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A Red Sea Security System: Political, Military, and Economic Issues

An Intelligence Assessment

Information available as of 8 December 1981
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Key Judgments

The strategic importance of the Red Sea is likely to grow substantially over the next few years as a result of recent military and economic developments:

- US Rapid Deployment Forces rely on military facilities in the region to help counter Soviet expansionism.
- Saudi Arabia has just completed an oil pipeline to the Red Sea that will enable it to export a substantial share of its crude without going through the vulnerable Strait of Hormuz.
- Riyadh has agreed to finance a pipeline to the Red Sea from Iraqi oil fields.
- At the same time the Libyan-Ethiopian-South Yemeni pact as well as the Soviet presence in South Yemen and Ethiopia threaten the stability of the southern Red Sea basin.

These developments give Arab countries from Egypt through Saudi Arabia to Iraq a stake in Red Sea security. At present, security cooperation among these and other Arab countries faces major obstacles, including longstanding political and ideological rivalries and disagreement over the role of US military power in the Middle East. If the Soviet and radical threats became more menacing, however, neutral and pro-Western countries might make common cause. In the absence of Arab cooperation, Israel probably will cite the growing importance of the Red Sea shipping lanes to the West to strengthen its argument for broader US-Israeli strategic cooperation in the region.

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Military Factors

The Red Sea is critical to Western efforts to stop Soviet expansionism in southwest Asia and to guard the oil supply routes from the Persian Gulf. The US Navy prefers the Suez Canal to the longer and costlier route around the Cape of Good Hope when sending ships between the North Atlantic-Mediterranean and the Indian Ocean-Persian Gulf. These transits—which have included conventionally powered aircraft carriers—will increase in number as the United States develops facilities in Kenya, Somalia, Oman, and Diego Garcia. The United States and Egypt plan a massive improvement in Ras Banas, a small airstrip and harbor area on Egypt's southern Red Sea coast, to make it suitable for use as a staging area for US forces moving into the Persian Gulf.¹ The collapse of US influence in Ethiopia has dramatically increased the importance of Sudan and Somalia as bases for projecting Western power into the southern Red Sea and northwest Indian Ocean. The United States plans to use air and naval facilities at Berbera, Somalia, to monitor the sea lanes along the southern coast of the Arabian peninsula and the east coast of Africa.

France stations about 4,000 troops and air units at Djibouti at the southern end of the Red Sea on the Strait of Bab-el-Mandeb. Djibouti serves as the home port for the French Indian Ocean fleet of 14 warships, the second largest Western naval force in the Indian Ocean.

Economic Factors

The Red Sea is becoming an increasingly important transit route for oil. Both Saudi Arabia and Iraq look to the Red Sea to provide a secure alternative route for oil exports from the Persian Gulf. The new Trans-Peninsula Saudi pipeline terminating at the port of Yanbu supplies 1.1 million barrels per day, and this will soon increase to the pipeline's capacity of 1.85 million barrels per day. Riyadh plans to double the capacity by the mid-1980s. Moreover, the Saudis have

agreed with Iraq to finance construction of a pipeline with a capacity of from 1.6 to 1.9 million barrels per day to carry crude oil from Iraq's southern oilfields to a terminal near Yanbu. This pipeline could be in operation by 1986. If the second Saudi line and the Iraqi line are completed, Red Sea terminals could furnish close to 5.5 million barrels per day of oil by the mid-1980s; at present about 12 million barrels per day move through the Persian Gulf and the Strait of Hormuz. Riyadh plans a 1.5-billion-barrel oil storage facility on the Red Sea near Yanbu, although costs and technical considerations will delay completion until about 1990. Saudi Arabia is also building a petrochemical complex at Yanbu, which will make that port a major product export center.

The Red Sea basin also furnishes oil of its own. Egypt's most important oilfields are near the upper Red Sea in the Gulf of Suez, and oil exploration is under way along the Red Sea coast of Egypt and Sudan.

As a result, the Gulf of Suez and the Suez Canal are regaining the strategic importance they held before the closing of the Canal in 1967 and the near-simultaneous appearance of supertankers which made economical the shipment of Persian Gulf oil around the Cape of Good Hope. Present oil shipments through the Canal are about 700,000 barrels per day. Shipments through the Suez-Mediterranean (Sumed) pipeline—which crosses Egypt from the Gulf of Suez to the Mediterranean coast near Alexandria and is jointly owned by Egypt and several major oil-producing countries—are at the pipeline's capacity of 1.6 million barrels per day. Egypt has enlarged the Canal to permit transit by larger oil tankers, and there is discussion of further expanding the Canal as well as increasing the capacity of the Sumed pipeline. Cairo's revenues from the Canal—an estimated \$1 billion this year, about one-tenth of foreign earnings—will grow steadily; Sumed pipeline earnings—an estimated \$75 million this year—can also be expected to rise as more oil is moved through the Red Sea.

