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Review Article

THE EFFECT OF THE ISRAEL-GAZA WAR ON MARITIME TRADE AND TRANSPORTATION

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ABSTRACT

This study investigates the impact of the Israel-Gaza War on global maritime trade and transportation. The conflict has led to significant disruptions in key maritime routes, particularly in the Red Sea and Suez Canal, forcing vessels to divert to alternative passages such as the Cape of Good Hope. These route changes have resulted in increased sailing times, fuel consumption, operational costs, insurance premiums, and carbon emissions. Port congestion and delays in international deliveries have also intensified. In this review-based study, recent data and reports from industry sources are synthesized to examine the war's implications for maritime trade flows, shipping insurance, and the economic sustainability of global logistics. The findings highlight the urgent need for strategic resilience planning in maritime operations under conditions of geopolitical conflict.

Keywords: *Israel-Gazza War, Maritime Trade, Maritime Transportation, Suez Canal Traffic, Cape of Good Hope Traffic*

1. INTRODUCTION

The Israel-Gaza conflict, which began with the attack by Hamas on Israel on October 7, 2023, has had significant geopolitical, humanitarian, and economic consequences. As a result of the conflict and subsequent military operations, thousands of lives have been lost—particularly in Gaza—where over 30,000 people were killed, and more than 70,000 were injured. Widespread destruction of infrastructure, loss of livelihoods, and a dramatic decline in employment and economic output have been reported (ILO, 2023; UNCTAD, 2024a).

One of the lesser-discussed but critical consequences of the war has been its disruptive effect on global maritime trade and transportation. Attacks on commercial ships, including those by the Houthis in the Red Sea region, have significantly affected the security of shipping routes, especially the Suez Canal. As a result, many shipping companies have rerouted vessels around the Cape of Good Hope, resulting in longer transit times, higher fuel consumption, increased emissions, higher insurance costs, and supply chain instability.

Given that approximately 90% of global trade is conducted by sea, disruptions to maritime logistics can have wide-ranging impacts on international trade, energy security, food supply chains, and global markets. Geopolitical tensions in maritime chokepoints—such as the Suez Canal—pose severe risks to the continuity and cost-effectiveness of global shipping operations.

This study aims to review and analyze the impacts of the Israel-Gaza War on global maritime trade and transportation, with a particular focus on route disruptions, economic consequences, maritime security, and insurance dynamics. The objective is to synthesize available evidence and highlight the broader implications for maritime resilience and global trade sustainability under conditions of conflict.

In the second part of the paper, the effects of the Israel-Gaza War on maritime trade and transportation are explored. The third part focuses on the economic impacts, the fourth part examines maritime security challenges, and the fifth part investigates implications for maritime insurance. The study is limited by the scarcity of academic literature and statistical data concerning post-war changes in the use of the Suez Canal and the Cape of Good Hope.

2. IMPACT ON MARITIME TRADE AND TRANSPORTATION

It is stated that if the conflict expands throughout the region, it will have a negative impact on global trade (Hill Dickinson, 2023). The maritime industry in the Red Sea has been seriously affected by the Israel-Hamas conflict that started on October 7, 2023 (Statista, 2024a). As a result of the Israel-Gaza war, global trade and maritime commerce have been severely affected. 22 to 23% of goods traded by sea between non-neighboring countries pass through the Red Sea, primarily through Bab-el-Mandeb and the Suez Canal. Before the October 7, 2023 attack, approximately 12% of global trade passed through the Suez Canal (ITA, 2024). While 15.4 million barrels were transported from the Middle East, which constitutes approximately one-third of the world's oil production, in 2022, only 589.262 barrels were shipped from the region on February 8, 2024 (Statista, 2024b). 50 ships, 7 million

barrels of oil and 1.2 billion cubic meters of classified natural gas (LNG) pass through the Bab-el-Mandeb Strait every day (Gürdeniz, 2023).

