

A Red Sea Crisis In The Making

Summary

Anchored four miles off the western coast of Yemen, lies a derelict oil tanker threatening to unleash a potential humanitarian, environmental, and economic catastrophe that would impact not only Yemen, but the world.

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Introduction

- The Floating Storage and Offloading (FSO) SAFER contains 1.14 million barrels of oil and has been abandoned since 2015 – a by-product of the civil war in Yemen.
- Caught between a stalemate between the Iran backed Houthis and the Saudi-backed government over ownership and responsibility, the decaying tanker is now at the verge of either an explosion or collapse, which will lead to one of history's largest oil spills.
- In Mar 2022, after years of using the Safer as a bargaining chip in their negotiations with the Saudi and Emirati-backed forces, the Houthis agreed to a United Nations intervention.
- The UN-mediated plan will cost \$144 million, out of which \$80 million is required for the emergency operation. So far, \$64 million have been secured via pledges by different countries.
- To cover the remaining cost, the UN has started an online crowdfunding campaign to raise \$5 million. However, the plan must be implemented before Oct, as the erratic weather will cause an imminent breakdown of the Safer.



Background

- The FSO SAFER is currently positioned 4.8 nautical miles south-west from the port of Ras Isa on Yemen's west coast.
- In 2015, the Houthis took control of the waters surrounding the Safer which halted the maintenance of the vessel.
- Abandoned since 2015 – the vessel reportedly contains 1.1 million barrels of Marib Light crude oil.
- Since 2015, the lack of maintenance has been causing progressive structural deterioration of the Safer.



Image Credits: The Washington Post



Timeline





FSO Safer: A By-product of the Yemen Conflict

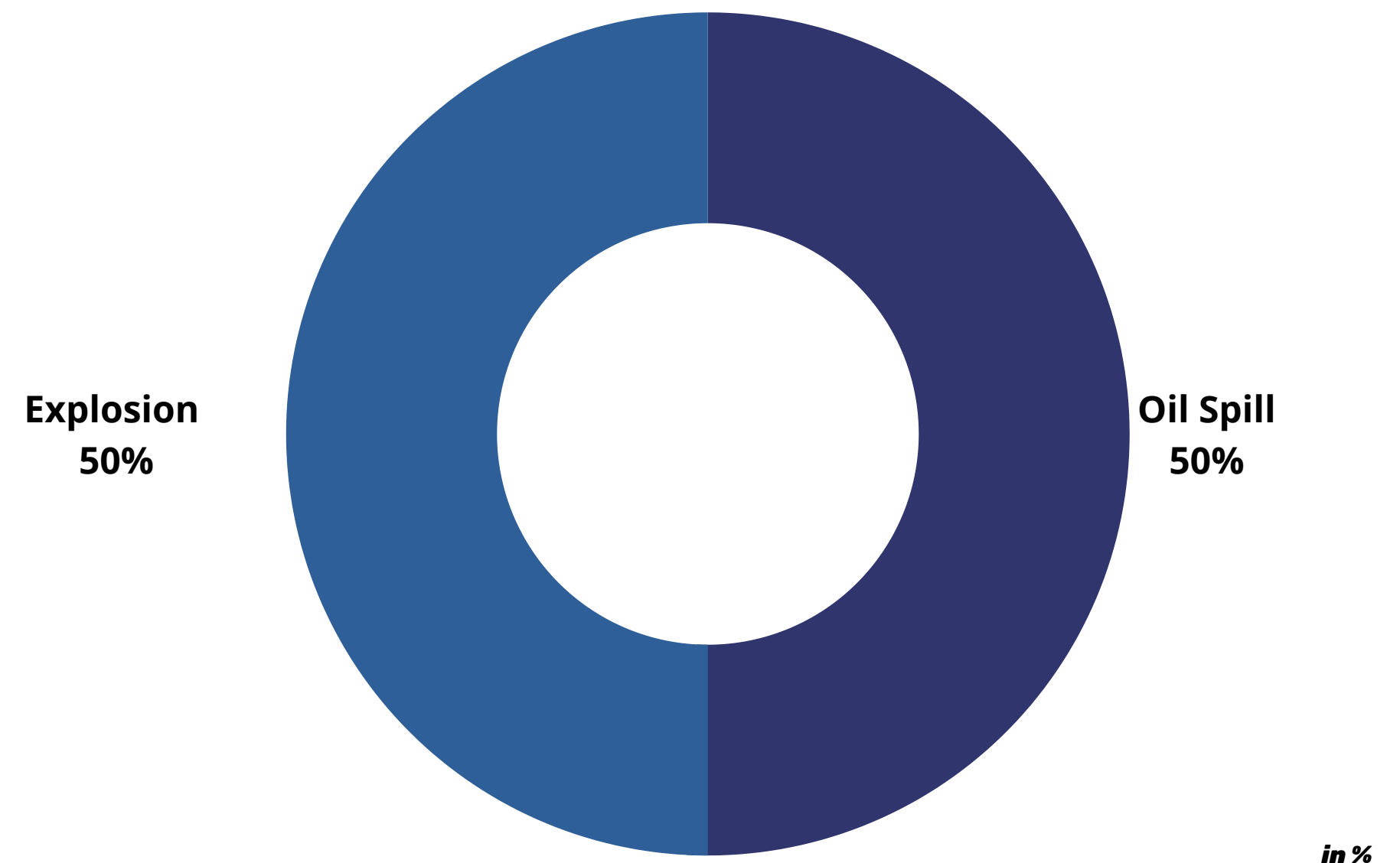
- The civil war in Yemen escalated in 2015 when the Houthis seized the presidential palace, and took over much of the western coastline. The war directly led to the dispersion of crew aboard the Safer and the halting of oil exports.
- The proxy war in Yemen also resulted in a dispute between the Houthis and the internationally-recognized Yemeni government over the value of the crude oil stored in this floating vessel.
- Over time, as the international concern for the condition of the vessel grew, the FSO safer was used a bargaining chip by the Houthis, to serve the geopolitical interests of Iran and themselves.
- After stalling the negotiations for years, on 5 Mar 2022, the Houthis signed an agreement for a **UN-led operational plan** to transfer the oil from the Safer as well as to provide a replacement suitable for export within 18 months.



