



Abaad Observatory for Early Warning and Strategic Indicators

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August 2026

The End of Cost-Free Escalation

Government Deterrence, Bab al-Mandab, and the Test of State Recovery

Analytical report for decision-makers

Issued by



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Program Overview

Abaad Studies and Research Center is developing the Abaad Observatory for Early Warning and Strategic Indicators as an analytical program designed to transform daily monitoring of events, statements, reports and dispersed data into readable and assessable indicators. The Observatory focuses on political, economic and service-related, military and security, humanitarian and rights-based, and social indicators, with the aim of helping decision-makers, researchers and relevant stakeholders understand ongoing transformations in Yemen and anticipate their possible trajectories.

The Observatory builds on Abaad's accumulated experience in following Yemeni affairs and on a monitoring and analysis service that has operated in a limited form for decision-makers over recent years. The program has since been developed into a more regular analytical product that combines human judgment with artificial intelligence as an assisting tool. AI is not used as a substitute for human assessment or editorial responsibility; rather, it supports material sorting, pattern detection, indicator classification, and the generation of initial readings that are then reviewed, refined, and interpreted by the analytical team.

Brief Methodology and Analytical Approach

The Observatory's methodology is based on daily monitoring and classification of materials into five main tracks: political, economic and service-related, military and security, humanitarian and rights-based, and social/tribal. Once classified, the materials are assessed through four levels: event intensity, direction of the indicator, level of impact, and early-warning significance.

This report does not treat news items as a chronological archive or as isolated incidents. It reads them as signals that may reveal rising risks, exploitable opportunities, or shifts in the balance of power, trust, and legitimacy. Accordingly, the issues in this report are arranged according to their strategic impact on the state, society, and the political settlement track, rather than by date alone.

First: Executive Summary

The August 2026 monitoring captured an extremely sensitive month in the course of the Yemeni war. The scene moved from warning about escalation to a clearer phase of building a government deterrence equation against the Houthis. The indicators centered on broad Houthi attacks against Marib, Mokha, and Bab al-Mandab; the growing use of missiles, drones, and explosive-laden boats; and, in response, higher military and security readiness, wider use of government drones, and movement toward protecting ports, maritime routes, and sovereign entry points.

The main headline of August is that the phase of cost-free Houthi attacks is beginning to end. Government, Presidential Leadership Council, and armed forces messaging repeatedly stressed that responding to Houthi attacks can no longer remain a deferred option. Protecting civilian facilities, sovereign interests, and maritime navigation requires a shift from containment to organized deterrence. This appeared in National Defense Council meetings, readiness decisions, President Al-Alimi's statements, Ministry of Defense positions, and military operations announced by the armed forces against Houthi positions and gatherings on several fronts.

Politically, August showed a stronger discourse presenting state recovery as a condition for peace, not a substitute for it. The government argued that sustainable peace cannot be achieved while weapons, technology, and military expertise continue to flow to the Houthis, and that restoring state institutions and ending the coup are the foundation of any viable settlement. Yemeni diplomacy also moved to mobilize regional and international positions against Houthi escalation and to strengthen partnerships with Saudi Arabia, France, the United Kingdom, the European Union, Japan, Qatar, and the Gulf states.

Militarily and in security terms, August was the month of drones. The Yemeni army's drone capabilities entered a more public stage, with footage released of strikes against Houthi positions, vehicles, and gatherings in Marib, Al-Jawf, Taiz, Al-Dhalea, and Saada. The armed forces also announced large numbers of operations over short periods, while military analysts argued that integrating drones into the army's arsenal could change the rules of engagement. In parallel, the Houthis continued missile and drone attacks against Marib, Mokha, Al-Hodeidah, Al-Dhalea, and Taiz, and targeted vessels and civilian facilities in the Red Sea and Bab al-Mandab.

