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BRIEFING PAPER • YEMEN

Bab Al-Mandeb Strait at the Heart of the Escalation:

The Economic and Humanitarian Implications of Houthi Control over a Lifeline of Trade in the Red Sea

September 2026

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Executive Summary

On 10 September 2026, the Houthi group succeeded in taking control of Mocha and its port, followed shortly thereafter by Dhubab, Mayyun Island, and the Hanish and Zugar islands. The Iran-backed armed group thus came to control the heart of the Bab Al-Mandeb Strait.

Despite the shock these developments caused to the Yemen' IRG and its ally, Saudi Arabia, they came after a series of field operations that began last August, when the Houthis targeted Mocha Port with dozens of missiles and drones and launched intensive attacks from several directions.

The Houthi group announced that maritime navigation was safe, with the exception of Saudi vessels, and did not target any vessels transiting the Red Sea. However, the SEMC's assessment of the Houthi group's conduct over the past two decades indicates that such temporary reassurances have never represented the end of a trajectory, but rather a prelude to raising the level of threats once the group's effective control becomes consolidated.

The local population has paid a heavy price as a result of these developments. The International Organization for Migration (IOM) recorded more than 104,000 displaced people from Taiz, Lahj, and Al Hudaydah since the beginning of September. Field surveys conducted by the SEMC indicate that the actual number exceeds 120,000 people, particularly as thousands of families have been accommodated in private homes and therefore do not appear in camp records. Meanwhile, around 3,800 people crossed the sea to Djibouti within three days.

Fishermen lost their ability to fish, while economic activity fell to its lowest level as shops closed, transactions were forced to take place using the old currency, and numerous institutions were looted. Workers and owners of small and medium-sized enterprises were also affected, while Houthi authorities began imposing supervisors and collecting levies under the name of zakat obligations.

The economic losses extend beyond the disruption of Mocha Port alone. Mocha, whose population has quadrupled since 2017 and which, according to the SEMC's estimate, attracted at least half a billion US dollars in real estate and service-sector investments, had been developing into an alternative outlet to Al Hudaydah and a gateway for exporting fish and red onions from Mawza', Al Khawkhah, and Al Wazi'iyah. The fall of Mocha to the Houthis poses challenges to the continuity of production, while also contributing to higher food prices in Taiz and Aden and depriving the national economy of a source of foreign currency.

Overall, the repercussions will not be limited to an increase in insurance premiums to 1% of a vessel's value and Brent crude prices rising above $108 per barrel. They are likely to extend to the creation of a prolonged state of instability, particularly as the Houthi group approaches the interim capital of the Yemen's IRG, Aden.

At the regional level, Saudi Arabia finds itself facing pressure from two directions: in the east, the Strait of Hormuz is being closed, while in the west, the Houthi group is encircling its vessels; meanwhile, the Popular Mobilization Forces in Iraq are targeting East–West pipeline routes. Although there are no indications that Saudi Arabia intends to abandon its partnership with and support for the Yemen' IRG, it faces a difficult challenge in managing the Yemen file, which has now begun to directly affect the Saudi's economy and its future. This is particularly significant as the Houthi group now controls a maritime corridor through which approximately 12% of international trade and 7% of global oil supplies pass, giving it the ability to cause a complete disruption, exercise selective control, or impose unofficial fees on vessels.

The SEMC considers that the most likely scenario in the foreseeable future is the consolidation of the group's control accompanied by temporary reassurances, amid governmental and regional shock and US reluctance to become involved. This would entail further displacement and an expansion of poverty and hunger. Even if de-escalation occurs, it would amount to little more than a temporary respite, during which the Houthi group would raise the ceiling of its demands and marginalize the Yemen' IRG.

A genuine path to peace can only be opened through the third scenario: the restoration of the coastline by Yemeni forces, supported by an international coalition capable of restoring the balance of power on the ground.

Introduction: Bab Al-Mandeb at the Heart of the Escalation

At a historic and pivotal moment, the Houthi group took control of Bab Al-Mandeb on 10 September 2026 following battles with forces aligned with the IRG of Yemen, most notably the so-called National Resistance Forces, led by Presidential Leadership Council (PLC) member Tariq Saleh.