Global shipping companies are rerouting with increasing costs due to the war, being forced to reflect more broadly. Due to the Israel-Gaza conflict, there was a decrease in oil tanker transportation volume between ports in the world. Due to the Israel-Gaza conflict, there was a decrease in oil tanker transportation volume between ports in the world. This situation has greatly affected ships passing through the Red Sea region. The number of vessels exporting crude oil in the world, have significantly reduced (Zhang et al, 2025).

The number of oil tankers passing through the conflict and Red Sea region has greatly decreased. Increased tension in the region generally leads to increases in oil supply and oil prices. Increased tension in the region causes increases in oil supply and oil prices. Muhammadiyah, 2024). There are already delays in operations at Israeli ports. Israel has established a security strip of up to 80 km in the sea. Ships coming to the country cannot dock further than this distance. Increasing the security level of ships calling at Israeli ports to the highest level has seriously disrupted maritime transportation in the Eastern Mediterranean. Additional war risk premiums to be paid by ships calling at regional ports have increased 10-fold (Dünya Gazetesi, 2023). This situation is an important factor that increases the freight rate.

30-50% of global container shipping, 12% of oil transported by sea, 8% of LNG and grain trade passes through the Suez Canal (Atlantic Council, 2024). After the beginning of the Israel-Gaza War, commercial ship traffic in the Suez Canal decreased by approximately 55% on a weekly basis. Attacks on merchant ships have led to an estimated 15% of global maritime trade volume and more than 22,000 ships a year avoiding the Red Sea (Ferra et al, 2024). Before the Israel-Hamas conflict, 75 ships passed through the Suez Canal per day, but after the conflict, this number dropped to 32 ships per day. This situation reduced the revenue of the Suez Canal by 60% (SAFETY4SEA, 2025).

There has also been an increase of 98% in the number of dry cargo, tankers and container ships passing through the Cape of Good Hope. In particular, there has been a significant decrease in container ships passing through the Suez Canal. There was a 76.1% decrease in the number of ships passing through the Suez Canal in 2024 compared to the previous year. Dry bulk carriers were least affected by the Red Sea crisis. However, the number of dry bulk cargoes passing through the Suez Canal in January 2024 decreased by 18.4% compared to the previous year. Container Ships headed towards the Cape of Good Hope. Red Sea attacks could permanently divert maritime trade from the Suez Canal to alternative routes, increasing the cost to Egypt (Atlantic Council, 2024). All Israeli maritime trade passes through the Mediterranean ports of Haifa and Ashdod (Middle East Institute, 2024). S&P Global Market Intelligence analysts note that about 15% of goods imported into Europe, the Middle East and North Africa are shipped by sea from Asia and the Gulf.

Table 1. Weekly Ship Traffic by Types

	Suez Canal			Cape of Good Hope		
	Dry	Tanker	Liner	Dry	Tanker	Liner
2023						
30 Oct-5 November	178	177	112	248	68	43
6-12 November	191	165	107	266	55	41
13-19 November	179	172	126	277	55	55
20-26 November	168	184	112	345	73	45
27 Nov-3 December	206	185	106	249	63	43
4-10 December	212	178	103	256	64	57
11-17 December	180	192	99	277	80	68
18-24 December	203	160	60	254	71	60
25-31 December	171	143	47	338	74	145
2024						
1-7 January	138	134	40	306	103	102
8-14 January	148	109	44	328	113	93
15-21 January	138	111	34	307	130	77
22-28 January	111	96	31	327	121	105
29 Jan.-4 February	104	84	35	357	149	158
5-11 February	118	92	26	362	139	127
12-18 February	87	88	35	409	153	149

Tanker traffic has decreased by over 55% for 9 months until February 2024. Container Ships were significantly affected by the Red Sea crisis due to the fact that part of the liner shipping passes through the Suez Canal. Container Ship operators carry cargo on behalf of hundreds of different customers, increasing the responsibilities and risks associated with navigation compared to tankers and bulk cargo. As of January 2024,

there was a 42.8% decrease in Capesize ships passing through the Suez Canal compared to the previous year (Axmarin, 2024).