At sea, Bab al-Mandab returned as a core early-warning theater. The month saw the sinking of an Indian cargo vessel after it was struck by a Houthi explosive-laden boat, an attack on the commercial vessel Tahama, the destruction of Houthi explosive boats, the removal of a naval mine in the strait, and the seizure of military shipments and equipment allegedly smuggled from Iran to the Houthis. The EU naval mission Aspides also reported securing the

passage of more than 2,350 commercial vessels in the Red Sea, reflecting the continued internationalization of Yemen's maritime file.

Economically and in terms of services, August revealed the continuation of the struggle over resources and public services. Indicators showed rising Houthi levies in Sanaa, Dhamar, Ibb, Al-Hodeidah, and Amran; the use of half-salary payments as a political mobilization tool; fees imposed on students, traders, and farmers; a household gas crisis; and community rejection of some Houthi measures in telecommunications and markets. In government-held areas, electricity, gas, and education-related projects appeared, but they remained governed by a broader question: can the state turn resources and services into a source of public trust amid military escalation?

Humanitarianly and in rights terms, August was a heavy month for civilians. Reports documented civilian casualties from Houthi attacks in Marib, Mokha, Al-Hodeidah, Al-Dhalea, Lahj, and Taiz; rising displacement; worsening damage from floods and lightning; the spread of measles and dengue fever; deteriorating health and water services; and the continued detention of UN staff, humanitarian workers, journalists, and abductees. Striking figures included more than 22.3 million people in Yemen needing assistance, more than 2,600 documented cases of enforced disappearance, and 42 violations against journalists during the first half of 2026.

Overall, August 2026 placed Yemen before a compound equation: broader Houthi escalation, clearer government deterrence, a more dangerous Bab al-Mandab, and a more exhausted society. What will shape the coming months is the state's ability to turn deterrence from rhetoric and scattered operations into an institutional policy that connects the frontlines, the sea, entry points, resources, rights, and services.

Second: Overall Risk Indicator

Overall Risk Level

Red / Very High

The risk indicator in August rises to an advanced red level for seven main reasons.

First, Houthi attacks escalated against civilian and sovereign facilities, especially Mokha Port, Marib, and areas in Al-Hodeidah, Taiz, Al-Dhalea, and Lahj. This confirms that the Houthis have moved toward a broad pattern of military pressure against government-held areas, ports, and corridors.

Second, the maritime threat in Bab al-Mandab and the Red Sea increased through attacks on commercial vessels, the use of explosive-laden boats, the deployment of naval mines, and attempts to threaten vessels moving to and from Saudi and Yemeni ports.

Third, Iranian support to the Houthis continued through the smuggling of military equipment, weapons, and technologies, reflected in intercepted military shipments and government calls for stricter measures to prevent the flow of weapons and military technology to the group.

Fourth, drones became a key factor in the confrontation. The Houthis use them to strike cities and frontlines, while government forces have begun using them more widely to target Houthi positions, leaders, and reinforcements. This means the rules of engagement are shifting toward more precise and attritional forms of warfare.

Fifth, internal security fragility persisted in several governorates through assassinations, assassination attempts, cells, tribal clashes, and security tensions in Aden, Hadramawt, Abyan, Shabwa, Al-Jawf, and Houthi-held areas.

Sixth, economic and social pressure expanded due to Houthi levies, the gas crisis, electricity problems, weak services, education and health protests, and the use of salaries and resources as tools of mobilization and control.

Seventh, humanitarian and rights indicators worsened, especially displacement, landmines, civilian casualties, disease, enforced disappearance, the trial of UN staff and abductees, and the continued targeting of journalists and public actors.

The danger in August is not only the return of wide-scale war, but the possible emergence of a multi-tool war of attrition: missiles and drones on land, explosive boats and mines at sea, levies and starvation in the economy, and abduction and trials in the rights file.

Third: Key Transformations in August

1. Political Transformation: State Recovery Becomes a Condition for Peace

August monitoring showed that the government's political discourse has become more decisive in linking peace to state recovery. Statements repeatedly stressed that real peace is not an alternative to the state but a result of restoring it, and that ending the Houthi coup and restoring state institutions are the foundation of any sustainable peace.