Structural Deterioration

- Sitting upon the delicate marine ecosystem of the Red Sea, the vessel has been exposed to humidity and corrosion for years.
- Since 2017, the Inert Gas System used to prevent the build-up of explosive gases in the oil tanks has been non-functional.
- The Safer's fire extinguishing system is non-operational.
- In May, 2020, water entered the engine room through a seawater-pipe leak, and parts of the vessel fell off into the sea.

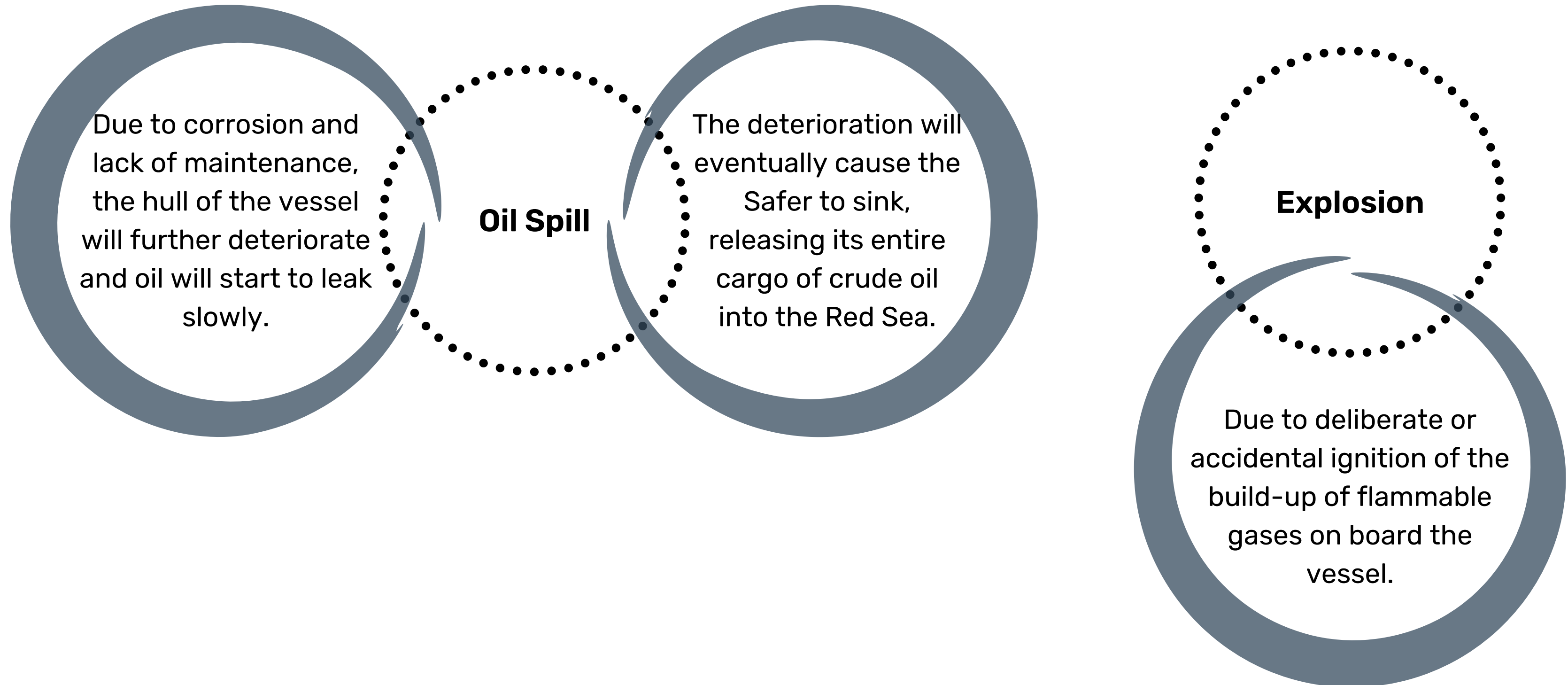
The lack of maintenance of the Safer makes two scenarios increasingly likely:



