

## **Renewed US Bombings and Houthi FTO Designation Signals Shift in Yemen Conflict**

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March 25, 2025

**Cover photo:** Houthi forces at a graduation ceremony on July 29, 2022, for fighters joining the 8th Presidential Protection Brigade // Photo credit: Houthi-run War Media Department.



Kingdom of the Netherlands

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## Renewed US Bombings and Houthi FTO Designation Signals Shift in Yemen Conflict

US military forces recommenced strikes against Houthi targets in Yemen on March 15 as part of a new pressure campaign against the group and its primary backer, Iran. The bombing campaign, which so far has **killed** a reported 53 people and wounded more than 100, followed a Houthi **threat** to resume attacks against Israeli-linked vessels in the Red Sea in response to Israel cutting off aid to Gaza. US airstrikes so far have been reported in Sana'a, Sa'ada, Al-Jawf, Marib, Dhamar, Hudaydah, Al-Bayda and Taiz governorates. US officials **said** the strikes would likely last several weeks. Meanwhile, the Houthis have **claimed** several attacks against US naval ships. Shortly following the US escalation in Yemen, Israel resumed major bombing in Gaza, killing over 400 people and shattering the ceasefire agreed in January that had instilled a degree of calm in the Red Sea.

The strikes in Yemen also followed a US decision earlier in the month to formally redesignate the Houthis as a **Foreign Terrorist Organization (FTO)**. The move, which cites Houthi activities that "threaten the security of American civilians and personnel in the Middle East, the safety of our closest regional partners, and the stability of global maritime trade," followed through on one of President Donald Trump's **first executive orders** after he returned to office in January. The US Treasury Department **issued** six general licenses that outline permitted activities related to the Houthis, ranging from specific agricultural and medical transactions to diplomatic efforts, but the broad sanctions associated with the terrorism designation are expected to have far-reaching effects.

The military escalation in Yemen and the Houthi FTO designation hold unclear ramifications for the humanitarian situation, the economy, regional security, and diplomatic efforts aimed at reaching peace in Yemen. Sana'a Center staff and experts react to the US strikes and the FTO designation, and analyze the potential impacts on the future of the conflict.

## Trump Establishes New Rules of Engagement in Yemen

By Maged al-Madhagi

Renewed US airstrikes in Yemen and the designation of the Houthis as a Foreign Terrorist Organization (FTO) will reshape both local and regional dynamics. The Houthis have continued their bellicose rhetoric in response to recent escalations, but the pressure might force the group to curb their increasing aggression on frontlines in Yemen, such as in Marib. Alternatively, the Houthis could opt for an escalation of their own, but they would now be directly facing down the US, not just the Saudi-led coalition.

While the US strikes serve partly as punishment for Houthi disruptions in the Red Sea, they also send a message to Iran, the Houthis' strategic ally. President Donald Trump **said** the US would hold Iran responsible for "every shot fired by the Houthis" and promised dire consequences. How the Houthis choose to respond—whether to pursue de-escalation or further provocation—will reflect Tehran's interests, not just those of Sana'a. Iran has suffered severe damage to its strategic assets in the region. It has no alternative battleground left for its Axis of Resistance except Yemen, which could play a decisive role in shielding Iran if Israeli and American hawks manage to convince Trump to strike Tehran and its nuclear program.

Ultimately, Trump wants to establish new rules of engagement in Yemen by raising the cost for the Houthis. Noticeably, the Houthis' initial response has been more fearful and anxious this time. How far the US will go in confronting the Houthis remains unclear, though it is certainly promising for the group's adversaries. Many of them feel that the Saudi brakes, which had long restrained confrontation with the Houthis, have finally been replaced by Washington's new push on the gas under Trump.

However, the sustainability of this momentum depends on several key factors. First is the US' ability to neutralize the Houthi threat posed to the Red Sea. Since World War II, the US has been the global guarantor of maritime security. The essence of American military power and its economic model lies in ensuring the free flow of trade and shipping across the seas and oceans.

