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Saudi Arabia's Bab el-Mandeb Gamble: What the World's Most Expensive 18 Miles Are Worth

A World Business Watch commentary

By **Manasee Kurlekar** | October 3, 2026



Riyadh is preparing a ground offensive to take the Bab el-Mandeb strait back from the Houthis. With Hormuz choked, this 18-mile gap is now the only exit for Saudi Arabia's Asia-bound oil, so the gamble carries the kingdom's export lifeline and a tenth of world trade.

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Reuters (2 Oct 2026): Saudi Arabia is planning an offensive with up to 100,000 Yemeni forces, backed by US intelligence and with 30,000–40,000 Pakistani troops deployed in the kingdom. Timing ranges from within a week to after the November 2026 US midterms. · The Houthis took Mocha and Perim island on 10 Sep 2026. · The strait is 18 miles wide at its narrowest (EIA) and carries roughly 10–12% of global trade. · The Saudi East-West pipeline runs at 7m b/d, and Yanbu loads about 5m b/d of crude. · Suez Canal revenue: a record \$10.2bn in 2023, \$4.1bn in 2025 and \$5.8–6bn projected for 2026. · Indian refiners supplied about 60% of Europe's diesel in August 2026, mostly via Bab el-Mandeb. · Brent is around \$102.

Riyadh wants its Red Sea gateway back. With Hormuz choked, it has run out of other doors.

The gate slammed shut

On 10 September 2026, Houthi forces took the Yemeni port of Mocha and Perim island. Within days they held Yemen's entire Red Sea coast and both banks of the main shipping channel at Bab el-Mandeb.

Three weeks later, Riyadh has its answer. Reuters reported on 2 October 2026 that Saudi Arabia is planning a ground offensive that could involve more than 100,000 Yemeni forces. The goal is to roll back the Houthis and reopen the strait on Saudi terms.

The backing is international. Washington is supplying intelligence and targeting data. Pakistan has deployed 30,000 to 40,000 troops on Saudi soil for defence. Turkish drones are already flying over Yemen, and France is sending air defences to the port of Yanbu. On timing, sources range from "within a week" to after the US midterms in November 2026.

Why 18* miles matter so much

At its narrowest, Bab el-Mandeb is about 18 miles wide. Tankers squeeze through two lanes, each about 2 miles across, according to the US Energy Information Administration.

That sliver carries roughly 10-12% of global trade. Before the Red Sea crisis began, about 9.3 million barrels a day of oil passed through it in 2023. By the first half of 2025, Houthi attacks had cut that to about 4.2 million.

This year the strait got even more valuable, because the Iran war choked the Strait of Hormuz. Saudi Arabia responded by maxing out its East-West pipeline at 7 million barrels a day, sending crude across the desert to Yanbu on the Red Sea. By March 2026, Yanbu was loading about 5 million barrels a day of crude.

Here is the catch. Anything leaving Yanbu for Asia must go south through Bab el-Mandeb. At around \$100 a barrel, Yanbu's crude is worth roughly \$500 million a day. The Houthis now sit on the only southern exit for it.

That is the real reason for the offensive. Saudi Arabia built a bypass around one chokepoint, and it now runs straight into another.

Who else pays

Egypt. The Suez Canal earned a record \$10.2 billion in 2023. Revenue fell to \$4.1 billion in 2025 as ships diverted around Africa. In 2026 it has been recovering, with July receipts up 42% year on year as Gulf flows were rerouted, and the canal authority projects \$5.8-6 billion for the year. A closed southern gate threatens all of that, because Suez traffic has to pass Bab el-Mandeb first.

India. Indian refiners supplied around 60% of Europe's diesel in August 2026, most of it shipped through Bab el-Mandeb. If ships must go round the Cape of Good Hope, the Mumbai-Rotterdam run grows from about 15,700 km to 23,000 km. That means higher freight costs, longer voyages and thinner margins on India's most valuable export lane to Europe. On the import side, India took 566,000 barrels a day of Saudi crude in September 2026.

Everyone at the pump. Brent hit \$108 in mid-September 2026 as the Houthis advanced. It now sits near \$102. Gulf exports have recovered to near pre-war levels, but that recovery depends on Red Sea lanes staying open.

The gamble

The upside for Riyadh is clear. A win would secure its Hormuz workaround, revive Suez and take away a lever Iran has used through the Houthis.

The risks are just as clear. Saudi Arabia's last major Yemen campaign began in 2015 and never delivered a clean military result. Former US ambassador Michael Ratney expects any operation to be "fairly limited". Tehran is signalling its own readiness: a source told The National on 3 October 2026 that Iran's "cautious approach to Bab Al Mandeb so far does not mean it will be incapable of acting later."

A quick, contained push could pull freight rates and oil prices down. A stalled one could turn the Red Sea into a second Hormuz, with Houthi missiles aimed at the very tankers the offensive is meant to protect. One person was already hurt by debris from an intercepted Houthi missile over Asir province on the night of 2 October 2026.

What to watch

- **Launch timing.** An October move signals urgency; a delay until after the November 2026 midterms signals a political hold from Washington.
- **Yanbu loadings and Suez transits.** These are the first hard data on whether the gate is opening or closing.
- **Freight rates on Asia-Europe routes.** This is where Indian exporters will feel it first.

In a world with two chokepoints under pressure, 18 miles of water decide whether Saudi Arabia's Plan B works. That makes them the most expensive 18 miles in global trade right now.