This transformation matters because it rejects a settlement logic that merely freezes the conflict or grants the Houthis political and economic gains while weapons remain outside state authority. The government is presenting itself as the side that links peace to sovereignty, institutions, the monopoly of force, and the prevention of Iranian arms flows.

August also saw supportive positions from France, Saudi Arabia, the United Kingdom, the European Union, and the Gulf Cooperation Council, alongside Yemeni diplomatic engagement with Qatar, Japan, the United States, and Gulf states. These moves give the government an opportunity to build a supportive diplomatic bloc, but they also require it to present a clear vision that goes beyond statements of condemnation.

The political implication is that the state is attempting to move from the position of receiving escalation to the position of defining the conditions of peace and deterrence. Success will depend on the government's ability to unify its message, discipline its institutions, and turn external support into practical tools in security, the economy, and services.

2. Military Transformation: Drones Change the Rules of Engagement

The most important military transformation in August was the expanded use of drones by government forces. Footage was published of strikes against Houthi positions in Marib, Al-Jawf, Taiz, Al-Dhalea, and Saada. Intensive operations were also announced over short periods, while officials and analysts spoke of drone brigades entering service and argued that these capabilities could change the rules of engagement.

The importance of this transformation is that it reduces the effect of the absence of jet aircraft and expands the government's ability to strike gatherings, reinforcements, and commanders behind the lines of contact. It also gives the state a deterrent and morale tool against a Houthi narrative that, for years, monopolized the image of superiority in drones and missiles.

At the same time, the Houthi group continues to use drones and missiles intensively to strike cities, ports, camps, military sites, and residential areas. This means the battlefield has

entered a phase of relative attritional balance in the drone domain, not decisive superiority for one side.

The implication is that any coming battle will differ from earlier rounds. Drones may make rear areas less secure, raise the cost of mobilization, and increase the importance of intelligence, jamming, air defense, and information management. The government therefore needs to develop drone capabilities within a disciplined military doctrine, not as a media instrument only.

3. Maritime and Strategic Transformation: Bab al-Mandab Under Direct Pressure

August reaffirmed that Bab al-Mandab is not merely a maritime passage, but a testing ground for Yemeni sovereignty and regional and international security. The month saw attacks on commercial vessels, the sinking of an Indian vessel by a Houthi explosive-laden boat, the attack on the vessel Tahama, the killing of seafarers, the destruction of explosive boats, the removal of a Houthi naval mine in the strait, and the seizure of military equipment and shipments.

These indicators show that the Houthis treat the Red Sea as a direct extension of the land front and the Iranian project. An attack on a vessel, port, or tanker is not intended only to cause physical damage; it is also meant to send a message that the group can disrupt trade, threaten Saudi Arabia, unsettle international partners, and impose itself as a maritime actor.

In response, the government and international partners showed movement to confront this threat. The government called for strengthening its naval capabilities, the head of the Coast Guard inspected Bab al-Mandab and Mayyun Island, Aspides reported securing the passage of thousands of vessels, and Indian, British, UN, and other international positions repeatedly called for the protection of navigation.

The implication is that the government has an opportunity to rebuild its role in the Red Sea. That opportunity will not materialize unless it moves from requesting support to presenting a clear Yemeni plan covering the Coast Guard, ports, islands, maritime intelligence, counter-smuggling, and vessel protection.

4. Internal Security Transformation: Assassinations, Cells, and Clashes Reveal Interlocking Fragility

Alongside military escalation, August revealed continued internal security fragility. The files included the assassination of journalist Mohammed Aidha, an attempted assassination of the commander of the 2nd Marine Infantry Brigade in Shabwa, the raid of a Houthi cell and seizure of weapons and communication devices, the discovery of an explosives workshop in

Al-Abr, tribal clashes in Al-Shihr, Al-Jawf, and Amran, and killings and insecurity in Houthi-held areas.