Within a week of fighting, the group managed to take control of the city of Mocha and Dhubab, which overlook the Red Sea and the Gulf of Aden, as well as Mayyun Island and other islands located in the Bab Al-Mandeb Strait, including Hanish and Zugar islands. This followed attacks on Mocha Port beginning last August involving at least 46 ballistic missiles and 55 drones and explosive-laden boats. These attacks put the port out of service, destroyed three commercial vessels, and killed seven people in the first wave. The cost of rehabilitation was estimated at $79 million.[1] This was followed by successive attacks as the fighting intensified, taking place along multiple fronts. The Houthi group mobilized an unprecedented force for what was described as a decisive battle to seize Mocha and Bab Al-Mandab.

The Houthi group began its offensive in August along several axes, including areas overlooking or close to the coast, such as the districts of Maqbanah, Jabal Habashi, and Al Wazi'iyah, as well as the districts of Hays and Al Khawkhah. These routes effectively formed a pincer movement around the strategic port of Mokha, located near Bab Al-Mandab.

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[1] Field report, *"After the Houthi Attacks… What Is the Fate of the Mocha Port Development Project?"*, Al-Mushahid website, 29 August 2026. The report was reviewed through the following link: [Al-Mushahid report]

By taking control of one of the world's most important international trade routes, through which approximately 12% of global trade passes, the Iran-backed group has gained the ability to threaten vessels from positions closer to the strait and, ultimately, to control the heart of the strait itself. So far, however, no new disruption to maritime navigation has been recorded. The Houthis group has announced that navigation remains safe, with the exception of Saudi vessels. This is a strategy the Houthis has employed throughout its previous wars, gradually fragmenting its battles and defeating its opponents one by one.

The city of Mocha, the largest city on the western coast of Taiz Governorate, has experienced rapid population growth in recent years. Its population has increased to more than five times its original size, exceeding 100,000 inhabitants, compared with approximately 19,000 before it was retaken from the Houthi group in 2017 as part of "Operation Golden Spear".

Following the establishment of the National Resistance Forces, led by Tariq Saleh, in 2019, and the UAE support they received for development projects, the city underwent significant development. The port was upgraded, and numerous projects were implemented, including a residential city, a hospital, and several roads. This helped the port and coastal city, which had been neglected for decades, restore its prominence and attract thousands of workers, in addition to the families of soldiers and officers serving in the main forces based in the city, namely the National Resistance, the Tihama Resistance, and some units of the Southern Giants Brigades.

Economic Implications of Houthi Control over Mokha, Al Khawkhah, and Bab Al-Mandeb

Humanitarian Impacts

A New Wave of Displacement and Destitution

The Houthi group's entry into and seizure of control over cities along Yemen's western coast, including Al Khawkhah, Hays, Mokha, and Dhubab, created a state of shock and fear among much of the local population. As of 16 September, the International Organization for Migration (IOM) had recorded 104,000 displaced people since 1 September across Taiz, Lahj, and Al Hudaydah. Some 63,000 people were displaced from Taiz, 26,400 from Lahj, and 8,000 from Al Hudaydah, with the remainder dispersed across other areas.[2]

According to SEMC field assessment, the number of displaced people exceeded 120,000. The United Nations High Commissioner for Refugees (UNHCR) had previously reported 100,000 displaced people. The discrepancies between the figures are attributable to the exclusion of unregistered displacement, particularly as thousands of displaced people moved into the homes of relatives in the cities of Taiz, Aden, and Lahj.

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[2] Report on the number of displaced people, *Al-Masdar Online*, published on 17 September 2026. The report was reviewed through the following link: Al-Masdar Online report

Within a short period following the events, 3,800 displaced people managed to cross the sea and reach the shores of Djibouti on the opposite side of the Red Sea. The scale of displacement to other African countries remains unknown, as these are preliminary figures that may be subject to change[3].

The new wave of displacement comes amid a decline in the level of external grants and assistance, with donor contributions covering only 13% of the Humanitarian Response Plan's funding requirements. Consequently, the escalating displacement is expected to further exacerbate the food insecurity crisis in the coming months.

