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The Unfolding Crisis in the Red Sea

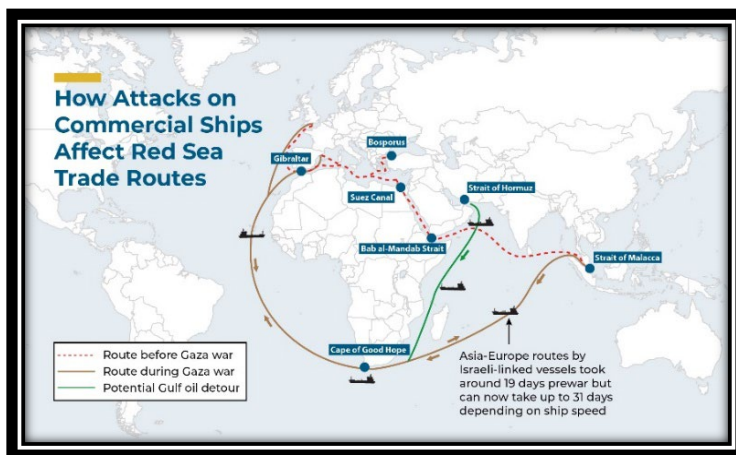
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The Unfolding Crisis in the Red Sea

On 30 December, the Singapore-flagged Maersk Hangzhou issued a distress call when it was struck by a missile while transiting the Southern Red Sea at approximately 8:30 p.m. Two US Navy destroyers, The USS Gravely and USS Laboon assisted the merchant ship with USS Gravely successfully shooting down two anti-ship ballistic missiles fired from Houthi-controlled areas in Yemen. Later at 6:30 AM on 31 December, four heavily armed Houthi manned boats attempted to board the vessel. As per US CENTCOM, Helicopters from the USS Eisenhower and USS Gravely joined the ship's security team in repelling the attackers after receiving a distress call.

In the ensuing battle, three boats were sunk while the fourth retreated, As per a Houthi Spokesperson, 10 Houthi naval personnel were "dead and missing". The



attack was the latest by Houthi militants in Yemen, who have been targeting vessels in the Red Sea to show their support for Palestinian group Hamas fighting Israel in Gaza.

The Red Sea, one of the world's most densely packed shipping channels, lies south of the Suez Canal. At its

southern end is a narrow strait of water – about 20 miles wide – between Djibouti and Yemen: the Bab el-Mandeb strait, the area that the Houthi rebels in Yemen have been targeting. About 12% of global trade passes through the Red Sea, including 30% of global container traffic.

December 3rd marked a sharp rise in the risk to commercial shipping in the region when Houthi rebels carried out missile attacks on three bulk carriers in the Red Sea. On 06 December, Houthi militia hijacked MV Galaxy Leader, operated by Japanese company NYK, in a daring heliborne operation. Maersk, one of the largest container ship operators, suspended transits through the Red Sea back on December 15 a day after a near-miss missile attack on the Maersk Gibraltar near the Bab-el-Mandeb Strait. The announcement by Maersk led to other operators also suspending voyages and redirecting ships around the Cape of Good Hope. Since then about half of the containerships that normally transit the region have been rerouted.

As the situation escalated, the US ships repelled attempts to board other cargo ships, while US, French and British warships shot down Houthi drones and missiles. On 18 December, the US announced the launch of 'Operation Prosperity Guardian (OPG)', an expanded maritime protection force involving Arab states, to combat the increasingly frequent Houthi attacks. As part of the US 5th Fleet's Combined Maritime Forces and led by Combined Task Force 153 established in 2022,

Prosperity Guardian comprised ten nations, which included the UK, Bahrain, Canada, France, Italy, the Netherlands, Norway, Seychelles and Spain, but the leading regional Arab powers – Egypt and Saudi Arabia – remained absent. As the US moved forces to the area, including swinging the aircraft carrier USS Dwight D. Eisenhower (CVN-69) and its strike group out of the Persian Gulf to the Gulf of Aden, several nations initially wavered in their support. Operation Prosperity Guardian aimed to ensure that the main ocean artery between Europe and Asia, which carried 15% of the world's trade, was safe for the major shipping lines.

The operational rollout of OPG faced some challenges in the early phase which progressively got smoothed and provided the necessary confidence to shippers to continue with their voyage through Suez. Maersk also announced resuming operation on 27 December. However, after the attack on 31 Dec, it suspended Suez Transit again. It is not clear when commercial shipping groups will feel confident enough to allow their vessels to pass through the Bab el-Mandeb strait again.

Houthi attacks on ships in the Red Sea have disrupted world trade over the past two months, with major shipping companies taking the longer and costlier route around South Africa's Cape of Good Hope rather than sailing through the Suez Canal. The resultant diversion could add around 10 days extra voyage and more than 15% in shipping costs.

