



## IMEC - INTERNATIONAL RELATIONS PRELIMS AND GS II MAINS

Q. IMEC is “expected to stimulate economic development through enhanced connectivity and economic integration between Asia, the Arabian Gulf, and Europe.” Examine (15 marks, 250 words)

**News:** *IMEC: Indian team in UAE discusses start of work on trade route*

### What's in the news?

- An Indian delegation visited three ports in the United Arab Emirates this week, including the Port of Fujairah in the Indian Ocean Region, and held discussions with the customs authorities on kickstarting the India-UAE leg of the proposed India-Middle East-Europe Economic Corridor (IMEC), said people with knowledge of the matter.

### India-Middle East-Europe Economic Corridor (IMEC):

- At the sidelines of the **G20 Summit held in New Delhi in September 2023**, an MoU was signed to develop a rail and shipping corridor connecting India to Europe via the Middle East between India, United States, Saudi Arabia, the United Arab Emirates, France, Germany, Italy, and the European Union.
- The proposed IMEC will involve:
  - Rail connectivity
  - Shipping lines
  - High-speed data cables
  - Energy pipelines

### Objective:

- The primary objective of the IMEC is to enhance economic growth through improved connectivity and economic integration among Asia, the Arabian Gulf, and Europe, with a focus on strengthening manufacturing, ensuring food security, and optimizing supply chains.

### Components of the India-Middle East-Europe Economic Corridor (IMEC):

The India-Middle East-Europe Economic Corridor (IMEC) project will comprise two distinct corridors, namely:

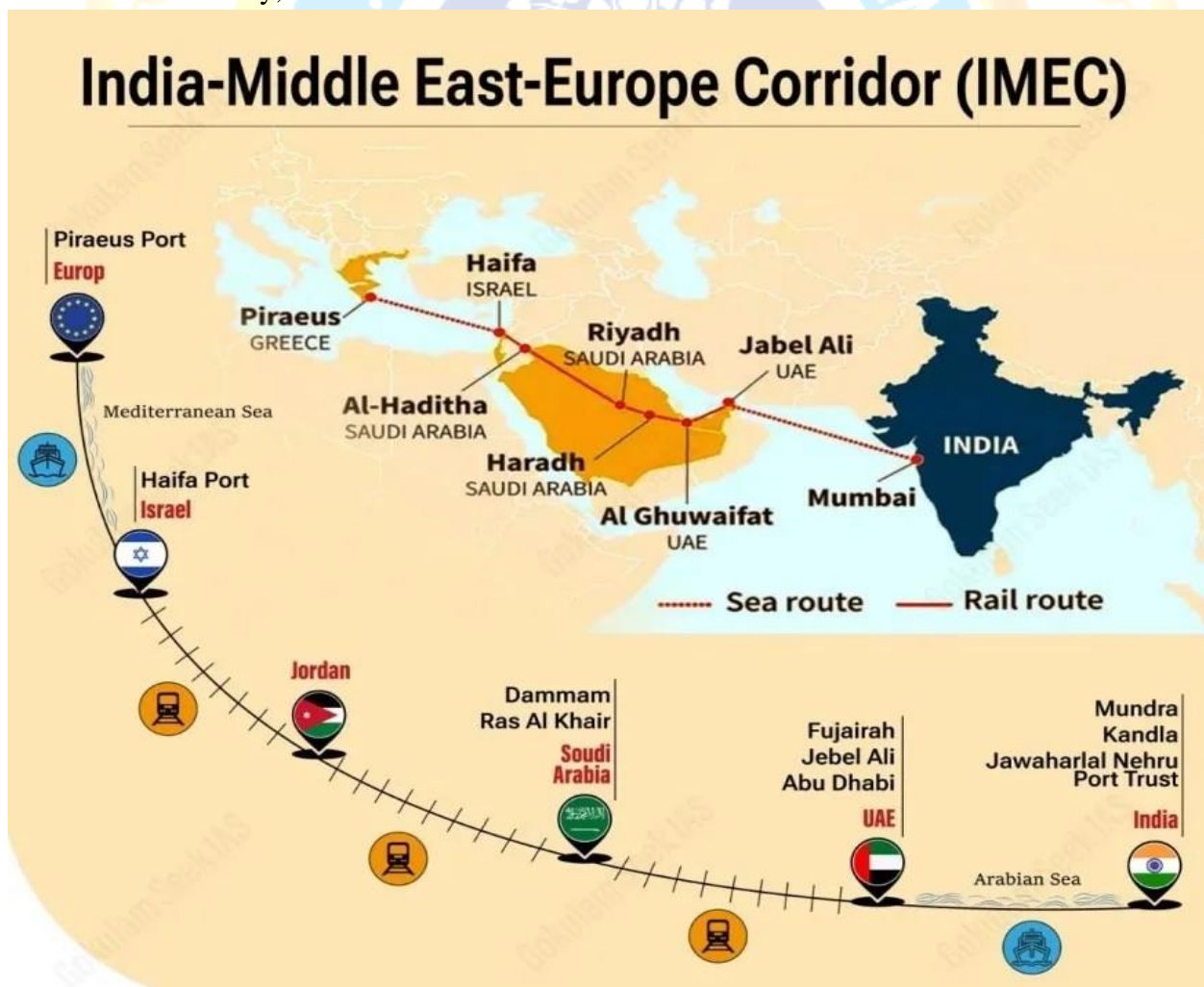
- **Eastern Corridor** - links India with the Arabian Gulf.
  - It features railroads, ship-to-rail networks, and road transport routes.
- **Northern Corridor** - connects the Gulf region to Europe.
  - This incorporates similar transportation infrastructure, including rail, ship-to-rail links, and road networks.