Civilian Casualties

The exact number of civilian casualties remains unknown. However, the Office for the Coordination of Humanitarian Affairs (OCHA) verified 40 civilian casualties, 8 deaths and 212 injuries, during the first two weeks of September, half of them women and children. Meanwhile, the Yemeni Network for Rights and Freedoms documented 177 deaths, 212 injuries, and 39 missing persons between 3 and 11 September, while Euronews reported approximately 150 deaths. The discrepancies between the figures reflect differences in verification methodologies, although the figures remain broadly comparable.

Disruption of Humanitarian Operations and Looting of Aid local and INGOs' Assets

The Houthi group's seizure of Mocha and surrounding areas disrupted the operations of a number of humanitarian and development local and INGOs and led to the suspension of some of their field activities. This occurred alongside the storming and looting of premises and facilities belonging to local and INGOs. Sources who spoke to SEMC reported that the raids and looting targeted office equipment, communications devices, computers, operational equipment, components of solar-power systems, and vehicles. This weakened the operational capacity of some organizations and affected their ability to continue implementing their programs.

Statements obtained by the SEMC[4] indicate that some INGOs, particularly those whose operations had been concentrated in areas under the Yemen IRG's control, may face difficulties in directly resuming their activities in areas that have come under the Houthis' control. This is due to their lack of existing arrangements or agreements to operate with the authorities in Sana'a, which could result in the suspension of some activities or the restructuring of their implementation mechanisms.

This further compounds the humanitarian consequences amid the wave of displacement and the growing needs of affected populations. A decline in organizations' ability to reach

[3] Report on the *"Wave of Displacement from Yemen to Djibouti"*, published by Al-Mushahid on 14 September 2026. The report was reviewed through the following link: Al-Mushahid report

[4] Field testimonies collected by the SEMC through separate field interviews.

beneficiaries, or the suspension of some programs, means a reduction in the assistance and services available at a time when demand for them is increasing.

Sources also informed the SEMC that some cash-assistance disbursements in areas where control has changed hands were disrupted or became more difficult due to difficulties in reaching some beneficiaries and the need to reorganize distribution points and mechanisms. This has placed additional pressure on beneficiary households, particularly the most vulnerable, as they seek to meet their basic needs.

Economic Impacts

The transfer of control over Mocha, Al Khawkhah, Hays, and Dhubab did not merely represent a change in the governing authority; it also extended to the economic activity that had developed in these areas over the past several years. The developments were accompanied by market disruptions, the closure or slowdown of a number of businesses, the departure of some traders and money changers, and the transfer of part of their liquidity to other areas. Fishing, trade, transportation, and supply-chain activities were also affected to varying degrees.

The new control also placed markets in the midst of a sudden transition between two different monetary and administrative systems. Before the change in control, there was widespread reliance on the new printed banknotes of the Yemeni Rial, while the old ones are used in areas controlled by the Houthi group. This created uncertainty among traders and financial institutions regarding currency-exchange mechanisms, licenses, taxes, zakat, and fees, adding further pressure to local economic activity.

Field testimonies collected by the SEMC indicate a clear decline in commercial activity. Some basic daily activities, such as grocery stores and restaurants, have continued to operate, while activities linked to investment, trade, money exchange, fishing, and transportation have been more severely affected. This threatens the livelihoods of thousands of households dependent on these sectors.

Traders and Businesses: Raids and Looting

Field testimonies obtained by the SEMC documented the looting of commercial agencies, shops, and organizational premises, as well as the removal of contents from some premises, archives belonging to local authorities, and equipment from public facilities. Sources also reported raids and arrests in Mocha and Al Khawkhah targeting a number of traders and residents.

In Hays and Al Khawkhah, field sources reported the detention of several traders for refusing to pay amounts imposed by entities affiliated with the Houthi group, including demands related to Zakat. The group also established a zakat obligations office in the city of Mokha.