While the most immediate effect of the conflict is on the shippers that have to reroute from the Red Sea, the added traffic to other passages will have a significant bearing on global maritime traffic patterns. Shippers expect the congestion in the Panama Canal, for instance, to grow worse the longer the conflict continues.

In the near term, Shipping costs look set to rise regardless of whether companies use the Red Sea or send ships on the longer, more expensive route via Africa. Marine Insurance companies have already unveiled an “Emergency Revenue Charge” for cargo travelling to and from the Red Sea until the end of the month. It is estimated that this new measure will add \$1,000 to a common 20-foot container travelling eastbound via the Suez Canal, and \$1,500 for one heading west via the Gulf of Aden.

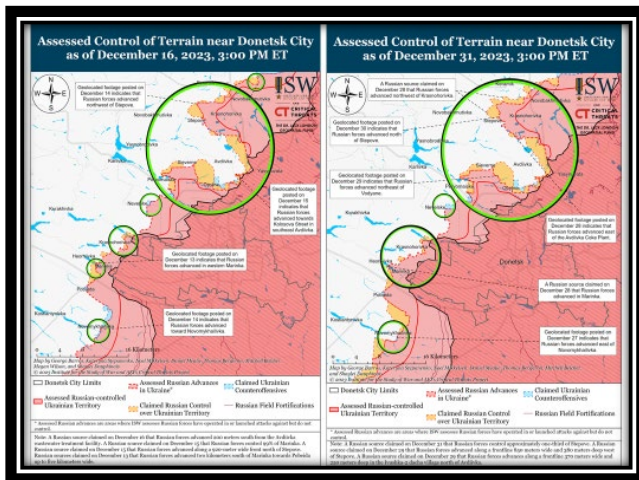
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Russian forces conducted the largest series of missile and drone strikes against Ukraine since the start of the full-scale invasion on the morning of December 29. The Russian aerial strike package combining various missiles and drones was carefully planned and appeared to be a culmination of several months of Russian experimentation with various drone and missile combinations to evade Ukrainian air defences. At least 30 people were killed and more than 160 injured in a nearly 18 hours-long assault.

In retaliation, Ukrainian forces launched more than 70 drones on the night of December 29 to 30 at Russian military infrastructure and defence industrial facilities near Moscow, Belgorod, Tula, Tver, and Bryansk cities. Belgorod was also targeted with an intense barrage of MLRS rockets.

Earlier on 26 December, Ukrainian forces conducted a successful missile strike that destroyed a Russian Black Sea Fleet (BSF) vessel and potentially damaged port infrastructure in occupied Feodosia, Crimea. Satellite imagery has indicated that the Ukrainian strike has damaged BSF's Novocherkassk Ropucha-class landing ship and also damaged a pier at the Feodosia port and a nearby warehouse.

On December 25 and claimed that Russian forces completely captured Marinka (immediately west of Donetsk City). Ukrainian Commander-in-Chief General Valerii Zaluzhnyi stated on December 26 that combat has effectively destroyed Marinka, acknowledged that Ukrainian forces withdrew in part from Marinka, and stated that Ukrainian forces nonetheless are still operating in the northern outskirts of Marinka and have prepared a defensive line outside of the settlement.



Russia's capture of Marinka in Donetsk Oblast seems to be a limited Russian tactical gain since Russian forces have not yet undertaken rapid mechanized forward movement which could be a key indicator of their design for significant advance in the sector. Marinka is located less than a kilometre from the pre-invasion frontline and Ukrainian forces have long fortified many of the surrounding settlements, which

Russian forces have been similarly struggling to capture.

During the last fortnight, Russian forces have also made marginal advances northwest, southwest, and southeast of Avdiivka. Russian forces have also advanced in western Zaporizhia Oblast and retook positions that Ukrainian forces had captured during the summer 2023 counteroffensive as Ukrainian forces withdrew to more defensible positions near Robotyne for the winter.

Russian forces are conducting similar attritional ground assaults in localized offensive operations throughout eastern Ukraine in an attempt to pressurise defending Ukrainian forces and produce limited tactical gains. The accumulation of marginal Russian gains amid continued heavy fighting may produce tactical scenarios wherein the Ukrainian command may be compelled to withdraw forces from endangered positions of limited operational significance to preserve its trained military personnel.

At this stage, It appears that offensive initiatives have begun to shift towards the Russian side as Ukrainian forces have begun to focus towards strengthening their lines of defence. This shift in posture has also been driven by critical resource constraints. As per reports, Ukrainian forces are suffering from a shortage of artillery shells on the front line, prompting some units to cancel planned assaults.

Although Russia has not been able to achieve any breakthrough till now, its progress is prompting Ukraine to consider a possible large-scale recruitment push. With the war largely at a stalemate, mobilization for what's expected to be a long

fight has been a prominent topic of discussion in Kyiv. How to fill the ranks has been a source of growing tension between General Zaluzhny and President Zelensky. Zelensky has so far declined to approve new draft measures without a war plan that includes the demobilization of already active soldiers.