The second factor is the clarity of US messages to regional partners on security cooperation against shared threats. The memory of the attack on Saudi Arabia's Abqaiq refinery still lingers. At the time, Trump turned his back on the kingdom, causing severe damage to the image of the US as a reliable ally. This played a decisive role in weakening Saudi commitment to the Yemen war.

Third is the question of the US commitment to weakening and dismantling Iran's last forward defense outpost in the region. Renewed US pressure comes at a costly time for Iran following recent developments in Lebanon and Syria. The combination of military strikes, assassinations, and economic pressure will disrupt the Houthis' ability to build strength, recover from losses, and maintain their rigid grip on power, making their rule more fragile and unstable.

A final factor is the Trump administration's ability to manage Israel's hawkish tendencies by addressing the threats it faces while absorbing pressure from Tel Aviv and its allies in Washington, who are pushing hard for a direct attack on Iran's nuclear program. Trump's desire to differentiate himself from the Biden era, employing long-standing accusations that the Democrats have been weak on Iran and its allies, amplifies the risk of further escalation before any political and security gains from its new Yemen policy are consolidated.



## Airstrikes, Sanctions Carry Great Risks for Yemen

By Ned Whalley

The designation of the Houthis as a Foreign Terrorist Organization (FTO) and the resumption of US airstrikes in Yemen mark a new chapter in international efforts to combat the group and limit its influence. But absent a broader program of engagement in Yemen, they risk further damaging the country's war-torn economy and deepening its humanitarian crisis without affecting the balance of power or improving the prospects for peace.

The renewed military action is **intended** to limit the Houthis' capacity to continue military operations against commercial shipping and responding American naval forces. US President Donald Trump has **intimated** that he sees the Houthis as a tentacle of Iran's regional security network, whose collective military capabilities have been degraded and discredited over the course of the war in Gaza, particularly through the rapid compromising of Lebanon's Hezbollah and the collapse of Syria's Assad regime. The US wants to defend Israel and reinstate freedom of navigation in one of the world's busiest shipping lanes, but the escalation is likely also a prelude to further confrontation with Iran, perhaps with the ultimate objective of renegotiating a **nuclear deal** while the deterrence capacity of the Islamic Republic is weak.

But the Trump administration's policy carries enormous risks for Yemen. It will be difficult to circumscribe the impact of the new sanctions, as Houthi authorities control the populous north of the country, where much of the extant economic and financial infrastructure is located. What's left of Yemen's economy is heavily reliant on imports and **remittances**, but banks, traders, and other financial entities could have significant difficulty navigating the regulations. With **half the country** facing food insecurity, any disruption to trade and financial flows could rapidly precipitate a crisis. Foreign donors, including the US, have already cut back on aid, and humanitarian organizations must now worry about exposure to sanctions as well as **risks to local staff**. Significant political support has been necessary to maintain aid flows in similar circumstances, such as under the Taliban in Afghanistan or under Hamas in Gaza. It is not clear if there is sufficient political will to make sure this happens in Yemen.

The sanctions and airstrikes also risk Houthi escalation – not just in the Red Sea, but against Yemen's weak and divided government and its suzerain backers, Saudi Arabia and the UAE. The Houthis have a large and varied arsenal, with smuggled Iranian weapons now complemented by a sophisticated domestic arms industry. The group's drone and missile capabilities have increased with its power over the course of the conflict, and its leadership has remained defiant despite years of airstrikes by Riyadh and, more recently, the US, UK, and Israel. Limiting the

group's military capabilities and compelling it to abandon its visions of conquest and totalitarian rule has repeatedly proven more difficult than anticipated. Last year, the central bank in Aden moved to isolate the Houthis from Yemen's banking system and international financial networks, and the group promptly reacted by threatening attacks against the Yemeni government and Saudi Arabia, who are ill-equipped to respond. If the Houthis feel sufficient pressure, such threats could be renewed, and carried out.