Field testimonies from Al Khawkhah and Hays indicate that the transfer of control was accompanied by significant disruption to local economic activity. A number of traders kept their shops closed for fear of arrest because of previous or family ties to forces opposed to the group. Supervisors were appointed over markets and fish landing centers, including the landing facilities in Al-Qatabah, Al-Jashah, and the city of Al Khawkhah. Some fishermen also refrained from going to sea despite local assurances, owing to security concerns and previous incidents of shelling at sea.

No precise statistics are currently available on the number of affected traders, the businesses that have closed, or the value of property that has been looted. However, field sources reported a noticeable decline in the commercial activity that Mocha had experienced in recent years. Thousands of households that remained in Mocha, Al Khawkhah, and Dhubab, as well as those displaced from these areas, are facing difficult economic conditions following the loss or decline of income sources for fishermen, daily workers, and small traders whose livelihoods are linked to market activity, the port, investment projects, and military activity, which had formed part of the area's economic cycle.

Levies: Transfer of Revenue-Collection Authority

In parallel with the transfer of control, the Houthi group began applying the tax, zakat, and fee system used in areas under its control to commercial and agricultural activities in Mocha, Al Khawkhah, and surrounding areas, including fees related to the movement of goods and agricultural produce and to market activity.

The transfer of this system has raised concerns among traders about potentially duplicated financial obligations, particularly since many had previously paid taxes, zakat, and fees to authorities affiliated with the legitimate government before the Houthi takeover. Traders interviewed by the SEMC reported that uncertainty remains regarding the scale of the new obligations and the mechanisms used to calculate them.

This has added further pressure on commercial activity amid declining economic activity and disruptions in the currency and liquidity markets. Continued multiplicity of fees and financial obligations, coupled with unclear regulatory rules, could increase the cost of doing business, reduce the ability of small and medium-sized enterprises to remain operational, and prompt some traders to scale back their activities or relocate them to other areas.

Currency: Transition Between Two Monetary Systems and a Liquidity Crisis

The transfer of control over Mocha and surrounding areas placed the local market in the midst of a sudden transition between two different monetary systems. Transactions had previously relied extensively on the new printed banknotes of the Yemeni Rial circulated in areas controlled by the Yemen' IRG. while the Houthi group relies on old, printed banknotes in areas under its control. Traders, households, and money changers have consequently faced the challenge of dealing with large quantities of the new banknotes amid limited availability of the old ones.

Information obtained by the SEMC indicates that currency-exchange centers were established, and a transitional period was granted to manage the new situation. However, the quantities of old banknotes available are insufficient to replace the large amounts held by traders and money changers. Some amounts are also being registered at exchange centers, while the mechanism and timeline for their full replacement remain unclear. This has created uncertainty regarding the value of liquidity and capital held in the new banknotes.

The absence of a clear and rapid exchange mechanism has led to the emergence of an informal market for converting the new currency into old banknotes, with exchange rates varying across the market. This places additional pressure on traders and households and increases the risk of erosion in the value of savings and capital or the freezing of part of these funds, particularly amid the shortage of old banknotes and the continued uncertainty surrounding exchange arrangements.

Banking Sector and Remittances: Disruption of Money-Exchange and Transfer Networks

The effects of the transition between the two monetary systems have extended to money-exchange companies, banks, and remittance networks. Some institutions have continued operating, while others have closed or transferred part of their funds and liquidity to other areas, amid uncertainty regarding licenses and the regulations governing financial activity.

Some remittance networks have also faced difficulties in continuing to operate under their previous mechanisms. Some institutions suspended transfers to areas where control had changed hands, making the movement of funds more difficult and placing additional pressure on traders and households that rely on remittances for their transactions and daily needs.

Fishing: Loss of Income, Fishing Activity, and Landing Centers

The economic repercussions of Houthi control over Mocha and the coastline around Bab Al-Mandeb have not been limited to port activity and maritime trade. They have directly affected the fishing sector, which provides daily income for thousands of households in coastal cities and communities and is connected to a broader economic chain involving fish traders, landing workers, transportation and refrigeration services, and ice production.