Russia is making incremental progress on the battlefield at a critical moment for the government in Kyiv. Political infighting in Washington and the European Union has blocked the delivery of military and financial aid packages for Ukraine. On 27 December 2023, The US government announced the last remaining package of weapons available for Ukraine under existing authorization. The \$250 million package, includes artillery shells, air defense equipment, anti-aircraft and anti-tank missiles, and small arms ammunition. The US officials have indicated that this could be a final consignment from U.S. stockpiles unless Congress approves new funding for Kyiv's battle against Russia.

While stalemate looms over the battlefield, Russian and Ukrainian Presidents offer starkly different messages to their respective citizens on the eve of the New Year. Ukraine's president, Volodymyr Zelensky, said the Russian invasion had already demonstrated his country's strength and resilience — and he called on Ukrainians to “make an extraordinary effort and to do more.” In a reassuring signal to return to business as usual in Russia, Mr. Putin only fleetingly spoke of the Russian soldiers waging war on his behalf, calling them “our heroes”. And he did not mention Ukraine or the West.

The Commemorative Summit for the 50th Year of ASEAN-Japan Cooperation

Japan marked 50 years of its engagement with the Association for South-East Asian Nations (ASEAN) with a special Leaders' Summit held in Tokyo between 16 and 18 December 2023, with leaders of all members of the regional organisation barring Myanmar (which was not invited) joining Japanese Prime Minister Fumio Kishida under the theme of “Trusted Partners”.



The Summit marked a new chapter in Japan's engagement with the critical region, adding a layer of defence and security ties over pre-existing cooperation in the fields of the economy, infrastructure and culture.

Japan's history of partnering with Southeast Asia harks back to the post-World War II era when it was re-emerging as an economic superpower. When Indonesia, Malaysia, the Philippines, Singapore and Thailand came together in 1967 to form ASEAN, Japan was one of the first to realise its potential and work with it. Following the formal start of cooperation in 1973, Japan became one of the largest sources of development assistance for the region, even as then-Prime Minister

Takeo Fukuda announced his famous Fukuda Doctrine in an ASEAN-Japan summit. At the same time, Japan recognised Vietnam after it reunified in 1975 in defiance of the United States, and helped Cambodia reintegrate into the international community after years of devastating civil war ended in 1991 with the introduction of electoral democracy. By 1999, ASEAN, now with 10 members, became a key site for Japanese foreign direct investment and business activity.

The rise of China since the early 2000s, especially the increasing security threat it began to pose after 2012, caused Japan to look at ASEAN differently and insert a note of strategic thinking into its primarily economic engagement. As China stoked maritime tensions in the East and South China Seas, Japan began to cooperate with ASEAN militarily, with the Japanese Self-Defence Forces working with their counterparts on training, equipment upgradation and provision of advanced platforms. A piece with this new dimension is the Official Security Assistance program, which intends to provide defensive technology as well as advanced training to help equip Southeast Asian militaries to counteract Chinese aggression. At the same time, Japan has been continuing its robust economic engagement as well, with the ASEAN-Japan Free Trade Agreement, as well as the expanded Regional Comprehensive Economic Partnership (RCEP), continuing to integrate it deeper into the regional economy.

At the Tokyo Summit, both these facets were on display. In his opening remarks, the Prime Minister called for “heart-to-heart ties” to be carried forward into the future and spoke of “mainstreaming” the newly-released ASEAN Outlook on the Indo-Pacific (AOIP). He referred to his country as a “Partner for Peace and Stability”, emphasised the common stances enjoyed by all the leaders present on key regional and international issues, and pledged to take forward the trusted partnership. Subsequent sessions dealt with people-to-people exchange (Agenda 3), socio-economic development and transformation (Agenda 4) and the adoption of outcome documents enshrining these commitments.

The leaders also joined an Asia Zero Emission Community (AZEC) meeting convened by Prime Minister Kishida; the initiative, launched by Japan in 2022, aims to assist developing countries in Asia by providing funding to the tune of up to \$8 billion until 2030 through various donor agencies such as JICA, ERIA et cetera to assist in the implementation of decarbonisation policies. Kishida also held bilateral meetings with individual leaders, from where emerged a host of defence-related announcements, such as the grant of \$63.7 million to Indonesia to bolster maritime security and \$2.8 million to Malaysia for early warning and surveillance gear. The Philippines, which received an early warning radar earlier this year, also pledged closer cooperation with the Japanese Coast Guard, while Vietnam expressed its desire to be part of the OSA in the next fiscal year.

Japan’s new policy focus on defence and security has been broadly welcomed by the Southeast Asian strategic community, though many are concerned not to make the tilt too obvious. However, ASEAN’s disunity in its response to China’s aggression, with Cambodia and Laos increasingly dependent on Chinese assistance, even as the Philippines, Vietnam and Indonesia have running territorial disputes with it, is liable to demand adroit diplomacy from Japan.