This means the threat does not come from frontlines alone. Cells, smuggling networks, loose weapons, tribal disputes, and security exploitation operate inside both Houthi-held and government-held areas. The assassination of a journalist, the targeting of a military commander, and the discovery of an explosives workshop are not separate incidents; they are indicators that the security war is operating in the background alongside the military war.

Tensions inside Houthi-held areas - including security-leadership changes in Sanaa, disputes around the group's religious mobilization events, and the killing of supervisors over levies - point to cracks in the Houthi control apparatus. Yet they do not necessarily indicate decisive weakness; they may instead push the group toward more repression and redeployment.

The implication is that the state needs to read internal security as part of comprehensive deterrence. Raising readiness on the frontlines has limited value if cities, entry points, roads, and facilities remain exposed to cells, assassinations, and smuggling.

5. Economic and Social Transformation: Levies and Services as Tools of Control and Resistance

August showed that the economy in Houthi-held areas has become increasingly tied to levies, mobilization, and social control. Reports repeatedly referred to forced collections imposed on traders, farmers, qat sellers, street vendors, students, and shop owners, as well as the use of half-salary payments to pressure employees into attending Houthi events.

This pattern shows that the Houthis are not managing the economy as a public service, but as a mechanism of mobilization, financing, and subjugation. Salaries, gas, telecommunications, markets, and religious occasions all become instruments for extracting resources and enforcing loyalty.

At the same time, signs of social resistance to these policies appeared: qat farmers in Amran rejected levies, residents of Al-Manar rejected replacing fixed internet with Yemen Net 4G, gas agents and residents in Hayfan protested, and people in Al-Makhadir demonstrated against a crusher project attributed to Houthi-linked power brokers.

In government-held areas, service and development indicators appeared, including the new Taiz power station project, replacement of damaged gas cylinders, and issues related to education and entitlements. Yet these remain smaller than the scale of the wider crisis.

The implication is that the economy has become a field of social conflict. The Houthis use levies and services to control society, while communities sometimes respond with rejection

and protest. If pressure continues, this could become an indicator of broader economic and social discontent.

6. Humanitarian and Rights Transformation: Civilians at the Center of Escalation

August showed that civilians are bearing the heaviest cost of escalation. Houthi attacks on Marib, Mokha, Al-Hodeidah, Al-Dhalea, Lahj, and Taiz caused deaths, injuries, and displacement. UN and rights reports cited significant figures for civilian casualties, displaced families, damaged civilian infrastructure, and the temporary suspension of some humanitarian movements along the western coast after the Mokha attacks.

Landmines and explosive remnants of war remained among the most dangerous indicators. Civilians and children were killed or injured in Al-Bayda, Al-Hodeidah, Taiz, and Nihm, while Project Masam destroyed quantities of mines and explosive remnants in Hadramawt and other areas. Cumulative figures also pointed to thousands of civilians killed or injured by mines and unexploded ordnance during the years of war.

On the rights track, abduction and enforced disappearance were highly present. Reports referred to more than 2,600 cases of enforced disappearance and more than 22,000 abductions attributed to the Houthis since the beginning of the coup, the trial of UN staff and abductees after years of detention, and continued uncertainty about the fate of journalists and disappeared persons.

Health and climate risks also overlapped. Indicators included measles, dengue fever, contaminated water, water outages, flood damage, lightning deaths, and thousands of affected families.

The humanitarian implication is that Yemeni society can no longer absorb additional shocks. Any new military or maritime escalation will fall on an environment already exhausted by hunger, displacement, mines, epidemics, and collapsing services.

Fourth: What August Indicators Mean for Decision-Makers

August's indicators show that Yemen has entered a phase of deterrence under the pressure of escalation. The government is no longer facing only the task of managing the crisis; it must build an integrated deterrence policy that prevents the Houthis from treating cities, ports, and the sea as permissive targets.