Mocha and Al Khawkhah contain fish landing and marketing centers that supply markets along the western coast and in several neighboring governorates. This makes any disruption to fishing boats' ability to operate or difficulties in reaching landing centers consequential not only for fishermen's incomes but also for the entire fisheries supply chain.

The Governor of Taiz estimated that fishermen's households had lost around 90% of their income. Businesspeople and sector operators interviewed by the SEMC reported that quantities of fish from these coastal areas are supplied to markets in Taiz, Aden, Lahj, and Al Dhale'e. Continued disruption of fishing activity could reduce supply, increase transportation and preservation costs, and raise spoilage rates, potentially affecting fish prices in consumer markets. It could also weaken exporters' ability to fulfill their contracts and deprive the economy of part of its foreign-currency earnings.

This is particularly significant given that traditional fishing accounts for approximately 98% of fishing operations, while the continuity of the sector depends on an interconnected system of landing centers, storage facilities, ice factories, transportation, and processing. A government visit to the Mocha landing center in March 2025 confirmed its role in serving the local market and organizing exports. These interconnected activities have become more vulnerable to disruption amid the current security instability.

Agriculture, Supply Chains, and Exports

The impact also extends to seasonal agriculture in the valleys of Mocha and the districts of Mawza', Al Khawkhah, Hays, Dhubab, and Al Wazi'iyah. These areas form a well-known production belt for red onions, in addition to grains and other seasonal vegetables. In recent years, Mocha Port became a direct outlet for marketing and exporting this crop to some neighboring countries. The first commercial shipment, amounting to approximately 1,000 tonnes, was exported in March 2024, followed by a 1,200-tonne shipment to Dubai in early 2025.

Consequently, disruption to the port, roads, and collection centers would lead to the accumulation of agricultural produce and a decline in its price or its exposure to spoilage, while simultaneously reducing supply and increasing prices in urban markets. It would also result in losses in seasonal employment opportunities associated with harvesting, sorting, packaging, and transportation.

Continued Houthi control over these areas, together with the security restrictions it imposes, would separate production areas along the coast and in Al Wazi'iyah from their domestic and external markets, reduce the revenues of farmers, traders, and fishermen, and increase pressure on food security and sources of foreign currency.

Collapse of an Emerging Economy

Over the past decade, Mocha had developed into an emerging economic center. The port and city, which had been neglected for decades, were transformed into an active local economy. The port served Taiz, Ibb, and parts of Al Hudaydah, Lahj, and Al Dhale'e. Rehabilitation works to enable the port to receive medium-sized vessels were nearing completion this year, and traders had begun considering relocating their activities there to escape the levies imposed at Al Hudaydah Port.

Mocha also witnessed an active expansion of development and investment projects, with dozens of projects implemented, including an airport, roads, and residential developments, in addition to private-sector projects involving hotels, restaurants, and other services. Our field sources estimate that Mocha attracted at least half a billion US dollars in various investment projects, including real estate, services, and other sectors.

A significant portion of the city's construction and service-sector activity is linked to military spending and the presence of the leadership and forces of the National Resistance. Although this represents a dynamic and non-sustainable form of economic activity, it helped stimulate the city. The volume of money circulating in the market was substantial, with estimates indicating that the total number of forces stationed there exceeded 30,000 soldiers and officers, who received their salaries in hard currency, at least SAR 1,000 per month.

The SEMC therefore distinguishes between three types of losses: the destruction of assets, represented by the port, its vessels, and its berths; the seizure and appropriation of intact assets by the Houthi group, including the residential city, the hospital, and other economic facilities previously owned by the National Resistance; and the decline in economic activity resulting from the departure of tens of thousands of residents, both military personnel and civilians.

Impact of the Developments on the Macroeconomic Level and Public Finances

The developments have compounded the population's hardships across several areas. Field testimonies indicate congestion on the Mocha–Aden road, rising transportation costs, and dozens of families remaining outdoors for days while fleeing potential retaliation by the Houthi group.

The flight of these families to other cities, including Taiz, Aden, and Lahj, has placed significant pressure on these areas, with rents expected to rise and public services becoming increasingly congested amid an already fragile and deteriorating economic situation.