In 2023, approximately 22% of global seaborne container trade passed through the Suez Canal. In addition, goods such as natural gas, oil, automobiles, raw materials and many manufacturing products and industrial components are also transported through this channel (UNCTAD, 2024b). Container ships are diverted to the Cape of Good Hope at the southern of Africa due to the Israel-Gaza conflict. This causes the journey from Asia to Europe to take longer, increases transportation, insurance costs, and inflation (Bonini, 2024).

Many global shipping companies continue to use the South African route. While an average of 75 ships passed through the Suez Canal per day before the Israel-Gaza war, currently 32 ships pass through it per day (Neele-vat, 2025). The number of ships passing through the Suez Canal in the first two months of 2024 decreased by 50% compared to the previous year, and the number of ships passing through the Panama Canal decreased by 32%. This situation has disrupted supply chains and key macroeconomic indicators (IMF Blog, 2024). Number of ships passing through the Suez Canal as of mid-October 2024 (UNCTAD, 2024a). As seen in Figure 2, while the number of ship passages passing through the Suez Canal increased before the Israel-Gaza War, it decreased significantly after the war (UNCTAD, 2024a).

Due to Yemeni Houthis attacking Israeli commercial ships passing through the Red Sea, shipping companies are directing their ships to the Cape of Good Hope, the southernmost point of Africa. The capacity of ships to change route to pass the Cape of Good Hope has increased by 89%, resulting in more costs, delays and increased carbon emissions (UNCTAD, 2024b). This situation causes the cruise time to be extended by 3,500 nautical miles, the fuel cost to increase, the freight rates

to increase by 40% and increase in insurance prices. Container capacity has decreased due to extended travel times, and shipping companies' shipments through the Suez Canal have decreased due to increased fuel and operating costs. This has increased maritime transportation costs by approximately 300% (UN DP, 2024).

99% of trade in Israel is carried out by sea. In the first quarter of 2024, the amount of goods unloaded in Israel's Red Sea port of Eilat decreased to 25.000 metric tons. Between the third quarter of 2023 and the first quarter of 2024, the amount of cargo arriving at the South Port decreased by approximately 64 %. Since the start of the Israel-Hamas conflict on October 7, 2023, multiple attacks by Yemen's Houthis against Cargo ships in the Red Sea have resulted in a significant decrease in cargo ships arriving in the port (Statista, 2024c). A significant increase in the shipping market is predicted due to the Israel-Gaza conflict (Hill Dickinson, 2023; Stock logistic, 2024).

Approximately 15% of global trade and 30% of world container traffic passes through the Red Sea and Bab el Mandeb Strait. Ensuring uninterrupted trade flow in the Bab el Mandeb Strait is very important for the global economy and trade. Due to the increase in attacks on ships crossing the Red Sea, global shipping companies have paused Red Sea transit and changed their routes towards the Cape of Good Hope (UN DP (2024). Major shipping companies such as Hapag Lloyd, MSC and Maersk have suspended their operations in the Red Sea. Using alternative routes such as the Cape of Good Hope extends transportation times, increased delivery times by an average of 10 days, increases costs and insurance costs. Houthis' attacks in the region will significantly affect the security in the region (Kamali et al., 2024; Sari, 2024). Circulating Europe-Asia traffic around Africa via the Cape of Good Hope will cause in at least 3,000 nautical miles more travel. Extending the cruising time at sea will increase staff salary payments, ship deck and shipyard maintenance costs, which will bring additional costs to shipping companies.