The reach and efficacy of both the air campaign and the new sanctions regime are not yet clear, and renewed US engagement holds some hope of a broader international commitment to bring Yemen's decade-long civil war to an end. But the Houthi regime maintains a vicious grip on the population under its control and, at present, has no serious domestic challengers. Taken alone, the FTO designation and limited airstrikes risk intensifying the misery of Yemen's beleaguered civilian population without bringing the country any closer to peace.

## FTO and Military Action Unlikely to Solve Houthi Missile Threat

By Abdulghani al-Iryani

Over two years ago, the Yemen conflict entered a phase of stalemate when the Saudis and Houthis negotiated a bilateral ceasefire. Saudi Arabia, planning its exit from the Yemen quagmire, did its utmost to preserve the ceasefire despite repeated violations by the Houthis. Riyadh's options were limited by the weakness and fragmentation of their Yemeni allies, who missed every opportunity presented to them and squabbled and undermined one another for short-term tactical gains. The Saudis were also discouraged from taking a firmer stand by the half-hearted US commitment to their defense, demonstrated in the aftermath of the claimed Houthi attack on [ARAMCO oil facilities](#) in 2019. But Houthi operations in the Red Sea during the Gaza conflict led the Saudis to reassess their approach to the war in Yemen. Seeing that peace with the Houthis was also a risky proposition, they came to the conclusion that without a US commitment and reliable support - including the provision of anti-missile batteries - they would simply observe the status quo.

The US Foreign Terrorist Organization (FTO) designation of the Houthis has transformed the conflict in Yemen once again. The viability of a Houthi state is now in question, and this opens a window of opportunity for their domestic opponents. However, the Presidential Leadership Council (PLC) leading the government side will not miss the opportunity to miss opportunities. Members of the PLC have demonstrated the body's fragmentation by each presenting themselves as the ally that would best stand up to the Houthis, proving to both the Saudis and the US that no domestic party is capable of being the standard banner for Yemeni resistance against the group.

To the Saudis, the objective remains exiting the Yemen conflict and turning their full attention to the ambitious Saudi Vision 2030 economic development plan. Seeing that their security concerns would not be allayed by signing [a defense pact](#) with the US, they have strategically retreated from the Yemen quagmire in the same way they did in 1970: by acknowledging the victory of the party that controls the capital. All they need is an opportunity to declare peace with it.

In the US, Yemen was viewed through the Saudi security lens until October 2023. Since then, the Israeli security lens has taken over. To Israel, neutralizing Houthi missile and drone capabilities is the sole objective. That means it is now also the main US objective. The other US objective is, of course, fighting Al-Qaeda in Yemen, a fight in which the Houthis have been a [tactical US partner](#) ever since they started their march toward Sana'a in 2014.



Missile and drone capabilities cannot be fully suppressed. On the contrary, as technology advances, these capabilities will become cheaper and easier to obtain. Bombing and assassinating Houthi leaders might be punitive and vindictive, but it will not reduce the group's capabilities by much. Destroyed missile launchers will be replaced, and missile and drone parts will keep coming from Iran and the black market. The only way to deal with the challenge of Houthi missile and drone capabilities is through a political deal, a process in which the PLC continues to be MIA. The US, after much bombing and carnage, will likely pressure Saudi Arabia to make a deal with the Houthis, even if that accord cannot stand the test of time. After all, US strategic planning in peripheral regions is ultimately governed by its four-year electoral cycle.

# The Houthi FTO Designation and US Foreign Policy Incoherence

By Thomas Juneau

In theory, the Trump administration's designation of the Houthis as a **Foreign Terrorist Organization** (FTO) can be a useful foreign policy tool. In practice, however, the combination of three reasons – the United States' lack of a coherent Yemen policy, lack of a coherent Middle East policy, and overall bureaucratic confusion – means that it is unlikely to have the intended effect of contributing to a policy of containing and rolling back the Houthis.

