

To Stop Israeli Attacks on Yemen, Enforce Sanctions on the Iran-Houthi Link

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Brief Analysis

The humanitarian consequences of Israel's port attack are real but should not be overstated, particularly when the true culprits behind Yemen's persistent fuel shortages and famine risks are Iran and the Houthis.

On July 20, Israel responded to a deadly Houthi drone attack in Tel Aviv with heavy airstrikes on the Yemeni port of Hodeida, destroying most of the site's oil storage tanks. On one hand, this targeting choice reflects crucial gaps in the international community's policy toward the group: namely, the failure to implement UN sanctions on the Houthis or enforce U.S. sanctions aimed at keeping Iran from providing oil products as a valuable form of terrorist financing. On the other hand, Hodeida is also a crucial entry point for humanitarian aid, so targeting its infrastructure has negative repercussions for the Yemeni people.

To address this dilemma, Israel must be convinced not to answer ongoing attacks by destroying additional infrastructure at Hodeida port, which the 2018 Stockholm Agreement left in the Houthis' hands based on the expectation that they would demilitarize it. Yet this in turn will require the international community to do a better job of ensuring that humanitarian infrastructure is not being used for the benefit of a designated terrorist group. Indeed, the United States must remind global partners at the UN Security Council and elsewhere that Houthi diversion of aid, corruption, and kidnapping of aid workers is now the principal driver of humanitarian risk in Yemen.

What Did Israel Target?

Despite more than [220 Houthi attacks \(https://www.timesofisrael.com/houthi-chief-vows-to-intensify-attacks-on-israel-says-airstrikes-wont-deter-them/\)](https://www.timesofisrael.com/houthi-chief-vows-to-intensify-attacks-on-israel-says-airstrikes-wont-deter-them/) on Israel since the Gaza war erupted last October, the Hodeida operation was the first acknowledged Israeli counterstrike in Yemen. Around twenty-eight oil tanks were located in the targeted area; satellite imagery showed as many as eighteen of them visibly destroyed, though other

damaged tanks may have been obscured by smoke. Israeli forces also appeared to deliberately strike two gantry cranes at the container port, employing precise double strikes on their engine houses (see below for more on these cranes).

Israel no doubt chose these targets because imported hydrocarbon products have become Iran's primary means of financing its Houthi partners, similar to how it has illicitly funded other bad actors like the Syrian regime and Lebanese Hezbollah. Tehran's hand is visible in the movements and ownership of many of the tankers that bring such products to the Houthi-held ports of Hodeida, al-Salif, and Ras Issa. The UN Panel of Experts on Yemen has been highlighting this problem since 2019, when it **[estimated \(https://reliefweb.int/report/yemen/letter-dated-25-january-2019-panel-experts-yemen-addressed-president-security-council\)](https://reliefweb.int/report/yemen/letter-dated-25-january-2019-panel-experts-yemen-addressed-president-security-council)** that Iran was providing \$30 million per month to sustain the Houthi war effort.

The group has also facilitated the sale of sanctioned Iranian oil products outside Yemen. In 2021, the U.S. government **[began sanctioning \(https://home.treasury.gov/news/press-releases/jy0221\)](https://home.treasury.gov/news/press-releases/jy0221)** the network of Iran-based Houthi financier Said al-Jamal for smuggling "Iranian fuel, petroleum products, and other commodities to customers throughout the Middle East, Africa, and Asia." According to the Treasury Department, "A significant portion of the revenue generated from these sales is directed through a complex international network of intermediaries and exchange houses to the Houthis." Related sanctions continued to roll out through this year, most recently on February 27 and July 18, when front companies and other entities linked to the Houthis and Iran's Islamic Revolutionary Guard Corps-Qods Force were designated for oil smuggling activity.

Even a cursory search of vessels visiting Hodeida and Ras Issa shows that Tehran does little to hide its terrorist financing efforts. In just one weeklong period sampled by the author this March (the last month for which UN records are available), at least four of fourteen vessels delivering hydrocarbon products to these ports had a demonstrable connection to sanctioned (or soon-to-sanctioned) Iranian entities:

- One diesel tanker was prominently mentioned in the **[Sahara Thunder mass email leak \(https://www.haaretz.com/israel-news/security-aviation/2024-02-21/ty-article-magazine/gold-for-drones-massive-leak-reveals-the-iranian-shahed-project-in-russia/0000018d-bb85-dd5e-a59d-ffb729890000\)](https://www.haaretz.com/israel-news/security-aviation/2024-02-21/ty-article-magazine/gold-for-drones-massive-leak-reveals-the-iranian-shahed-project-in-russia/0000018d-bb85-dd5e-a59d-ffb729890000)** for smuggling Iranian fuel oil out of Bandar Abbas and will likely be sanctioned in the coming months.
- Two huge shipments of liquefied petroleum gas (LPG, typically used for cooking) were transported on vessels linked to U.S.-sanctioned management companies.
- Another vessel carrying fuel oil was managed by a company with an extensive history of so-called "dark port calls" to Iran (i.e., with transponders illegally switched off) and ship-to-ship transfers with U.S.-sanctioned vessels.