They also show that state recovery is no longer a political slogan but a practical test across five domains: the frontlines, the sea, internal security, resources, and rights. If the state succeeds in raising the cost of Houthi attacks, protecting ports, controlling smuggling, unifying forces, and improving services, it will strengthen its position in any future settlement. If it fails, the Houthis will remain able to impose facts by force.

The indicators further show that drones have become a decisive element in the deterrence balance. This requires the government to develop an integrated system that is not limited to attack capabilities, but also includes monitoring, reconnaissance, electronic warfare, air defense, and the protection of civilian facilities.

In the Red Sea, the indicators mean that any absence of the state will be filled by others. The more internationalized the task of protecting navigation becomes, the greater the risk that the Yemeni government will be marginalized if it does not present itself as an institutional partner capable of protecting Bab al-Mandab, the coasts, and the islands.

Economically and humanitarily, the indicators show that military deterrence alone is not enough. People measure the state through services, salaries, security, justice, and civilian protection. The battle against the Houthis therefore cannot be separated from the battle to restore public trust within society.

Fifth: Rising Risks

Bab al-Mandab Becoming an Open Maritime War Zone

Continued attacks on vessels, explosive boats, and naval mines could push the region toward a wider maritime confrontation, increase trade and insurance costs, and expose Yemen to greater international intervention.

Internal Security Penetration Through Cells, Smuggling, and Assassinations

Houthi cells, explosives workshops, assassination attempts, and smuggling operations threaten the internal front, especially in Hadramawt, Al-Mahra, Aden, Shabwa, and Taiz.

Houthi Escalation Against Ports and Civilian Facilities

Repeated attacks on Mokha Port and Marib suggest that the Houthis may continue targeting civilian and economic infrastructure to disrupt state institutions and create public pressure.

Social Eruption Inside Houthi-Held Areas Over Levies

Rising levies on traders, farmers, employees, and students could trigger scattered local protests, especially if combined with gas, salary, and service crises.

Mutual Drone Warfare Without Clear Rules

The expanding use of drones by both sides could raise the cost of war, increase the likelihood of error, and open the door to deeper strikes.

Worsening Enforced Disappearance and Political Trials

Referring abductees and UN staff to trial after years of detention may close windows of humanitarian confidence and complicate any negotiation track.

Health and Humanitarian Deterioration Amid Rains and Epidemics

Floods, measles, dengue fever, water shortages, and declining funding could push wide areas into a deeper health and humanitarian crisis.

Sixth: Available Opportunities

Build a Clear Government Deterrence Policy

The government can turn the message that attacks will no longer be cost-free into an institutional policy defining rules of response, protection of facilities, and tools of limited escalation.

Turn Anger Over Houthi Levies Into an Economic Rights File

Protests against Houthi levies can be documented and framed as economic and social violations showing how the Houthis use resources and services as tools of control.

Develop the Army's Drone Capabilities

The expanding use of drones offers an opportunity to build effective deterrence, provided it is tied to operational doctrine, accurate intelligence, and legal and political safeguards.

Strengthen State Legitimacy Through Services

Electricity, gas, education, and institutional reform projects can become tools for restoring confidence if linked to timelines and measurable results.

Present a Yemeni Vision for Bab al-Mandab Security

The government has an opportunity to put forward a Yemeni plan for Red Sea security that includes the Coast Guard, navy, ports, islands, counter-smuggling, and international partnerships.

Build an International File on Enforced Disappearance

Figures related to disappearance, abduction, journalists, and UN staff give the government and rights organizations an opportunity to build structured international pressure against the Houthis.

Leverage International Pressure Against the Houthis and Iran

Condemnations by the Security Council, the United Kingdom, France, the European Union, India, and Saudi Arabia can be converted into practical support for state capabilities, not merely political statements.