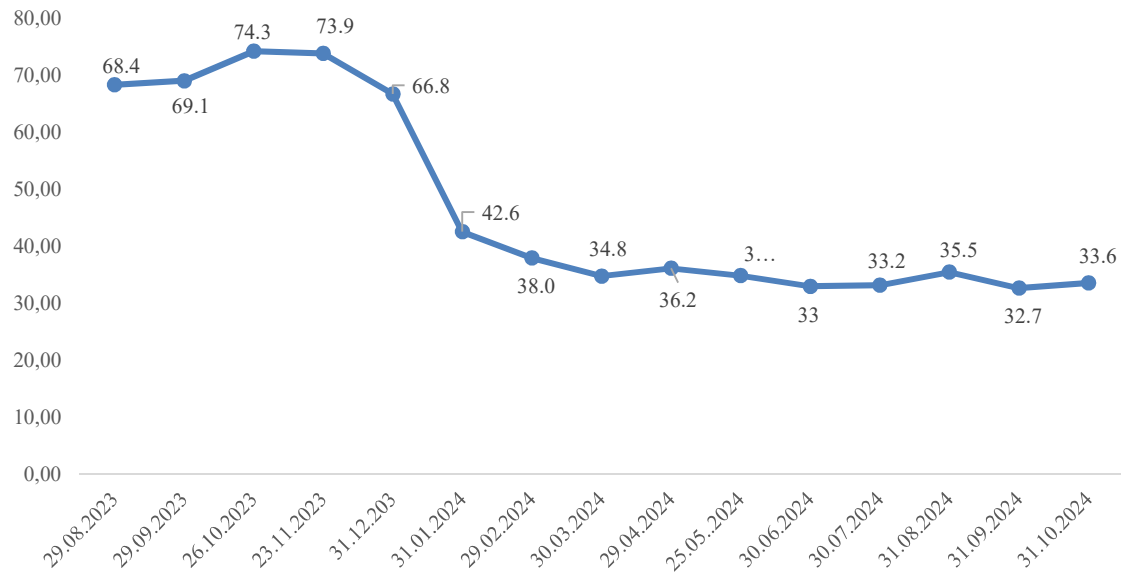


Fig.1. Daily transit trade volume of Suez Canal and Cape of Good Hope (million metric tons)
Source: UN Global Platform, IMF PortWatch, IMF Blog, 2024

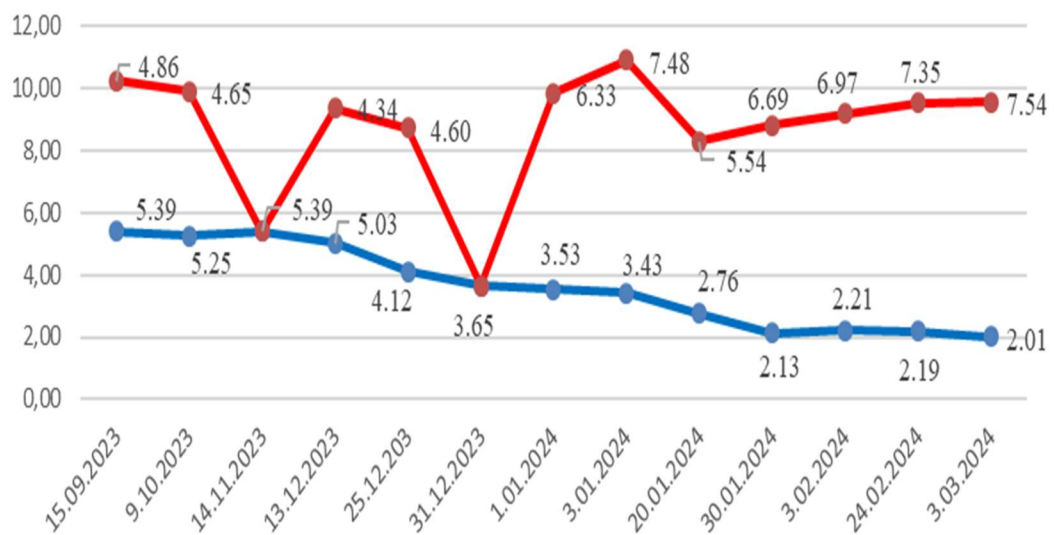


Fig.2. Number of daily ship passages passing through the Suez Canal (29.08.2023-31.10.2024)
Source: UNCTAD, 2024c.

According to transit forecasts, the trade volume passing through the Suez Canal in the first two months of 2024 decreased by 50% compared to the same period last year, while the trade volume passing around the Cape of Good Hope increased by 100% (Kamali et al., 2024). Israel does not allow the construction and operation of Gaza's air or sea ports and prohibits the import of critical production inputs and technology. Approximately 15 percent of global maritime trade, 8 percent of global grain, 12 percent of seaborne oil and 8 percent of liquefied natural gas pass through the Red Sea. According to Drewry World Container Index container shipping price 93% has increased.