In all, the suspect vessels identified during this sample period were carrying 102,854 metric tons of hydrocarbon products (equivalent to 869,107 barrels of oil) with an estimated local value of just over \$8 million—more specifically, \$6.4 million in diesel, \$1 million in LPG, and \$650,000 in fuel oil.

Based on imagery from Israel's attack, one can conclude that only eight of the Hodeida oil tanks were full at the time (eight were shown burning; although more exploded, they may have been full of combustible vapor rather than oil products). If so, the Houthis might have lost as much as \$60 million worth of products.

Notably, none of the vessels in this sample period were flagged for inspection by the Djibouti-based UN Verification and Inspection Mechanism (UNVIM), which effectively lapsed this spring due to personnel shortages (including the diversion of some inspectors to the Gaza humanitarian effort). On March 14—around the same time UNVIM ceased its public reporting—British deputy permanent representative to the UN James Kariuki told the Security Council about "extremely concerning" reports of "Iranian ships circumventing [UNVIM] inspections" and docking in Houthi-held ports. In May, British permanent representative Barbara Woodward warned of a "notable surge" in Iranian

bypassing of UNVIM, with an estimated 500 truckloads of non-inspected material entering Hodeida since October. And on July 9, U.S. ambassador Stephanie Sullivan called for strengthening UNVIM's capacity to inspect a broader range of vessels bound for Yemen.

Humanitarian Fallout

Hodeida remains a critical entry point for food—it processes roughly twice the volume of Ras Issa and al-Salif combined, including all containerized food and medicine sent to Houthi ports. Israel's strike should not affect this unloading capacity, however, despite the loss of two gantry cranes. These cranes were already inoperable before the strike—since 2015, all container unloading at Hodeida has been undertaken by ships with their own onboard cranes. (Four mobile cranes provided by Saudi Arabia in 2018 were for bulk unloading, not containers.) Non-containerized food can also still be brought in via Hodeida's four other cargo berths and through al-Salif. More important, Hodeida has functioned far below its unloading capacity since long before the Gaza war and the Houthi campaign of solidarity attacks, primarily because many shippers do not want to risk the slow, dangerous, and corrupt environment at Houthi-held ports. Thus, the Israeli strike alone will not tip the humanitarian situation toward famine, even though the Houthis will present it in this light.

The fuel disruption will likely be more severe, with potential unintended humanitarian consequences (e.g., an inability to power generators and water pumps). These consequences will be worse if the Houthis prioritize their regime and military needs above those of civilians, as they usually do. Fuel prices in Yemen are already spiking, but this will probably benefit the Houthis to some extent because they control the market. Fuel can still be imported via undamaged berths at Hodeida, but nearly all of the port's functional oil storage has been destroyed, and local pipelines may have been damaged as well. Fuel import capacity is unaffected at Ras Issa, which handles all LPG deliveries and some gasoline and diesel.

Implications for U.S. Policy

The Houthis and the international humanitarian community will almost certainly focus attention on Israel's controversial targeting choices. For its part, Washington privately condemned Saudi strikes on Hodeida in 2015 and strongly urged the United Arab Emirates to show restraint as fighting neared the port in 2018, but it is unclear if U.S. officials attempted to influence Israel's calculus this weekend.

In any case, the U.S. government must not allow the Houthis to develop a narrative of victimhood. This means setting the record straight via the UN Security Council, reminding the international community that the Houthis remain the aggressors in Yemen and the broader Red Sea region. Moreover, the Houthis can still import comparable levels of food and fuel via various means—and could receive even more if they stop interfering with Yemeni government-controlled ports and ground deliveries into Houthi territory.

U.S. policymakers should still ask Israel not to damage more infrastructure given Yemen's very fragile humanitarian situation. Yet the best way to restrain Israel is by greatly reducing Iranian abuse of the ports. Iranian fuel shipments are being delivered to the Houthis using rather obvious shipping channels that the United States can easily discern. These should be disrupted via the enhanced inspection efforts envisioned by U.S. and British representatives to the UN, and by applicable [maritime quarantine \(https://lieber.westpoint.edu/imposing-maritime-quarantine-enforce-houthi-arms-embargo/\)](https://lieber.westpoint.edu/imposing-maritime-quarantine-enforce-houthi-arms-embargo/) authorities. This would not starve Houthi-occupied Yemen of fuel—as most fuel deliveries are still commercial cargos—nor would it remove all Houthi capacity to benefit from the fuel market. But it would remove some of Israel's incentive to strike fuel targets. A more effective international inspection effort might also resuscitate UNVIM, further reducing Houthi access to not only Iranian oil, but also Iranian antiship and long-range strike systems.

Michael Knights is the Bernstein Senior Fellow at The Washington Institute and author of its 2023 study “[An Heir](#)”

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(<https://www.washingtoninstitute.org/policy-analysis/heir-and-spare-how-yemens-southern-hezbollah-could-change-irans-deterrent-calculus>).” ❖

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