
INDICATOR INSIGHT BRIEF: ISRAELI RETALIATION

07/10/2024

Indicator

Following an Iranian missile attack on Israel on the 1st of October 2024, Israel vowed retaliation. Over recent days, reports have emerged of tankers, normally anchored off Iran's Kharg Island, distancing themselves from the terminal. Additionally, Iran's naval assets in Bandar Abbas have reportedly put to sea. Both moves indicated a perceived risk of Israeli attacks against Iran's oil export infrastructure and ports/naval bases.

Context

The 7th of October 2024 marks the first anniversary of Hamas' incursion into southern Israel. Alongside Hamas, Hezbollah, the Houthis, and "Islamic Resistance" in Iraq commenced military operations against Israel. Over the past year, Israel launched a campaign into the Gaza Strip to eradicate Hamas as a fighting force, carried out two air strikes against the Houthis in northwestern Yemen, and conducted multiple airstrikes against leading figures in the Iran-led "Axis of Resistance" in Syria and Lebanon. The current conflict has also seen the first-ever direct Iranian attack against Israeli territory. A second such missile attack occurred on the 1st of October 2024 in response to the killing of Hamas' political leader, Ismail Haniyeh, Hezbollah's Secretary-General, Hassan Nasrallah, the Islamic Revolutionary Guard Corps' Deputy of Operations, Abbas Nilforoushan, and the commencement of Israeli incursions into Lebanon. Following the Iranian missile strike, Israel's Prime Minister Benjamin Netanyahu vowed retaliation, and Iran signalled its willingness to respond in kind. While the implications of such an escalation to Israel and the Mediterranean are clear, the effects in the Gulf depend on the extent of Israel's retaliation.

Analysis

The potential risk to shipping in the region is substantial. The near-term worst-case scenario is an Israeli airstrike on Iran's critical national infrastructure and Iranian retaliation by illegally impeding transit passage through the Strait of Hormuz. The Israeli targets could include ports, oil export facilities, offshore platforms, and nuclear facilities. The Iranians would likely choose to deny passage to Israeli shipping and coalition shipping. There is assessed to be a remote chance that Iran would disrupt all shipping. International merchant vessels are unlikely to be the direct target during Israeli operations, however, as indicated by their attacks on Hodeida and Ras-Isa, the risk of collateral damage is elevated. Were Israel to strike such Iranian targets, the impact to Iran's exports could be considerable and change the Iranian risk calculation in the Strait of Hormuz as well as toward Israeli ports and offshore terminals. Iran likely sees Israel as only capable of launching such an operation with the material and ongoing support of the US and possibly other partners. Iran is assessed to remain capable of seizing and damaging affiliated merchant shipping. Iran has illegally impeded passage before and seized vessels using pretexts. Iran likely has the opportunity to illegally deny passage through the Strait of Hormuz unless there is a close-protection naval service and suppressive operations. The US 5th Fleet does not have assets in the immediate vicinity to deny them this opportunity at present, particularly given the repositioning of several assets towards Israel in recent weeks.

Implications

Shipping is advised to regularly engage professional advice whilst transiting through the region, and to adopt measures that would mitigate the impact of any retaliation. This would include training crew on following Bridge Emergency procedures, defining positions in which go/no-go transit decisions can be evaluated, registering with and engaging naval forces, embarking professional advisors, and carrying out affiliation checks. As well as the Houthis, Iran has likely targeted shipping by mistake due to out-of-date information.