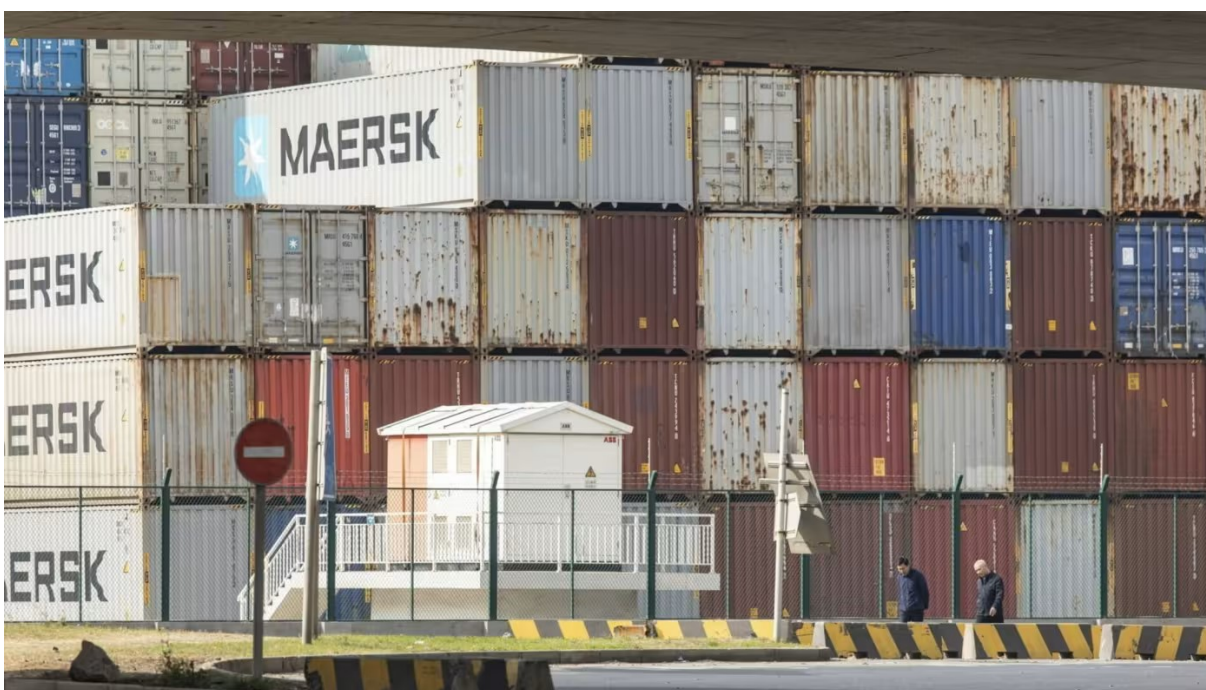


Israel-Hamas war

Shipping companies avoid Red Sea after Houthi attacks

Mærsk and Hapag-Lloyd halt journeys as threats mount to global supply chains through Suez Canal



AP Møller-Mærsk said it had instructed all its vessels bound for the Bab-el-Mandeb strait at the southern end of the Red Sea to 'pause their journey until further notice' © Bloomberg

Lukanyo Mnyanda in Edinburgh and **Robert Wright, David Sheppard** and **Oliver Telling** in London YESTERDAY

Get ahead with daily markets updates. [**Join the FT's WhatsApp channel**](#)

Global shipping companies have halted journeys through the Red Sea because of the threat of attacks by Yemeni rebels, in moves that could disrupt vital trade through the Suez Canal.

[AP Møller-Mærsk](#), which operates the world's second-largest container shipping fleet, on Friday said it had instructed all vessels due to pass through the Bab-el-Mandeb strait to "pause their journey until further notice".

The strategically important strait, which connects the Red Sea and the Gulf of Aden, runs past Yemen and there have been more than 10 attacks on ships in the area by the country's Iran-backed Houthi rebels since the outbreak of the [Israel-Hamas war](#).

"We are deeply concerned about the highly escalated security situation in the southern Red Sea and Gulf of Aden," said Mærsk, adding that the attacks on commercial vessels posed a "significant threat" to crews.

Trafigura, one of the world's largest commodities traders, on Friday said it was "taking additional precautions" for its owned and chartered vessels.

The attacks risk disrupting the global [supply chains](#) that pass through the Red Sea and the Suez Canal, the waterway that accounts for 30 per cent of all container ship traffic and is a vital conduit for crude oil shipments.

German company Hapag-Lloyd, the world's fifth-largest container shipping group, on Friday said it was "pausing all container ship traffic through the Red Sea" until Monday.

Its announcement came after one of its container ships, the Al Jasrah, was attacked while sailing close to the Yemen coast on Friday.



Mærsk also revealed a "near miss" attempted attack by the Houthi rebels on its ship Mærsk Gibraltar a day earlier.

Henning Gloystein, a director at consultancy Eurasia Group, said such decisions would add "thousands" of miles of travel to trade between Europe and the Indo-Pacific region.

In a memo to customers on Friday, Maersk Tankers, a separate group that operates one of the world's largest product tanker fleets, also cited the "rapidly escalating"

one of the world's biggest product tanker fleets, has cited the rapidly worsening security situation. It said its tankers travelling between Asia and Europe would now have to consider diverting via the Cape of Good Hope to avoid the danger area.

Shipowners this month have called for protection for maritime routes in the region and the Pentagon has said a US warship also came under attack off the Yemeni coast.

The US is expected to make an announcement in the coming days about setting up a task force to ensure the safe passage of ships in the Red Sea.

US national security spokesperson John Kirby on Friday said Washington was discussing with a “range of partners” to ensure the “free flow of commerce through a vital checkpoint and vital body of water”.

The Houthi rebels, who have controlled large parts of Yemen since 2014, have threatened to target any vessels heading to Israeli ports, according to S&P Global Commodity Insights.

Marco Forgione, director-general at the Institute of Export & International Trade, a professional body providing support to business, said the developments “could not come at a more difficult time for global supply chains”.

Drought was causing severe shipping delays through the Panama Canal, he said.

“This impacts every link in the supply chain, from producer right down to end user, and will only increase the chances of critical products not making their destinations [in time for Christmas](#),” said Forgione of the companies’ decisions. “All eyes now will be on other shipping firms to see if they follow suit.”

Oil prices were little changed on Friday, with the international benchmark Brent crude up 0.3 per cent at \$76.84 a barrel. Mærsk’s share price jumped 7 per cent on expectations that the crisis would cause freight rates to rise.

Additional reporting by Felicia Schwartz