The India-Middle East-Europe Economic Corridor (IMEC) also has the potential for further expansion to facilitate the transportation of energy resources through pipelines and the transmission of data via an optical fiber network.

## Ports in the India-Middle East-Europe Economic Corridor (IMEC):

- **India:** Ports in Mundra (Gujarat), Kandla (Gujarat), and Jawaharlal Nehru Port Trust (Navi Mumbai).
- **Middle East:** Ports include Fujairah, Jebel Ali, and Abu Dhabi in the UAE, as well as Dammam and Ras Al Khair ports in Saudi Arabia.
- **Railway Line:** The railway line will link Fujairah port in the UAE to Haifa port in Israel, passing through Saudi Arabia (Ghuwaifat and Haradh) and Jordan.
- **Israel:** The Israeli port involved in this corridor is Haifa.
- **Europe:** Ports in Europe that are part of this corridor comprise Piraeus in Greece, Messina in Southern Italy, and Marseille in France.





## Significance of the India-Middle East-Europe Economic Corridor (IMEC):

### 1. Alternative to BRI:

- The project reflects emerging geopolitical trends as it offers an alternative to China's Belt and Road Initiative (BRI).
- BRI is often perceived as a tool for exerting influence and creating debt traps in developing nations.

### 2. Deepening Arabian Peninsula Engagement:

- The Indian government's efforts to strengthen political and strategic ties with the UAE and Saudi Arabia can now be further solidified by creating enduring connectivity between India and the Arabian Peninsula.

### 3. Indo-US Collaboration in the Middle East:

- The initiative dispels the notion that India and the United States may collaborate in the Indo-Pacific but not in the Middle East.
- The project showcases how India and the U.S., along with Israel and the UAE, can partner in developing joint economic projects through forums like the I2U2.

### 4. Stability in the Middle East:

- The mega connectivity project has the potential to reduce political tensions in the Arabian Peninsula and serve as "Infrastructure for Peace" by promoting intra-regional connectivity, according to the U.S.

### 5. Integration of Europe:

- The corridor signifies Europe's active involvement in infrastructure development in the region.
- The European Union's support for this initiative positions it as a major stakeholder in integrating India with both the Arabian Peninsula and Europe.