Transportation costs are increasing due to Houthis attacking ships. Choosing the Cape of Good Hope instead of the Red Sea causes congestion in ports in Asia and Europe and an increase in transportation costs. It takes about two weeks longer for ships to pass around South Africa's Cape of Good Hope than through the Suez Canal. Extra fuel alone is estimated to cost \$1 million (€0.92 million) per trip, according to the Shipping Research. Tensions between Israel and the Houthis could have further knock-on effects on consumer prices. Diversion of the global maritime trade route is both economic and has negative climate-related consequences. Diversion of sea route increases container freight rates (Atlantic Council, 2024). Bloomberg states that the maritime sector's carbon emissions will increase by 23 million tons in the first half of 2024, which may be due to the new route.

Unable to use the Red Sea due to the attacks of the Houthis, Israel directed its maritime transportation services to the ports of the United Arab Emirates, Saudi Arabia and Jordan. These cargo reach Israel via the road (Gürdeniz, 2023).

3. ECONOMIC IMPACTS

UNCTAD states that the military operation has greatly reduced. Gaza's economy, with annual GDP per capita of Gaza required to reach its pre-blockade 2006 level by 2035. Daily production loss amount according to the Palestinian Central Bureau of Statistics. It reached 16 million US dollars due to the interruption of economic activities in the Gaza Strip. The daily gross domestic product (GDP) loss is estimated to be between US\$14-20 million. The Gaza war has negatively affected oil and gas prices. The closure of the Suez Canal to oil and liquefied natural gas (LNG) traffic from the Gulf to Europe has caused serious supply disruptions. Traffic through the Suez Canal has decreased by 60%. The loss of approximately \$350 million per month in Suez Canal tolls has reduced Egypt's foreign exchange earnings (Butter, 2024).

Suez Canal's one of Egypt's most important sources of foreign currency and will account for approximately 10 percent of its revenues in 2022/2023 (UN DP, 2024). Since Egypt earns 30-35 million dollars daily from Suez Canal transits, the canal constitutes an important source of foreign currency for the country. Due to the impact of the war, Egypt's revenues in January 2024 decreased by 36% compared to the same period of the previous year, and this situation negatively affected the Egyptian economy. In the first two months of 2024, Suez Canal trade decreased by 50 percent compared to the same period of the previous year. This situation as disrupted

global trade, supply chains and key macroeconomic indicators. During the war, Haifa port and bulk cargo port Hadera are operating. Ashkelon port is not working. The Israeli Navy controls maritime traffic in and around the ports of Ashdod and Ashkelon (SAFETY4SEA, 2023).

It is stated that China, which carries out 80 percent of its foreign trade by sea, has also been affected by these changes and has put alternative land routes on its agenda against demand shocks. If the war continues, regional and global economies will continue to be negatively affected (AA, 2024). UNCTAD estimates that Gazan economy had already contracted by 4.5% in the first three quarters of 2023 (UNCTAD, 2024a).

The war caused significant losses in employment and livelihoods (ILO, 2024). Gaza's economy shrunk by 24% in 2023, nearing its 1994 level. 79% of Gaza's labour force is unemployed (UNCTAD, 2024a). The International Labor Organization (ILO) states that there has been a job loss of at least 61 percent (182,000 jobs) in the Gaza Strip since the beginning of the Israel-Gaza war. There was an estimated total loss of 390,000 jobs in the two regions that make up the Occupied Palestinian Territories, with a daily loss of labor income of US\$ 16 million. These figures are expected to increase if military operations in Gaza continue (Bonini, 2024). Operations were disrupted in ports in the war zone. Disruptions at ports pose a threat not only to Turkey's trade with Israel and Palestine, but also to Turkey-related cargoes from Syria, Jordan and even Asia (UTIKAD, 2023).

