

WEST ASIA & IMEC: INTERNATIONAL RELATION

NEWS: Middle East crisis could pose an obstacle to India-Middle East-Europe corridor: MEA official

WHAT'S IN THE NEWS?

The India-Middle East-Europe Economic Corridor (IMEC), announced during G20 Summit 2023, aims to boost multi-modal connectivity between India, West Asia, and Europe. However, regional instability and institutional gaps threaten its progress, requiring urgent coordination and harmonisation efforts.

G20's Strategic Connectivity Push and Its Current Geopolitical Vulnerabilities

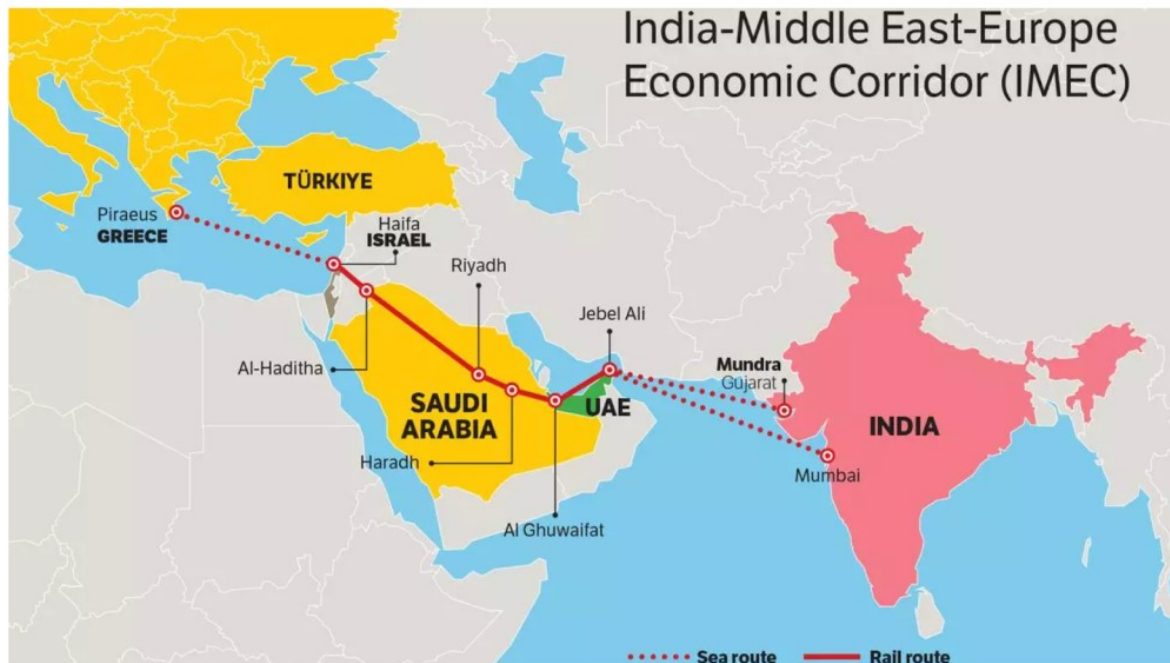
1. What is IMEC (India-Middle East-Europe Economic Corridor)?

- IMEC is a strategic multi-modal connectivity initiative announced during the **G20 Leaders' Summit 2023**, hosted by India.
- It aims to connect India with Europe through the Middle East using **integrated sea, rail, and road networks**.
- Key Components:
 - India will be connected to the **Arabian Gulf** through ports like Mumbai and UAE's coastal hubs.
 - From the Gulf, the corridor will pass through **Saudi Arabia, Jordan, Israel, and Greece** to reach Europe.
- Objectives of IMEC:
 - Enhance **trade and energy transportation** between Asia and Europe.
 - Improve **digital connectivity** and **supply chain resilience**.
 - Establish India as a key logistical hub in the Indo-Middle East-Europe region.

2. Current Geopolitical Challenge: West Asia Crisis

- The ongoing instability in West Asia poses serious risks to the execution of IMEC.
- Key flashpoints include:
 - The **Israel-Gaza conflict**, and the broader Arab-Israeli tension.
 - **Iran's regional assertiveness** and influence.
 - **Disruptions in the Red Sea**, including maritime attacks and shipping route insecurity.
- Potential Impacts:

- Delay in implementation and financing due to heightened regional risk perception.
- Infrastructure security concerns could scare off investors.
- **Private sector hesitation** in committing to long-term logistical projects in volatile regions.



The US sees the IMEC project as a tool to normalise relations between Israel and Saudi Arabia, according to Ahmed Aboudouh, Associate Fellow at the British think tank Chatham House.

3. Key Institutional and Operational Challenges

- **Lack of a Coordinating Secretariat:**
 - There is currently no formal IMEC Secretariat to oversee coordination among the participating countries.
 - A Secretariat is crucial for:
 - **Policy harmonisation**
 - **Progress monitoring**
 - **Compliance enforcement**
 - Without it, IMEC risks remaining a **symbolic diplomatic concept** rather than a functional corridor.
- **Funding Mechanism Unclear:**
 - The corridor heavily relies on **private sector investment**.

- However, there is **no structured plan for public funding**, nor a defined role for **multilateral development banks (MDBs)**.
- Lack of financial clarity may hinder large-scale infrastructure commitments.
- **Harmonisation Issues:**
 - Differing regulations across participant countries affect the corridor's efficiency.
 - Key areas of divergence:
 - **Technical standards and phytosanitary regulations**
 - **Customs and border procedures**
 - **Transport codes and taxation norms**
 - These inconsistencies erode the time and cost benefits of seamless connectivity.

4. Geoeconomic Competition with China's Belt and Road Initiative (BRI)

- IMEC is being positioned as a **pluralistic, democratic alternative** to China's BRI.
- Led by countries like **India, UAE, Saudi Arabia, EU, and the USA**, rather than by a single dominant actor.
- However, **BRI's financial scale and operational reach** remain unmatched so far.
- The challenge for IMEC is to offer:
 - Equal or better **project execution capability**.
 - Competitive **infrastructure financing mechanisms**.

5. Strategic Significance for India

- IMEC bypasses **Pakistan**, strengthening India's direct connectivity with the Middle East and Europe.
- Enhances India's position in **energy security** through diversification of energy transit routes.
- Positions India as a central **logistics and trade hub** linking Europe, West Asia, and South Asia.
- Complements India's **Act West policy**, paralleling its **Act East focus on ASEAN and Indo-Pacific**.

Way Forward

- **Establish a Permanent IMEC Secretariat:**
 - To oversee coordination, logistics, dispute resolution, and ensure continuity across governments and administrations.

- **Create a Joint Infrastructure Fund:**
 - Involve financial contributions from member countries and MDBs like:
 - Asian Infrastructure Investment Bank (AIIB)
 - European Investment Bank (EIB)
 - Asian Development Bank (ADB)
- **Streamline Customs and Regulatory Norms:**
 - Harmonise trade practices and transportation standards through:
 - Bilateral treaties
 - Regional trade facilitation agreements
- **Conduct Track 1.5 Dialogues:**
 - Facilitate semi-official engagement between policymakers, experts, and stakeholders to address **geopolitical and strategic uncertainties**.
- **Pilot-Level Implementation:**
 - Prioritise implementation of early, tangible segments like:
 - **India–UAE maritime links**
 - **UAE–Saudi rail corridor**
 - This will build **confidence, trust, and investor interest** in the corridor.

Source: <https://www.thehindu.com/news/national/middle-east-crisis-could-pose-an-obstacle-to-india-middle-east-europe-corridor-mea-official/article69655968.ece>