### 6. Engagement with Africa:

- The U.S. and the EU have proposed plans to establish a Trans-African corridor connecting Angola, the Democratic Republic of Congo, and Zambia.
- The success of IMEC could lead to further collaboration between India, the U.S., and the EU in Africa, aligning with India's increasing engagement with the continent.

### 7. Bypassing Pakistan:

- IMEC effectively bypasses Pakistan's veto over India's overland connectivity to the West, which has been a longstanding obstacle to India's regional integration.
- Despite India's efforts over the years, Pakistan has consistently denied access to landlocked Afghanistan and Central Asia, making IMEC a significant breakthrough.





## 8. Historical Revival:

- IMEC revives ancient trade routes, particularly the Red Sea route, dating back to the Common Era.
- It reconnects regions and rekindles the spirit of historical trade.

## Challenges Associated with the India-Middle East-Europe Economic Corridor (IMEC):

### 1. Logistical and Connectivity Challenges:

- Implementing the project involves multiple modes of transportation that necessitate extensive coordination among the participating nations.

### 2. Financial Implications:

- The ambitious nature of this project demands substantial financial investments for successful completion.

### 3. Potential Disruption of Existing Routes:

- The existing trade routes and the interests of the countries involved could present obstacles, particularly if their economic interests are negatively impacted.

### 4. Competition with China's BRI:

- China, as a major global economic power, will likely attempt to divert trade and investments towards its corridors, potentially undermining the IMEC's effectiveness.
- The significant trade volume between China and Europe (over 850 billion USD in 2022) compared to India's trade with Europe (around 90 billion USD) highlights the scale of this challenge.

### 5. Regional Instability and Security Concerns:

- The corridor traverses a region fraught with political instability, conflicts, and security threats. Issues like the Indo-Pakistan dispute, Saudi-Iranian rivalry, and threats to Israel from Iran-backed groups in Syria and Lebanon, among others, pose significant risks to the corridor's development and operation.

### 6. Diverse Political Systems and Values:

- The participating countries in IMEC have varying political ideologies and governance models.
- Achieving consensus and effective coordination among these nations, given their differing priorities and historical conflicts, will be a considerable challenge.

## Potential of IMEC to Reshape Global Trade:

### 1. Shorter Routes:

- IMEC offers shorter and more cost-effective trade routes compared to the congested Suez Canal and Mediterranean routes.
- This can significantly reduce transit times and logistics costs for global trade.



## 2. Multimodal Connectivity:

- IMEC envisions a reliable railway and ship-to-rail transit network, complementing existing maritime and road routes.
- This multimodal connectivity enhances trade efficiency and reliability.

## 3. Regional Trade Boost:

- IMEC enhances regional trade by connecting major ports and facilitating the movement of goods between India, the UAE, Saudi Arabia, Jordan, Israel, and the EU. This fosters regional economic integration.

## 4. Standard Gauge Infrastructure:

- IMEC's adoption of a standard gauge throughout the corridor eliminates the need for gauge changes, ensuring smoother and more efficient transportation of goods.

## Way Forward:

- Achieving technical compatibility and standardisation in terms of gauges, train technologies, container dimensions, and other critical aspects across different countries is vital for seamless operations.
- Balancing the geopolitical interests of participating nations and addressing potential political sensitivities, especially regarding Israel, is crucial for smooth implementation.
- Addressing environmental impact concerns, ensuring sustainability, and adhering to green and eco-friendly practices in construction and operation are critical aspects of the project.
- Implementing robust security measures to safeguard cargo and infrastructure from potential threats, theft, piracy, and other security risks is essential.

IMEC marks a historic moment for India and its partners, offering incredible potential for regional and global growth. IMEC is “expected to stimulate economic development through enhanced connectivity and economic integration between Asia, the Arabian Gulf, and Europe.”

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