4. THE IMPACT OF ISRAEL-GAZA WAR ON MARITIME SECURITY

In late November 2023, the Houthis began targeting international shipping in the Red Sea, particularly ships passing through the Bab-el-Mandab Strait, by launching attacks on Israeli-owned ships or ships heading towards Israel. The Houthis also began to attack commercial ships connected to Israel's Western allies, especially the USA and the UK (Vtw, 2024). The conflict poses a serious maritime security risk in the region and ships are changing their routes. Maritime security risks are increasing due to Houthi attacks in the Bab el Mandeb Strait, which connects the Gulf of Aden and the Sea of Oman to the Mediterranean via the Red Sea and the Suez Canal. UAVs (Drones), mobile munitions, limpet mines, explosive boats pose a threat to commercial ships operating primarily in the Persian Gulf, Strait of Hormuz, Gulf of Oman, Red Sea, Bab el Mandeb Strait and Gulf of Aden (Maritime Mutual, 2023).

It is recommended to increase the speed of ships passing through risky areas, to pass only during daylight hours whenever possible, to improve all watchkeeping procedures, and to maintain contact with international naval forces and maritime security officials in the region (CIMSEC, 2016). There have been 47 Houthi attacks since November 19, 2023. Ships passing through this area are strongly advised to turn off their AIS transponders, as turning off AIS makes it more difficult to track and target a ship accurately. When commercial vessels passing through this area are instructed on VHF to deviate from their route by the Houthis or entities claiming to be Yemeni authorities, they should ignore it and continue their passage if safe to do so.

To protect the sustainability of commercial shipping in the region, a US-led international naval task force has

been deployed to the Red Sea to destroy Houthi missiles and drones, the primary weapons used to target ships (Vtw, 2024).

Another strategic concern is the increased militarization of key chokepoints such as the Bab el-Mandeb Strait and the Strait of Hormuz. The persistent threat posed by Houthi forces has triggered not only unilateral naval responses but also multinational maritime coalitions, such as Operation Prosperity Guardian led by the United States and supported by allies including the United Kingdom, France, and Italy (U.S. Department, 2024). These operations aim to ensure freedom of navigation and deter further attacks on commercial shipping. However, their presence has also escalated regional tensions, leading to the potential for miscalculations or accidental confrontations with non-state actors or even with Iranian naval forces, who are alleged to support Houthi operations (Risk Intelligence, 2023; Reuters, 2024, Vtw, 2024).

The economic implications of security risks are also severe. Due to growing threats, major shipping companies—such as Maersk, MSC, and Hapag-Lloyd—have temporarily suspended operations through the Red Sea, rerouting vessels via the Cape of Good Hope. While this detour avoids conflict zones, it adds approximately 10–14 days of transit time and significantly increases fuel consumption and operational costs (Drewry, 2024a). These factors not only raise freight rates but also disrupt global supply chains, especially for energy and containerized goods moving between Asia and Europe.

Moreover, the increased use of private maritime security contractors (PMSCs) is becoming more prominent, particularly for high-risk transits. Many shipowners are now employing armed guards and investing in onboard defense systems such as long-range acoustic devices (LRADs), anti-drone jammers, and reinforced citadels (OCHA, 2024). These measures, while enhancing vessel resilience, also represent additional financial burdens and legal complexities, especially concerning the use of force in international waters (USDD, 2024).

Lastly, the psychological and operational toll on seafarers is gaining global attention. Crew anxiety over navigating through conflict-prone waters has risen, leading to growing calls from maritime unions and the International Transport Workers' Federation (ITF) for designating the Red Sea as a war risk area for seafarer safety considerations (ITF, 2024). This designation would entitle seafarers to war risk allowances and the right to refuse transits through hazardous zones without facing employment penalties.