Although local markets have not experienced shortages of goods, insufficient purchasing power represents a major challenge for citizens in IRG-controlled areas. This is the same crisis experienced by populations in Houthi-controlled areas, albeit more severely as a result of the group's contractionary policies and the depletion of commercial activity through extensive levies.

One of the most significant negative repercussions of the war in Bab Al-Mandeb on the Yemeni economy, which depends on imports for approximately 90% of its needs, is the increase in shipping and insurance costs for imports and energy as a result of these developments.

According to Reuters, war-risk premiums in the southern Red Sea exceeded 1% of a vessel's value, reaching 3% for some vessels and routes most exposed to attacks, compared with 0.3% previously. This coincided with Brent crude rising to approximately $108 per barrel in mid-September, compared with $72 on the eve of the outbreak of the war with Iran. This increases the cost of importing fuel and goods, transportation costs, and the financing required to operate power plants.

The Houthi group has also increased domestic gasoline prices, raising the price of one liter from 475 to 525 Yemeni rials, while the price of a 20-liter jerrycan rose from 9,500 to 10,500 rials, an increase of approximately 10%.

These repercussions come as the Yemeni government is already facing severe fiscal constraints. Government revenues declined to approximately 6% of GDP in 2025, while the World Bank expects an additional contraction of 0.5% in 2026. The main reason is the suspension of oil exports following Houthi attacks on export terminals in 2022.

As a result, emergency spending on displacement, security, and electricity is likely to compete with spending on salaries and essential services unless it is offset by actual oil revenues or additional external support.

Saudi Arabia, Support, and Global Repercussions

Immediately after the Houthi group took control of Bab Al-Mandeb, Iran issued congratulations, while the Iranian Foreign Ministry called for the lifting of the blockade on Yemen, in line with the Houthis' narrative of the events. This underscores the close alliance between the two sides. Indeed, the Houthi offensive and the seizure of Bab Al-Mandeb fundamentally reflect an Iranian desire to create what resembles a pincer movement around the two strategically vital straits of Hormuz and Bab Al-Mandab.

The Houthi group's seizure of Mocha and extension of its influence to Bab Al-Mandeb represents a strategic setback for Saudi Arabia, rather than merely a battlefield shift within Yemen. Saudi-backed Yemeni forces failed to protect a coastline of major military and commercial importance to both Yemen and the Kingdom.

The latest developments place Yemen and the Gulf under a “maritime pincer”. Saudi Arabia is facing reduced energy flows through the Strait of Hormuz to the east and a Houthi threat to its vessels in Bab Al-Mandeb to the west, while the East–West pipeline and the port of Yanbu were temporarily shut down following drone attacks launched by militias affiliated with Iraq's Popular Mobilization Forces. Although Brent crude has risen to nearly $108 per barrel, this does not compensate the Saudi Arabia for lost volumes or for higher insurance, transportation, and security costs.

The negative repercussions are also being transmitted to Yemen, where the Yemen’ IRG on Saudi support to finance salaries and electricity and to stabilize the currency. So far, there is no evidence of a reduction in this support. Riyadh provided SAR 1.3 billion in February 2026 to cover salaries, operating expenditures, and the budget deficit, and more than SAR 224 million in June, in addition to a $150 million petroleum-products agreement to operate more than 70 power plants. It also announced new support for the Central Bank of Yemen earlier this month.

The risk is that financial and security pressures could prompt Riyadh to delay some payments. At the same time, however, the developments could lead to increased support, as the collapse of the government in Aden would provide the Houthis with additional gains and bring the threat closer to the KSA.

Globally, the Houthis' new position gives them greater capacity to influence a maritime corridor through which between 12% of global trade and approximately 7% of global oil supplies pass, according to the latest Reuters estimates.

Houthi control over the coastline and islands gives the group the ability to completely disrupt traffic through the strait and selectively control the passage of vessels through the Red Sea. In the future, it could resort to imposing transit arrangements or unofficial fees on maritime traffic in order to obtain greater revenues.