Seventh: Possible Scenarios

Scenario	Probability	Meaning
Limited Deterrence and Attritional Balance	Medium to High	Government forces continue using drones and artillery to strike Houthi positions, while the Houthis continue attacks on frontlines and ports without a full-scale battle. Escalation remains under an attrition and mutual-deterrence ceiling.
Wider Maritime Escalation	Medium	The Houthis carry out a significant attack on a vessel, port, or tanker, prompting broader regional or international responses in the Red Sea and Bab al-Mandab.
Ground Operation With Regional Support	Medium to Low, but high-impact	Readiness and mobilization turn into a ground operation against the Houthis with Saudi or regional backing, especially if attacks on Saudi Arabia, ports, and navigation continue.
Internal Erosion in Houthi-Held Areas	Medium	Levies, internal disputes, repression, and service crises lead to scattered protests or local clashes in Houthi-held areas, without necessarily becoming a broad uprising.
Accelerated Humanitarian Deterioration	High	Military escalation coincides with the rainy season, epidemics, funding shortages, and displacement, worsening the humanitarian situation in the following months.

Eighth: Recommendations for Decision-Makers

Turn Deterrence Into Policy, Not Reaction

The government should define clear rules for responding to Houthi attacks and link them to international law, civilian protection, and documentation of violations.

Pursue Smuggling Networks and Cells

The interception of smuggling vessels, explosives workshops, and communication devices should become part of a broader intelligence and legal campaign, not isolated operations.

Build a Disciplined National Drone System

Drone capabilities should be developed within a system covering reconnaissance, precision strikes, jamming, air defense, and protection of civilian facilities.

Turn Houthi Levies Into a Rights and Economic Case

Levies, land confiscation, market seizure, and the coercive use of salaries, students, and traders should be documented and raised internationally.

Create a Joint Red Sea Security Room

This room should bring together the government, navy, Coast Guard, ports, intelligence, Foreign Ministry, and coastal local authorities, while coordinating with Saudi Arabia, Egypt, Djibouti, India, Europe, and the United States.

Protect Civilians in Contact Areas

Local warning, evacuation, medical response, mine action, and support for displaced communities should be reinforced in Marib, Mokha, Hays, Al-Khokha, Taiz, Al-Dhalea, and Lahj.

Secure Ports and Vital Facilities

Priority should be given to protecting Mokha, Aden, Mukalla, Hadramawt ports, and energy and water facilities, as these are direct targets in Houthi strategy.

Link International Support to State Capacity-Building

International support should not stop at condemnation or relief. It should be directed toward the Coast Guard, ports, air defense, intelligence, and basic services.

Make Abductees and Enforced Disappearance a Negotiation Priority

This file should not be treated as a humanitarian annex, but as a condition for building any future political confidence.

Strengthen Public Communication and Trust

The government should explain to citizens what it is doing on security, services, deterrence, and the Red Sea. A communication vacuum leaves space for rumors and Houthi propaganda.

Ninth: Concluding Situation Assessment

August 2026 monitoring indicates that Yemen has entered a new phase of escalation and mutual deterrence. The Houthis intensified attacks on cities, ports, vessels, and residential areas, while the government and armed forces began raising readiness, expanding the use of drones, and building a clearer deterrence discourse.

The greatest danger is that this escalation could turn into a multi-tool war of attrition: missiles and drones, explosive boats and mines, cells and assassinations, levies and starvation, trials and enforced disappearance. In such a situation, victory will not belong only to whoever possesses weapons, but to whoever can manage the state, protect civilians, secure the sea, control resources, and win public trust.

Yet there is also an opportunity. Houthi escalation against Mokha, Marib, Bab al-Mandab, and commercial vessels has created space for a wider national and international alignment around the Yemeni state. The development of the army's drone capabilities, higher readiness, and growing international pressure on the Houthis and Iran are all indicators that could help the government rebuild its position if it manages the moment effectively.

The bottom line for decision-makers is clear: August 2026 confirms that deterrence is no longer only a military option; it is a comprehensive test of the state. Whoever deters the Houthis on the frontlines, protects Bab al-Mandab at sea, controls cells at home, and eases people's economic and humanitarian suffering will hold the stronger position in any coming path toward peace or war.