5. IMPACT ON PORTS

The Israel-Gaza conflict has had substantial and multifaceted impacts on regional and global port operations. Ports are critical nodes in the global supply chain, and disruptions in their functionality reverberate throughout the maritime logistics system. The escalation of hostilities in the Eastern Mediterranean and Red Sea has affected ports in Israel, Palestine, and neighboring countries, while also influencing global port activity due to rerouted shipping and increased port congestion (MM, 2023; UNCTAD, 2024a). The Port of Ashdod and Port of Haifa, Israel's main maritime gateways, experienced operational slowdowns and temporary closures due to

security threats and missile attacks (Lloyd's List, 2024). As a result, many shipping lines have suspended or limited their calls at Israeli ports. Simultaneously, Gaza's limited port infrastructure, already constrained due to longstanding blockades, has faced further restrictions, halting all humanitarian or commercial maritime access (OCHA, 2024; Martin, 2024). Ports in nearby countries, such as Port Said and Alexandria in Egypt, and Aqaba in Jordan, have faced increased pressure due to the rerouting of vessels away from conflict zones. These ports have attempted to absorb the additional volume, leading to congestion, longer waiting times, and overstretched infrastructure (USDMA, 2024; World Bank, 2024).

The disruption in the Suez Canal due to attacks on commercial vessels in the Red Sea has caused many ships to bypass the route and take the longer passage via the Cape of Good Hope (IMO, 2024). This shift has created unexpected bottlenecks in ports across Sub-Saharan Africa, as well as in European and Asian ports not previously equipped to handle such large and delayed volumes. Container terminals, especially in transshipment hubs such as Singapore, Rotterdam, and Durban, have reported increased dwell times and reduced schedule reliability (Drewry, 2024b). Moreover, the shift in shipping patterns has affected port rotations and service frequencies. Ports that were regularly part of major east-west liner routes have seen reduced activity, while alternative ports have faced unexpected surges, challenging their throughput capacity and logistics coordination (Clarksons Research, 2024b; Oceans Beyond Piracy, 2024).

With the elevated risk of drone and missile attacks, ports in the Eastern Mediterranean have heightened their security protocols. This includes enhanced surveillance, restricted access zones, and increased inspections. While necessary, these measures have also slowed down cargo handling and vessel turnaround times, further straining port efficiency (Mepanews, 2023; ICS, 2024). Additionally, insurance premiums for ports deemed high-risk have increased, leading to rising operational costs for port authorities and shipping companies alike (Allianz Global Corporate & Specialty, 2024). Port labor and logistics workers in affected regions have faced operational uncertainty, with some ports reducing shifts or temporarily halting services for safety reasons.

The restricted use of Gaza's port infrastructure has further exacerbated the humanitarian crisis by limiting the inflow of aid and essential goods. Attempts to establish maritime humanitarian corridors have been discussed at international forums but remain logistically and politically complex (UN DP, 2024). From a strategic standpoint, the war has underscored the vulnerability of ports in conflict-prone regions and the urgent need for resilient infrastructure planning, port diversification strategies, and regional maritime cooperation (BIMCO, 2024).

6. IMPACT ON MARINE INSURANCE

The Israel-Gaza conflict has significantly influenced the global marine insurance industry, altering risk perceptions, raising premium rates, and reshaping underwriting strategies. As maritime trade routes face increased security threats—particularly in the Eastern Mediterranean and Red Sea—the war has forced insurers to reevaluate war risk zones, coverage terms, and liability

frameworks. The Israel-Hamas conflict directly affects war risks insurance, and premiums for ships trading to the region are increasing. The Israel-Gaza War may result in increased insurance costs for various goods transported in the region. Israel's southern ports of Ashkelon and Ashdod are the riskiest ports in terms of conflict and are considered the highest risk (Hill Dickinson, 2023). Marine insurance premiums for ships using the Red Sea route have increased rapidly, with the premium rate increasing between 0.75% and 1.0 % (UN DP, 2024).

Naval war risk premiums for ships transiting the Red Sea or Gulf of Aden due to conflicts have been significantly affected.

One of the most immediate effects has been the elevation of war risk premiums for vessels operating near Israeli ports or transiting the Red Sea and Eastern Mediterranean. Following a series of drone and missile attacks on commercial vessels, major insurers have designated key areas such as the Gulf of Aqaba and the southern entrance to the Red Sea as “listed” or “high-risk” zones under the Joint War Committee’s advisory (Lloyd’s Market Association, 2024). Consequently, ship-owners have faced war risk surcharges up to tenfold higher than pre-conflict levels (Allianz Global Corporate & Specialty, 2024a). These rising premiums not only impact the cost of maritime trade but also influence route selection. Several shipping lines have opted to reroute vessels via the Cape of Good Hope, despite longer transit times, to avoid elevated insurance costs and security threats (Clarksons Research, 2024a).

