

**"THE GEOECONOMICS OF THE GEOPOLITICS OF MARITIME SECURITY:
THE CRISIS IN THE MIDDLE EAST AND THE RED SEA".**

Nikolaos Deniozos¹ and Theodoros Stamatopoulos²

Abstract

Purpose: The geopolitical crisis in the Middle East, and the conflict with the Houthi rebels in the Red Sea are two factors affecting both the container-ship market and therefore the liner companies, as well as oil market. In this light, the article attempts to highlight the geo-economic aspect of Maritime Security and how it affects maritime freight transport from Asia to the West and Europe in particular.

Methodology: We approach it through presenting the geopolitical developments and actors in the area, as well as underlining the economic effects of the maritime security issues that substantially affect the number of vessels passing through the Suez Canal, their change of both the course and average cruising speed.

Results: The findings show that container prices have risen just over 300% since the disruption to maritime trade to Egypt and Europe, as ships crossings through Suez and the Bab-Al Mandab strait began to decline from mid-December 2023, with the Canal experiencing a respective 66% decrease, by the first week of April 2024. Freight rates remain high as liners look to secure sufficient capacity to maintain services at a satisfactory (financial and safety) level, due to longer sailing distances as Houthi attacks on ships in the Red Sea led them to take much longer routes through the Cape of Good Hope. Furthermore, cost led inflation pressures in European goods markets will continue because of the expected lower cruising speed of ships in 2025, if, as seems probable, the resolution of the crisis in the Red Sea is delayed.

Originality: The paper contributes the so far poor relevant literature by offering useful policy implications lying on the continuous vigilance and revisions of designing and implementing Maritime Safety procedures (both institutional and technological), ultimately necessary for the smooth operation of their freight transport.

Keywords: Maritime Transport; Maritime Security; Geoeconomics; Geopolitics.

JEL codes : L90, L91, L99.

¹ **Corresponding Author:** University of West Attica, School of Administrative, Economics and Social Sciences, Department of Accounting and Finance, Post-doctoral researcher "*The Geopolitics of the Maritime Industry: The Maritime Security as a Pillar of the Geo-economic Importance of Maritime Transport*", Ancient Olive Grove, 250 Thivon & P. Ralli Str., Egaleo, 122 41 Athens, Hellas (Greece). gpapakonstantinou@uniwa.gr ; Tel.: +30-210-5381-789.

² University of West Attica, School of Administrative, Economics and Social Sciences, Department of Accounting and Finance (Prof. in Economics, Supervisor of the Post-doctoral research "*The Geopolitics of the Maritime Industry: The Maritime Security as a Pillar of the Geo-economic Importance of Maritime Transport*"), Ancient Olive Grove, 250 Thivon & P. Ralli Str., Egaleo, 122 41 Athens, Hellas (Greece). ORCID iD <https://orcid.org/0000-0002-9710-0870> .