First, to succeed, the FTO designation should come in parallel to other measures, especially **increased support for the internationally recognized government** as well as humanitarian assistance. This, however, is unlikely; in fact, with the Trump administration cutting a wide range of American aid programs, both on the development and security sides, the opposite may be more likely. As a result, the damaging effects of the FTO designation, especially through its imposition of hurdles to the delivery of humanitarian and development assistance, are more likely to be magnified. In the absence of a sustained effort, led by the United States in close cooperation with Saudi Arabia and the United Arab Emirates, to federate an effective anti-Houthi coalition, the Houthis will remain the dominant political and military power in Yemen; renewed and even intensified air and naval strikes in combination with the FTO designation will not fundamentally change this reality.

Second, the absence of a coherent foreign policy in the broader Middle East will hamper isolated efforts to contain the Houthis. President Trump, in particular, has **yet to clarify** whether he seeks engagement or confrontation with Iran. Ramping up pressure on the Houthis, and on Iran through its maximum pressure 2.0 campaign, can be consistent with both: to pressure Iran and its Axis of Resistance partners as an end in itself, or with the aim of building leverage to eventually extract more concessions. Whatever the ultimate goal, it is highly unlikely that Iran would agree to decrease its support for the Houthis, let alone to sever these ties, in an eventual new agreement with the United States. Meanwhile, Washington's Yemen policy – as has **traditionally been the case** – remains secondary, at best, relative to other regional priorities.

Third, the overall chaos and instability of the Trump administration will restrict its policy bandwidth and limit its ability to successfully pursue its many, often competing or contradictory, goals. **Bureaucratic chaos** because of funding and personnel costs as well as an incoherent and dysfunctional interagency process, in particular, will also hamper the pursuit of a coherent Yemen policy.

In sum, the objective of containing and rolling back the Houthis is not the wrong one in theory, but in practice, it is unlikely to succeed. It could even backfire, especially because of its second-order effects on the humanitarian side and its inevitable emboldening of the Houthis.

## FTO Could Precipitate Increased Violence Inside Yemen

By Hussam Radman

The Houthi FTO designation reflects the growing importance that Washington places on Yemen as a frontline for its Iran policy, aiming to counter Iranian influence in the region. It does not, however, necessarily represent a strategic US approach to the future of Yemen. Instead, the designation will likely remain, subject to shifts in Tehran's behavior, making it essentially a bargaining tool. The US' newly assertive approach in Yemen, including an economic embargo and increased military action targeting the Houthis, will also likely be calibrated according to Houthi counter-escalation.

Today, the Houthis are in a weak position to respond to the FTO designation. Since 2018, the group has remodeled its internal structure in an attempt to transform from an armed organization to an institutionalized state. This has enabled the Houthis to position themselves as a militia while at the same time integrating the group into the state structure, utilizing its resources without sharing governance responsibilities. As a result, the group has developed de jure political legitimacy as the "Sana'a government" rather than a de facto authority.

This model played to the Houthis' favor during hybrid wars and the political negotiation process, but it is now becoming a liability. Their eagerness to gain political recognition and economically expand has left their financial networks exposed, making the Houthis vulnerable to US sanctions. The Houthis are not an entrenched state actor like Iran or North Korea that can withstand long-term sanctions or circumvent them with the support of international allies such as Russia and China. At the same time, they are no longer an austere revolutionary group capable of surviving with limited resources or in complete isolation from the political and financial international system, like Al-Qaeda or ISIS.

The primary US focus is simply to deter Iran, using Yemen as an arena and the Houthis as a pretext. Therefore, the best approach for the internationally recognized government is to use the FTO designation to accelerate its economic coordination with Washington and push for a higher level of military cooperation against the Houthis.

Escalation beyond Yemen's borders has increasingly become a favored and cost-effective Houthi approach. It is also a means of asserting the group's new geopolitical role as a regional player. The group gained confidence during the war on Gaza with their attacks on Israel and Red Sea shipping. They were also bolstered by how they managed the economic war with the internationally recognized government in 2024, pressuring the Aden-based central bank to **rescind decrees** aimed at forcing banks to leave Sana'a.