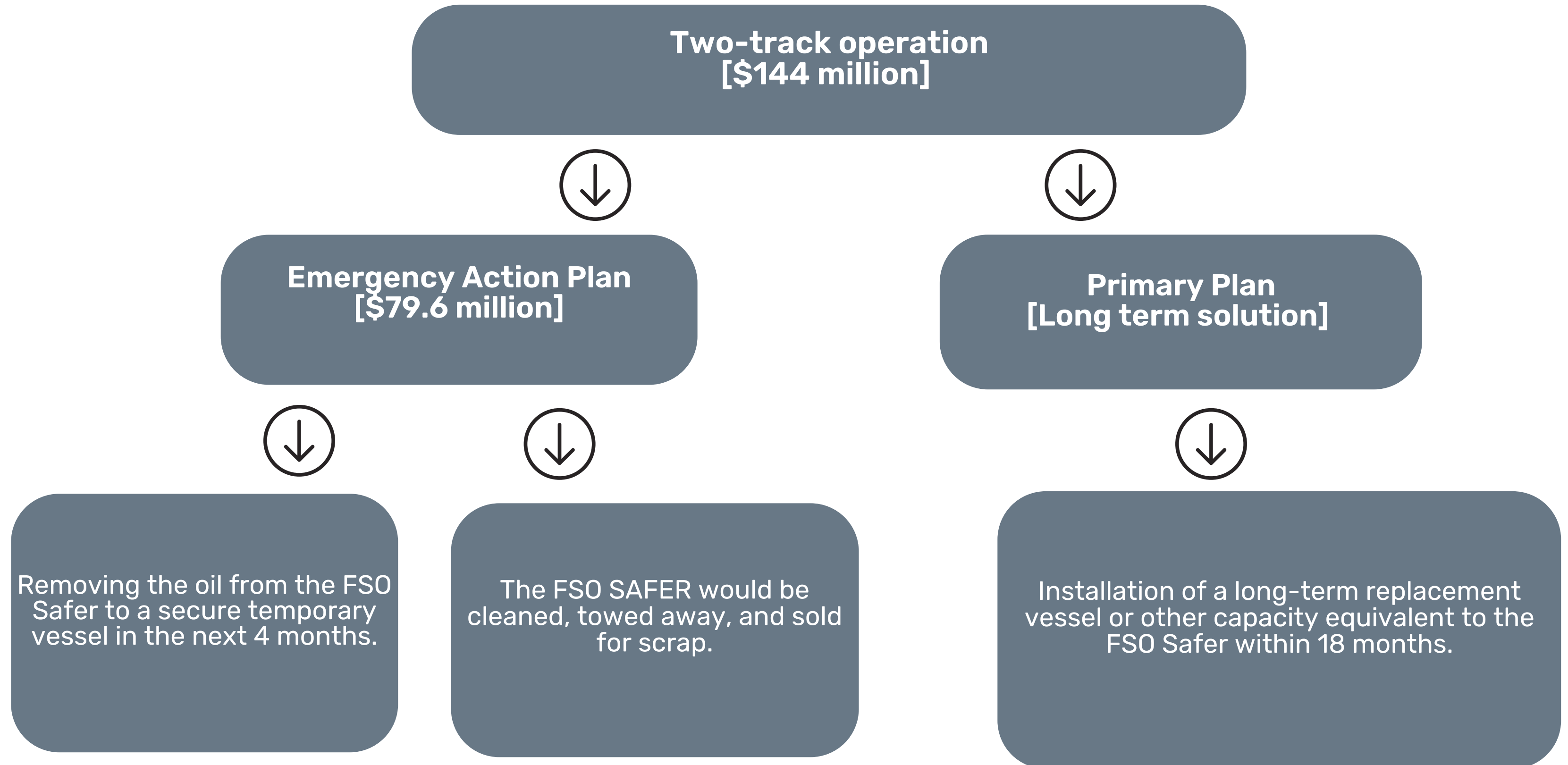
in %



Potential Scenarios Explained



The Proposed Plan by the United Nations





Present Barriers

Shortage of time:

From Oct increasingly volatile currents and high winds will increase the risk of the Safer breaking up

Lack of Funds:

\$64 Million have been secured so far. The UN has launched an online crowdfunding campaign to raise \$5 million.

Lack of Regional Cooperation:

Regional politics among Iran, Saudi Arabia, and the UAE has prevented the extension of adequate financial aid.



Assessment



Local Impact

High to Extreme Risk

- An oil spill will lead to the operations of Al Hodeidah and Saleef ports to be halted. This will limit the fuel and food imports in Yemen.
- The disruption in fuel import would impact the electricity production, health services, and transportation provisions Yemen.
- The oil spill will block 50% of the fisheries in Yemen. Estimated Cost to the fishing industry would be **\$750 million – \$30 million per year for the next 25 years.**
- The estimated loss in agricultural production would amount to **\$70 million.**



Regional Impact

High to Extreme Risk

- Projections indicate that in the weeks following the oil spill, considerable portions of the coastlines of Yemen (700 km of coast along the Red Sea), Saudi Arabia (2,000 km of Red Sea coast) and Eritrea (2234 km of Red Sea coast) would be impacted.
- An oil spill contamination will also hamper Saudi Arabia's plans to increase coastal tourism by 2030.
- Regional instability could escalate resulting from the spill as parties blame each other; the war/blockade could be prolonged as a result of the spill, perpetuating the humanitarian disaster in Yemen.



International Impact

High to Extreme Risk

- The Safer is located at the eastern edge of a busy global trade route, from the Bab el-Mandeb Strait to the Suez Canal. This route accounts for the flow **12% of all trade.**
- The shipping routes through the narrow Bab el-Mandeb Strait would also be disrupted due to clogging.
- The spill would also obstruct Red Sea tourism to the coral reefs, which is an important source of economic income for several Red Sea countries.
- The estimated cost of clean-up in the aftermath of an oil spill is very high - **USD 20 billion** – and will have to be borne by the international community.



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