¹ See foldout map at end of report.

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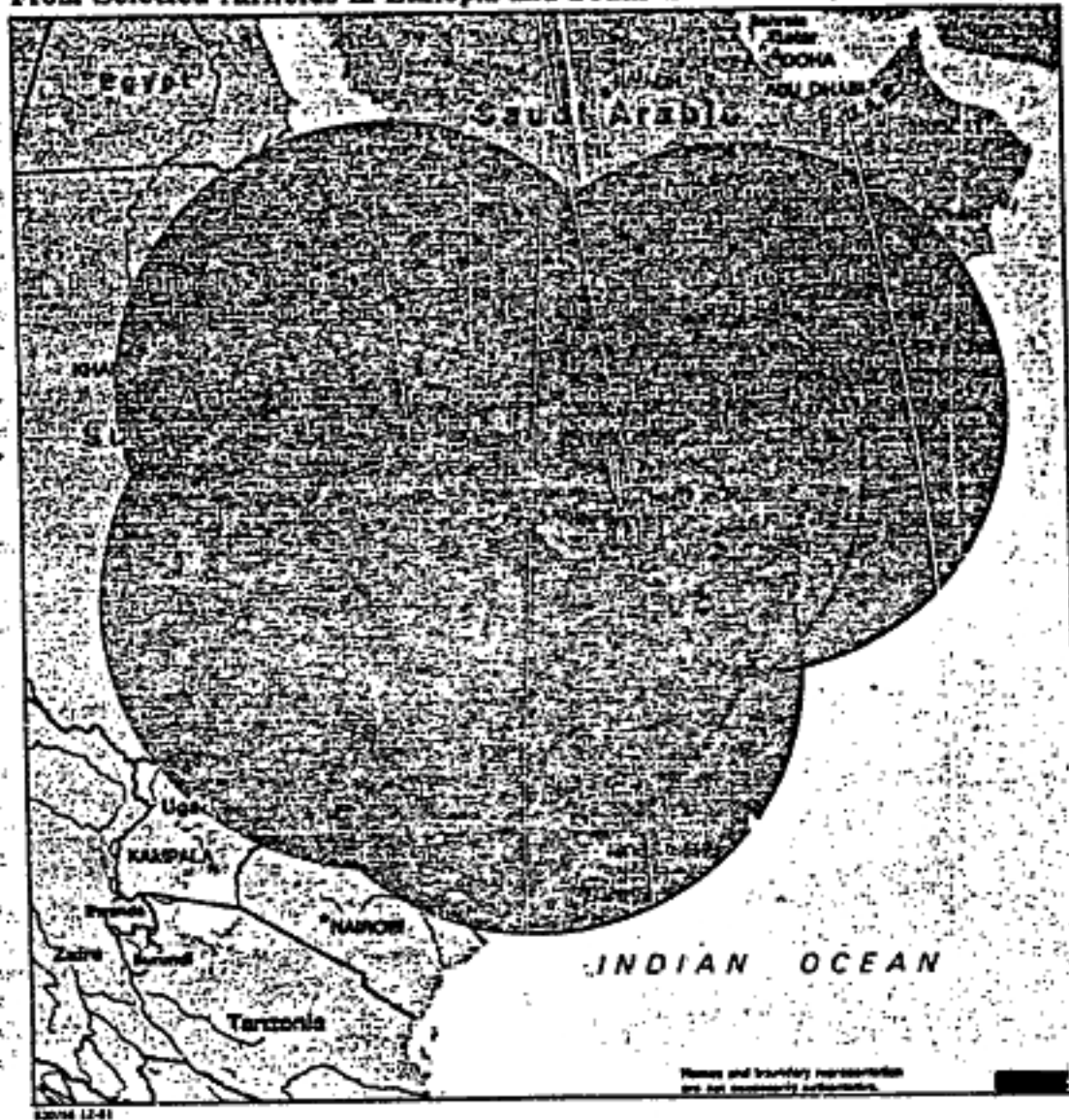
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**Soviet Tactical Air Coverage
From Selected Airfields in Ethiopia and South Yemen**

Figure 1



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Military Advantages of Regional Cooperation

Regional cooperation would offer important military benefits to each country, particularly Egypt and Saudi Arabia. All of the Arab countries involved wish to limit Soviet and radical activity. At the same time, separate military problems make the Red Sea only a secondary consideration for each of them.

With its major forces deployed to stop a potential Israeli attack across the Sinai and a potential Libyan thrust from the west, Egypt has little available to guard Red Sea routes. Cairo has no plans for a strong naval presence in the Red Sea. Moreover, it lacks the capability to project or resupply forces over long distances. Egypt would respond to Libyan adventurism abroad—such as an invasion of Sudan—mainly by threatening a direct attack across the Egyptian-Libyan border rather than by confronting Libya in a third country.