Faced with increasing US pressure, the Houthis may find it simpler to escalate inside Yemen. They could launch a major ground offensive in Marib or engage in small-scale warfare on the frontlines in Taiz, the West Coast, and the governorates of southern Yemen, aiming to gradually seize more territory. Alternatively, they might resort to bombing civilian targets such as the government headquarters in Aden, the central bank, airports, or ports. While escalating domestically might be easier, it would only heap more hardship on long-suffering Yemenis.

## FTO Heralds Pivot Toward Military Solution to Houthi Threat

By Salah Ali Salah

The Houthi FTO designation is expected to have far-reaching repercussions. The dramatic shift in Washington's approach toward the Houthis will likely deepen the group's international isolation, increase economic pressure, and exacerbate Yemen's already dire economic situation, particularly in Houthi-controlled areas. The designation could increase public discontent about worsening living conditions and salary cuts and fuel growing anger toward the Houthis, whom many view as leading the country into conflicts fueled by their ideological and political ambitions.

Economically, the designation will likely restrict imports into Houthi-controlled areas, especially through Houthi-held ports in Hudaydah, potentially disrupting fuel supplies and food imports. Government-controlled ports will become the main entry points for goods entering Yemen, with Houthi-controlled areas supplied overland, across frontlines. This situation will introduce an additional layer of customs duties, with one set imposed by the internationally recognized government at seaports and another levied by the Houthis at internal checkpoints. This dual taxation will increase prices and worsen already high inflation, putting more strain on the population.

On the political and military front, the designation could lead the Houthis to escalate further, either by increasing attacks in the Red Sea or by intensifying offensives against government-controlled areas. Given the group's increasingly hostile rhetoric and accusations in recent weeks, resuming attacks against neighboring countries is not out of the realm of possibility. Additionally, the designation may push the Houthis closer to global powers engaged in ongoing confrontations with the US, such as Iran, Russia, and China.

More broadly, the back-and-forth between the Biden and Trump administrations' designation of the Houthis as a terrorist organization reveals a broader pattern in the US foreign policy approach. US administrations tend to use such designations as political tools aligned with domestic priorities and partisan dynamics rather than well-considered responses to political crises. The inclusion and removal of the Houthis from America's terrorism lists from 2021 to the present—with varying levels of sanctions—suggests the absence of a coherent US strategy toward Yemen. Notably absent from Trump's latest executive order is any reference to Yemen's ongoing domestic conflict.

The latest FTO designation signals a decline in US confidence in diplomatic engagement in Yemen and a clear pivot toward military solutions. The [recent US airstrikes](#) on Houthi-controlled areas, coupled with [Trump's inflammatory rhetoric](#), underscore this shift. However, it may also serve to restore trust among Gulf allies and other US



partners. Former President Joe Biden temporarily **halted sales** of offensive weapons to Saudi Arabia and **withdrew Patriot missile batteries**. He also canceled an arms deal with the UAE that included **F-35 fighter** jets—all within his first year in office.

Ultimately, the designation opens the door to a new phase of heightened tensions in Yemen, both militarily and economically. Whether Washington will succeed in leveraging these pressures to weaken the Houthis and compel them to negotiate under new terms or whether it will lead to greater instability in Yemen and the surrounding region remains to be seen.

## Contributors

- **Trump Establishes New Rules of Engagement in Yemen**
  - By Maged Al-Madhagi
- **The Yemen Conflict after the FTO**
  - By Abdulghani al-Iryani
- **Airstrikes, Sanctions Carry Great Risks for Yemen**
  - By Ned Whalley
- **Terrorism Designation Carries Great Risks**
- **FTO Could Precipitate Increased Violence Inside Yemen**
  - By Hussam Radman
- **The Houthi FTO Designation and US Foreign Policy Incoherence**
  - By Thomas Juneau
- **FTO Heralds Pivot Toward Military Solution to Houthi Threat**
  - By Salah Ali Salah

*This analysis is part of a series of publications produced by the Sana'a Center and funded by the government of the Kingdom of The Netherlands. The series explores issues within economic, political, and environmental themes, aiming to inform discussion and policymaking related to Yemen that foster sustainable peace. Views expressed within should not be construed as representing the Sana'a Center or the Dutch government.*



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