The conflict has also affected hull and cargo insurance policies. Insurers have imposed stricter conditions, including exclusion clauses for war-related losses or requirements for prior notice when entering conflict-adjacent zones (Marsh, 2024). Underwriters are increasingly requesting detailed security assessments, routing plans, and real-time monitoring for coverage to remain valid. Protection and Indemnity (P&I) clubs have issued advisories regarding coverage limitations in regions deemed unstable, urging shipowners to consult with brokers before calling affected ports. These clubs have also updated their liability policies in response to increased risks of crew injury, vessel detention, and cargo loss due to conflict (Gard P&I Club, 2024).

Reinsurance markets have come under pressure due to the accumulation of geopolitical risks globally, including the Israel-Gaza war, the Red Sea crisis, and the Russia-Ukraine conflict. As reinsurers become more conservative, capacity for war risk coverage has tightened, leading to higher reinsurance premiums and a ripple effect on primary marine insurers (Swiss Re Institute, 2024). Some underwriters have exited specific regional markets altogether, citing unsustainable exposure levels. The conflict has introduced complex legal challenges related to insurance claims. Determining causation, responsibility, and the applicability of war clauses is increasingly difficult in high-conflict areas. Additionally, the political nature of the conflict raises questions around the enforceability of claims linked to sanctioned entities or ports (Norton Rose Fulbright, 2024). Delays in claims processing, increased litigation, and arbitration around war-related damage have become more common. Insurers have responded by enhancing policy documentation and incorporating specific conflict clauses, but the lack of standardized interpretations remains an industry-wide concern.

Long-term, the Israel-Gaza conflict is prompting a reassessment of global marine insurance strategies. Insurers are investing in advanced threat intelligence tools, partnering with maritime security firms, and developing dynamic pricing models based on real-time risk exposure (Munich Re, 2024). The conflict also underscores the need for broader cooperation between insurers, port authorities, and shipping companies to enhance resilience against future regional crises.

7. CONCLUSION AND RECOMMENDATIONS

The Israel-Gaza War has had profound and far-reaching consequences for global maritime trade and transportation. Disruptions in the Red Sea, including Houthi attacks and increased geopolitical tensions, have significantly affected the Suez Canal route—leading to longer sailing times, higher fuel consumption, increased transportation costs, and a surge in insurance premiums. These developments have disrupted global supply chains and created uncertainty within the logistics sector. As a result, many shipping companies have had to revise their operational strategies and reroute vessels, which further exacerbates delivery delays and economic pressures.

Moreover, fluctuations in maritime security due to regional conflicts and piracy have introduced new risks to international trade. These factors not only threaten the sustainability of maritime transport but also impact broader economic stability.

To ensure the resilience of maritime trade routes, there is a critical need for enhanced international cooperation, coordinated maritime governance, and proactive strategies to mitigate the impact of regional conflicts on global logistics networks.

7.1. Recommendations

Diversification of Trade Routes: Stakeholders should explore and invest in alternative shipping corridors to reduce dependence on high-risk chokepoints such as the Suez Canal.

Strengthening Maritime Security: Greater investment is needed in surveillance technologies, naval coordination, and private maritime security to ensure safe passage through conflict-prone areas.

Policy and Governance Improvements: International organizations and maritime authorities must collaborate to develop adaptive regulatory frameworks that allow for rapid response to emerging geopolitical risks.

Geopolitical Risk Forecasting: Shipping and logistics firms should integrate real-time risk assessment tools and geopolitical forecasting into their planning processes.

Crisis Preparedness and Simulation: Simulation-based scenario planning and crisis drills should be regularly conducted to improve response mechanisms across the global maritime industry.

By implementing these recommendations, maritime stakeholders can enhance their operational resilience, ensure continuity of trade, and better navigate the uncertainties posed by current and future geopolitical conflicts.

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