Although to date Saudi Arabia has concentrated on guarding its eastern border—through measures such as formation of the Gulf Cooperation Council and purchase of the US AWACS—it has indicated a concern about its western seacoast by beginning construction of naval stations and ship repair facilities at Jiddah on the Red Sea as well as at Jubayl on the Gulf. Saudi oil revenues could help Egypt develop sufficient forces to protect the Red Sea. The Saudis presumably see the potential military advantages in cooperating with Egypt in naval training and patrolling, with Egypt concentrating on the northern half of the Red Sea and Saudi Arabia—from its base at Jiddah—concentrating on the southern half.

Saudi Arabia could also strengthen air defense of the southern Red Sea by shifting AWACS coverage from the northeast approaches to the country to the southwest approaches. Such a redeployment would be supported by Oman, which has long argued that Soviet-backed South Yemen is the most serious threat to the security of the Arabian peninsula. Any such shift would depend on the course of the Iran-Iraq war

* Longstanding Egyptian contingency plans call, however, for Cairo to respond to a Libyan attack on Sudan by sending to Khartoum two brigades of commandos and a squadron of MIG fighters.

and on Saudi judgments of their future relations with Iraq—as well as on discussions with the United States, whose personnel will remain on the AWACS.

The military and financial strains of the war with Iran mean that for the foreseeable future Iraq is unlikely to contribute support for Red Sea security.

Obstacles to Regional Arab Cooperation

Two major political obstacles would make it difficult to translate common security concerns into effective regional cooperation unless Soviet and radical activity appeared more threatening than at present.

Saudi Arabia and Iraq are traditional rivals for influence in the northern Persian Gulf. Riyadh took advantage of the Iran-Iraq war to establish the Gulf Cooperation Council, which excludes both Iran and Iraq. While the Saudis welcome Iraq's increased economic ties with Riyadh and other moderate states, they are still uncertain about their long-term relations with Baghdad.

Security cooperation could also be undercut by differences over the proper US military role in the region and the related issue of the Arab-Israeli conflict. Egypt—backed by Sudan—supports a US-sponsored strategic consensus to limit Soviet influence. Both countries favor a high level of US military aid and

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participate in joint military exercises with the United States such as Bright Star 82. Cairo allows the United States to preposition equipment in Egypt and has pushed for substantial US assistance in developing a large military and communications facility at the Red Sea port of Ras Ranas. In effect, Egypt and Sudan argue that pro-Western countries need a US military presence to counter the presence of Soviet and Soviet Bloc military advisers in South Yemen, Libya, and Ethiopia. Moreover, Cairo and Khartoum defend the Camp David Accords, which help both countries cement their relationship with the United States and which guarantee the return of the Sinai to Egypt.

Yemen or Ethiopia; a seizure of power by pro-Soviet groups in Djibouti or North Yemen that threatened radical control of the Strait of Bab-el-Mandeb and perhaps of the southern Red Sea; or an ouster of Nimeiri and a turn to the left in Sudan.

Such developments could drive home to Riyadh, Amman, and Baghdad their increasing stake in Red Sea security and overshadow—at least for a time—longstanding Arab rivalries. A dramatic change in the present regional balance of forces could lead Egypt and Saudi Arabia to recall that they overcame earlier antagonisms during the period between the war with Israel in 1973 and the Camp David Accords in 1978. Iraq has moved far enough from its dogmatically radical stance of the 1960s and early 1970s that cooperation with Saudi Arabia and even with Egypt against a common military threat seems plausible. Baghdad has displayed its pragmatism by refraining from criticizing growing Omani military ties with the United States because Oman has supported Iraq on several issues during the Iran-Iraq war.

Jordan fears an attack from what it considers an increasingly aggressive Israel as much as it fears a conflict with Soviet-armed Syria or turmoil in the southern Red Sea basin. Amman's recent purchase of air defense equipment from the USSR was designed to introduce some balance into its arms supply relationship with the United States—both to avoid criticism from radical Arab states and to avoid the restrictions that the United States has placed on deployment of weapons sold to Jordan.

A small-scale regional precedent for cooperation among political rivals is the Gulf Cooperation Council. In that case, the threat of the Iran-Iraq war and a series of Soviet advances in the region brought together countries that differed as widely on foreign policy as Oman and Kuwait and lessened—even if it did not remove—the concern of the smaller Gulf countries about potential Saudi dominance.

Iraq opposes a Western military presence in the region because it aims at a leadership role in the Gulf, the Arab world, and the Nonaligned Movement. Riyadh, Amman, and Baghdad all charge that the Camp David Accords cannot produce a comprehensive Arab-Israeli peace settlement; all three countries criticize Egypt for not pushing Israel hard enough on West Bank and Gaza autonomy.

Saudi Arabia, Jordan, and even Iraq might cooperate with Egypt and Sudan if Soviet and radical activities threatened their national interests directly. Such actions might include a major buildup of Soviet military forces to crush a rebellion in South Yemen or Ethiopia or to threaten or coerce states close to South

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