean Sea that are calling Israeli ports. The threat is seen as credible in terms of Houthi weapons range.

Israel has also now started targeted strikes on Rafah in Southern Gaza which the Houthi warned would see it extending its targeting to all ships from a company that has any vessels calling in Israel.

Despite the increased threats from the Houthi the last few days have been relatively quiet in terms of activity. US Central Command reported that it shot down one uncrewed air system over the Red Sea on 6 May.

While most top container lines are avoiding the Red Sea and the Suez Canal many smaller lines continue to risk the transit. Analyst Linerlytica reported that

over 90 box ship transits had been made of the narrow Bab-el-Mandeb straits in the Southern Red Sea since 1 April.

The most transits – 12 – were made by Singapore-headquartered SeaLead Shipping, followed by eight from Chinese carrier New New Shipping.

Of the top tier lines only [CMA CGM](#) is transiting the Red Sea on selected voyages where it [assesses the risk on a vessel-by-vessel basis](#). The French line has made four Red Sea transits since the beginning of April according to Linerlytica.

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