The Houthi group has considered imposing fees on vessels for years, despite its current attempts to reassure shipping companies that passage is safe, with the exception of Saudi vessels. This can be interpreted as an attempt to contain the international reaction and mitigate the shock while consolidating its control. This is consistent with an approach based on temporary reassurances while retaining the ability to raise the level of threats later, a pattern reflected in the group's conduct since it was an insurgent movement in the mountains of Saada two decades ago.

Potential Future Scenarios

These scenarios represent possible trajectories based on the Houthi group's ability to consolidate its control over Mocha and Bab Al-Mandab, the nature of the response by the Yemeni government and its ally, Saudi Arabia, and the outcome of negotiations between the United States and Iran.

Scenario One: Houthi Escalation and Consolidation of Control

This scenario assumes that the group succeeds in consolidating control over Mocha Port, the islands in the Red Sea, and Bab Al-Mandab, while preventing Saudi vessels from passing through the strait, and expands into the Taiz countryside to secure its control.

Although this scenario would create persistent instability, leading to further displacement, increased food insecurity, and worsening manifestations of hunger among tens of thousands of people in these areas, it remains highly plausible at present, particularly given the state of shock experienced by the Yemen' IRG and its supporters, especially Saudi Arabia, in response to what has occurred.

We have not witnessed serious efforts on the ground to retake Mokha. Instead, efforts have been limited to containing Houthi expansion in the western countryside of Taiz Governorate and areas of contact with Lahj Governorate.

The plausibility of this scenario is reinforced by the relatively restrained language used by U.S. President Trump regarding the Bab Al-Mandeb developments and his refusal to engage in supporting efforts by the Yemeni government and Saudi Arabia to retake the port and the nearby coastline.

Scenario Two: Fragile Stability

This scenario assumes that the Houthi group succeeds in sending reassurances to regional and international actors that it will not pose a threat to international maritime traffic through Bab Al-Mandab. Regional mediation could then lead to the lifting of the ban on Saudi vessels in exchange for a cessation of airstrikes. A U.S.–Iranian understanding aimed at de-escalation could potentially reinforce this outcome.

The plausibility of this scenario is strengthened by the high cost the United States would face in opening a new military front, while Saudi Arabia needs to secure its oil exports and reduce pressure on its facilities and the East–West pipeline. At the same time, the Houthi group has an incentive to consolidate its battlefield gains through a political understanding, particularly given that undeclared negotiations between the United States and the Houthis, mediated through Oman, are already underway.

Under this scenario, the risks associated with control of the strait would temporarily decline, some major roads could reopen, and Al Hudaydah Port and Sana'a Airport could potentially be reactivated. The paradox, however, is that although this scenario would carry the lowest short-term humanitarian and economic costs, it could subsequently raise the ceiling of Houthi demands and marginalize the Yemeni government, particularly if the understandings were limited to Saudi Arabia, the United States, Iran, and the Houthi group.

If this scenario materializes, it would amount to no more than a temporary period, a respite for a combatant rather than sustainable peace. In our assessment, buoyed by the momentum of its victory, the Houthi group is unlikely to settle for partial gains, and the ceiling of its demands could rise to include control over Yemeni ports and islands.

Scenario Three: Restoration of Control over Bab Al-Mandab

This scenario assumes that the Yemeni government and Saudi Arabia succeed in convincing the international community of the risks posed by Houthi control of the Bab Al-Mandeb Strait and in forming an international coalition to support the legitimate government in restoring control over the Yemeni coastline.

Although this scenario would create humanitarian and economic challenges in the short term, as the war could be prolonged, successful restoration of government control over the Red Sea coastline would create a degree of balance of power on the ground that could lead the Houthi group to yield and agree to the launch of a genuine peace process in Yemen.

It would be unrealistic for the Houthi group to engage in any serious peace process in the coming period while it enjoys a strong military position and controls territory on the ground.

Studies and Economic Media Center (SEMC)

The Studies and Economic Media Center (SEMC) is a Yemeni civil society organization working to advance economic development and strengthen independent and professional media. Through research, monitoring, policy dialogue, training, and advocacy, SEMC promotes transparency, good governance, informed economic participation, media freedom, access to information, and stronger capacities for journalists and media institutions.

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